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 2017

Table of Contents	*Page*

Appendix 4E

Asian American Medical Group Limited

ABN 42 091 559 125

Preliminary final report

Current reporting period:	Year ended 31 August 2017
Previous corresponding period:	Year ended 31 August 2016

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 2017 was 1.0615 S$ and 1.0772 S$ to 1A$ respectively (2016: 1.0138 and 1.0280).

Results for announcement to the market

				S$'000
Revenue from ordinary activities	Down	11.2%	to	15,167
Loss from ordinary activities after tax attributable to members	Up	50.1%	to	(3,031)
Net loss for the year attributable to members	Up	47.1%	to	(3,093)

Commentary on results

	FY2017	**FY2016**	**Change**
	S$'000	S$'000	%
Revenue	15,167	17,083	(11.2)
Other income	207	171	21.1
Recovery of doubtful debts	150	-	n.m
Provision for doubtful debts	-	(224)	n.m
Write-off of goodwill	(266)	-	n.m
Direct costs and operating expenses	(18,139)	(19,241)	(5.7)
Loss from operations	(2,881)	(2,211)	30.3
Taxation	(150)	150	n.m
Loss from operations, net of tax	(3,031)	(2,061)	47.1
Loss after taxation	(3,031)	(2,061)	47.1
Loss attributable to:			
Members of the parent entity	(3,093)	(2,062)	50.0
Non-controlling interest	62	1	n.m
	(3,031)	(2,061)	47.1
Loss per share for operations (S cents)	(1.04)	(0.74)	40.5

n.m – not meaningful

Financial Review

The Group made notable progress in its regional geographical expansion and enhancement of its operational capacity during the financial year ended 31 August 2017 (“FY2017”). The Group partnered Lat War Group, an established business group based in Yangon, to tap healthcare opportunities in Myanmar. This partnership has resulted in the joint-venture agreement with Grand Hantha Company Limited to provide clinical services for the Grand Hantha International Hospital. With 700 beds, this is the largest hospital in Yangon and is expected to lead to increase patient traffic while affirming the AAMG brand of medical excellence in the region. Our radiation oncology segment has seen a steady ramp-up in volume in FY2017 and is expected to improve further with the recruitment of an additional radiation oncologist in July 2017.

The Group continues to face tough challenges such as rising costs and competition from emerging healthcare operators in the region. The Group's total revenue declined 11.2% or S$1.9 million from S$17.1 million in FY2016 to S$15.2 million in this financial year. The Group recorded a decline of 12.7% in overall patient transactions to 6,903 from 7,906 in FY2016. The Group recorded Net Loss of S$3.0 million in FY2017 (FY2016 Net Loss: S$2.1 million), after deducting a write-off of the Group’s goodwill of S$0.3 million and reversal of deferred tax benefit recognised last year of S$0.2 million.

Liver segment

Patient flow for the Group’s liver treatment and transplantation segment, operating under the Group’s wholly-owned subsidiary Asian American Liver Centre (“AALC”), declined 15.6% from 7,733 in FY2016 to 6,530 in FY2017. Accordingly, AALC’s revenue declined 15.9% or S$2.5 million from S$15.7 million to S$13.2 million, respectively. AALC accounted for 86.9% (2016: 91.6%) of the Group's overall revenue.

The decrease in patient and surgical activities, including fewer living donor liver transplantations (“LDLT”), led to lower overall segment revenue in FY2017. AALC performed six successful LDLTs in FY2017 compared to 13 in FY2016. Sales of medication and professional consultation fees decreased by 29.3% and 16.7%, respectively, over the comparative periods. While surgical cases declined by 32.0% in FY2017 the cases of liver dialysis performance during the year increased 63.9% from FY2016 but this increase was insufficient to cover the declines in other revenue streams.

Direct costs decreased 11.5%, or S$1.1 million, from S$9.7 million in FY2016 to S$8.6 million in FY2017 in line with lower revenue. As a result, Gross Profit Margin fell from 38.4% to 35.1%, respectively. Employment expense reduced by S$1.7 million due mainly to the reallocation of S$1.3 million personnel related expenses to the management and consultancy segment to better reflect the allocation of human resources across the Group’s business segments. The segment and Group also recorded S$0.4 million savings from reducing the number of doctors from three to two. Other operating expenses – predominantly non-variable – decreased 11.7% or S$0.1 million. As a result, the Net Loss Before Tax for the liver segment narrowed to S$0.6 million for FY2017 from S$1.0 million in FY2016. After recording an income tax expense of S$0.2 million (due to reversal of deferred tax benefit in FY2016) the Net Loss After Tax (“Net Loss”) was S$0.8 million, unchanged from FY2016.

Radiation Oncology segment

Revenue for Asian American Radiation Oncology (“AARO”), the Group’s subsidiary which operates the radiation oncology segment, rose 84.1% from S$1.1 million in FY2016 to S$2.0 million in FY2017. Of AARO’s revenue, provision of clinical services to patients accounted for 76.6% with the balance from overseas project management and consultancy services. The higher revenue was driven by the 115.6% increase in the number of patient transactions to 373 in FY2017 from 173 in FY2016.

Direct and other operating expenses was S$1.8 million in FY2017 (FY2016: S$1.1 million), with S$1.2 million being direct cost of sales and S$0.6 million being mostly personnel related expenses, representing increases of 76.3% and 47.2%, respectively, from FY2016. As a result, AARO recorded a Net Profit of S$0.2 million in FY2017 compared to S$4,000 during its first full year of operations in FY2016.

Management and Consultancy segment
Revenue for the Management and Consultancy segment declined from S$0.4 million in FY2016 to S$30,000 in FY2017. Apart from partnership agreements in Myanmar concluded close to the end of the financial year, there were no other major projects. Total direct expenses decreased from S$0.3 million to S$4,000, accordingly.

Other operating expenses increased by S$0.8 million to S$1.6 million in FY2017 (FY2016: S$0.8 million), due mainly to the reallocation of S$1.3 million payroll cost under the liver segment (as discussed earlier). This was partially offset by the recovery of a portion of bad debt from Rich Tree Land of S$150,000 (S$224,000 bad debts written off in FY2016) and receipt of government grant of S$0.1 million. The Net Loss for this segment in FY2017 was S$1.5 million in FY2017 (FY2016: Net Profit of S$0.7 million).

Review of Financial Position

Net assets for the Group decreased by S$2.5 million to S$9.6 million (FY2016: S$12.1 million) due to the Net Loss for the year of S$3.1 million, partially off-set by the increase in foreign currency translation reserve of S$0.5 million due to the strengthening of the AUD against the SGD.

Significant changes during the year under review were:
a) Decrease in cash and cash equivalents by S$2.1 million to S$9.2 million due mainly to the net loss for the year;
b) Increase of trade and other receivables by S$1.5 million from S$4.6 million last year to S$6.1 million as a result of slower collection for patients from the United Arab Emirates (“UAE”) which are on credit terms ranging between 60-120 days;
c) Higher trade and other payables, which increased correspondingly by S$1.4 million from S$4.5 million in FY2016 to S$5.9 million in FY2017 due mainly to the slower collection of trade receivables thus affecting our ability to pay timely; and
d) A decrease in non-current assets as a result of the write-off of intangible asset and deferred tax asset of S$0.3 million and S$0.2 million respectively.

As a result, Net Asset Value per share decreased by S 0.9 cents to S 3.2 cents from S 4.1 cents last year.

Dividends per share

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

Net tangible assets and net asset value per share

	31-Aug-17	31-Aug-16
Net tangible assets per ordinary share - (S cents)	**3.23**	**3.98**
- (A cents)	**2.99**	**3.87**
Net assets value per ordinary share - (S cents)	**3.23**	**4.07**
- (A cents)	**2.99**	**3.96**

*closing exchange rate used was 1.08 S$ to 1A$ (2016: 1.03 S$ to 1A$)

Details of entities over which control has been gained or lost

Asian American Oncology Management Sdn. Bhd. ("AAOM"), a wholly-owned subsidiary of Million Health Ventures Pte Ltd was incorporated on 7 December 2016. AAOM is a limited liability company incorporated in Malaysian to explore business opportunities for radiation oncology in Malaysia. AAOM has yet to commence operations.

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 Kong Meng Ang (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 3, 170 Frome Street
Adelaide SA 5000
Tel: +61 8 8372 6666
Fax: +61 8 8372 6677

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

Westpac Banking Corporation
114 William Street
Melbourne VIC 3000

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

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

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

PRELIMINARY FINAL REPORT

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2017

		Consolidated Group	
	Note	Year ended 31.8.2017	Year ended 31.8.2016
		S$	S$
Revenue	3	15,166,882	17,082,845
Other operating income	3	207,412	170,992
Changes in inventories		(25,110)	27,061
Raw materials and consumables used		(9,715,169)	(10,647,270)
Employee benefits expense		(6,201,273)	(6,268,352)
Depreciation		(53,551)	(75,301)
Directors' fees		(81,596)	(190,315)
Recovery of doubtful debts	10	150,078	-
Provision for doubtful debts	10	-	(224,087)
Write-off of goodwill	13	(266,123)	-
Operating lease expense		(492,993)	(492,391)
Other expenses		(1,569,988)	(1,594,305)
Loss before income tax from operations		**(2,881,431)**	**(2,211,123)**
Income tax (expense)/benefit	5	(149,379)	150,000
Loss from operations, net of tax		**(3,030,810)**	**(2,061,123)**
Loss for the year	4	**(3,030,810)**	**(2,061,123)**
Other comprehensive income			
Items that may be reclassified to Profit or Loss:			
Net effect of foreign currency translation		525,350	220,956
Total comprehensive loss for the year		**(2,505,460)**	**(1,840,167)**
Loss attributable to:			
Members of the parent entity		(3,093,383)	(2,062,338)
Non-controlling interest		62,573	1,215
		(3,030,810)	**(2,061,123)**
Total comprehensive loss attributable to:			
Members of the parent entity		(2,568,033)	(1,841,382)
Non-controlling interest		62,573	1,215
		(2,505,460)	**(1,840,167)**
Losses per share			
Basic loss per share (S cents)	8	**(1.04)**	**(0.74)**
Diluted loss per share (S cents)	8	**(1.04)**	**(0.74)**

The accompanying notes form part of this financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2017

	Note	Consolidated Group	
		31.8.2017	**31.8.2016**
		S$	**S$**
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	9,174,730	11,307,905
Trade and other receivables	10	6,127,377	4,598,694
Inventories	11	165,618	190,728
Income tax refundable	15	8,334	8,334
TOTAL CURRENT ASSETS		15,476,059	16,105,661
NON-CURRENT ASSETS			
Plant and equipment	12	69,934	118,636
Intangible assets	13	-	266,123
Deferred tax asset		-	150,000
TOTAL NON-CURRENT ASSETS		69,934	534,759
TOTAL ASSETS		15,545,993	16,640,420
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	5,940,733	4,529,700
TOTAL CURRENT LIABILITIES		5,940,733	4,529,700
TOTAL LIABILITIES		5,940,733	4,529,700
NET ASSETS		**9,605,260**	**12,110,720**
EQUITY			
Equity attributable to members of the parent entity:			
Issued capital	16	12,932,538	12,932,538
Reserves	17	150,793	(374,557)
Accumulated losses		(3,652,505)	(559,122)
		9,430,826	**11,998,859**
Non-controlling interest		174,434	111,861
TOTAL EQUITY		**9,605,260**	**12,110,720**

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	Accumulated losses	Foreign currency translation reserve	Employee share option reserve	Non-controlling interest	Total
	S$	S$	S$	S$	S$	S$
Balance at 1.9.2015	7,458,090	1,431,037	(595,513)	72,179	110,646	8,476,439
Total comprehensive income:						
(Loss)/profit for the year	-	(2,062,338)	-	-	1,215	(2,061,123)
Other comprehensive income	-	-	220,956	-	-	220,956
	-	(2,062,338)	220,956	-	1,215	(1,840,167)
Transactions with owners in their capacity as owners:						
Exercise of employee share option	115,340	72,179	-	(72,179)	-	115,340
Issue of share capital (net of share cost)	5,359,108	-	-	-	-	5,359,108
	5,474,448	72,179	-	(72,179)	-	5,474,448
Balance at 31.8.2016	12,932,538	(559,122)	(374,557)	-	111,861	12,110,720
Balance at 1.9.2016	12,932,538	(559,122)	(374,557)	-	111,861	12,110,720
Total comprehensive income:						
(Loss)/profit for the year	-	(3,093,383)	-	-	62,573	(3,030,810)
Other comprehensive income	-	-	525,350	-	-	525,350
	-	(3,093,383)	525,350	-	62,573	(2,505,460)
Balance at 31.8.2017	12,932,538	(3,652,505)	150,793	-	174,434	9,605,260

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 2017

		Consolidated Group	
		Year ended	Year ended
	Note	31.8.2017	31.8.2016
		S$	S$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		14,103,279	20,534,206
Payments to suppliers and employees		(16,607,227)	(21,082,572)
Income tax refunded/(paid)		621	(21,493)
Net cash used in continuing operations		(2,503,327)	(569,859)
Net cash used in operating activities	21	(2,503,327)	(569,859)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income		100,617	79,019
Purchase of plant and equipment		(4,849)	(4,150)
Net cash generated from investing		95,768	74,869
Net cash generated from investing activities		95,768	74,869
CASH FLOWS FROM FINANCING ACTIVITIES			
Fixed deposits released		-	121,886
Proceeds from issue of new shares	16	-	5,838,220
Share issue expenses	16	-	(363,772)
Net cash generated from financing activities		-	5,596,334
Net change in cash and cash equivalents		(2,407,559)	5,101,344
Cash and cash equivalents at beginning of the year		11,307,905	6,127,480
Exchange difference on cash and cash equivalents		274,384	79,081
Cash and cash equivalents at end of the year	9	9,174,730	11,307,905

The accompanying notes form part of this financial report.

1 Nature of operations and general information

Asian American Medical Group Limited ("AAMG" or "Company") is 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 2017 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) Principles of consolidation

The Group financial statements consolidate those of the Parent company and all of its subsidiaries as of 31 August 2017. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 31 August.

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

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

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

(c) Business Combinations

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

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

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

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

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

All transaction costs incurred in relation to the business combination are expensed to the profit or loss.

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

(d) Income tax

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.

(e) Inventories

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

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

(f) Plant & equipment

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

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

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

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

Depreciation

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

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

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

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

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

Gains 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.

(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.

(h) 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.

(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.

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.

(i) Impairment of assets

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

Impairment testing is performed annually for goodwill.

(j) Intangibles

Goodwill

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

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

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

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

(k) 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.

(l) 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.

(m) Provisions

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

(n) 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.

(o) Foreign currency transactions and balances

Functional and presentation currency

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

Transaction and balances

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

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

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

Group companies

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

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

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

(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 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.

(q) Share-based employee remuneration

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

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

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

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

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

(r) 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").

(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 10 and 13 with respect to Management's consideration of impairment of receivables and goodwill respectively, as at 31 August 2017.

3 Revenue

	Consolidated Group	
	2017	**2016**
	S$	**S$**
Operating activities		
Provision of services	12,800,020	13,776,576
Sale of medication	1,965,929	2,740,879
Management fee	400,933	565,390
Total revenue from operating activities	15,166,882	17,082,845
Other operating income		
Interest received	100,617	79,019
Other income	106,795	91,973
Total other operating income	207,412	170,992

4 Loss for The Year

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

	Consolidated Group	
	2017	**2016**
	S$	**S$**
Expenses		
Cost of sales	(9,740,279)	(10,620,209)
Net foreign exchange loss	(371,148)	(149,312)
Administrative expenses include rental expense on operating leases as follows:		
- premises	(492,993)	(492,391)
Depreciation	(53,551)	(75,301)
Provision for doubtful debts (Note 10(a))	-	(224,087)
Recovery of doubtful debts (Note 10(a))	150,078	-
Professional fees	(540,202)	(509,471)
Management fees	(83,634)	(166,163)
Credit card charges	(59,033)	(59,730)
Central Provident Fund	(233,441)	(211,554)

5 Income Tax Expense/(Benefit)

	Consolidated Group	
	2017	**2016**
	S$	**S$**
a. The components of tax expense/(benefit) comprise:		
Current tax	4,079	-
Deferred tax	150,000	(150,000)
Over provision in respect of prior years	(4,700)	-
	149,379	(150,000)

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 30% (2016: 30%)	(864,430)	(663,337)
Effect of tax rates in foreign jurisdiction	248,069	223,158
Add:		
Tax effect of:		
- derecognition of deferred tax assets	150,000	-
- write-off of goodwill	79,837	-
- non-deductible expenses	3,270	67,165
- non-taxable incomes	(3,620)	(11,322)
- over provision for income tax in prior years	(4,700)	-
- withholding tax deducted at source	4,079	-
- utilisation of deferred tax assets previously not recognised	(5,224)	9,305
- deferred tax asset not recognised	575,012	225,031
- tax effect on capital allowances	(32,914)	-
Income tax (benefit)/expense	149,379	(150,000)

The value of tax losses and capital allowances not recognised is S$9,941,000 and S$214,000 (2016: S$6,859,000 and S$428,000).

6 Auditor's Remuneration

	Consolidation Group	
	2017	**2016**
	S$	**S$**
Remuneration of the parent entity auditor, Grant Thornton Audit Pty Ltd:		
- auditing or reviewing the financial report	37,815	26,865
- taxation services	6,157	7,238

Remuneration of other auditors:		
- auditing or reviewing the financial report of subsidiaries	57,548	69,300
- taxation services	9,995	8,900

7 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 2017 (2016: Nil).

8 Losses per Share

	Consolidation Group	
	2017	**2016**
	S$	**S$**
Loss after income tax attributable to the owners of Asian American Medical Group Limited	(3,093,383)	(2,062,338)
	Number of shares	Number of shares
Weighted average number of ordinary shares during the year used in calculating basic/diluted EPS	297,752,754	277,126,277
Basic loss per share (S cents)	(1.04)	(0.74)
Diluted loss per share (S cents)	(1.04)	(0.74)

9 Cash and Cash Equivalents

	Consolidation Group	
	2017	**2016**
	S$	**S$**
Cash and bank balances	5,434,804	4,579,031
Fixed deposit	3,739,926	6,728,874
Cash and cash equivalents per consolidated statement of cash flows	9,174,730	11,307,905

The effective interest rate on short-term bank deposits was 0.45% - 2.75% (2016: 0.68% - 2.75%) per annum.

10 Trade and Other Receivables

	Consolidation Group	
	2017	**2016**
	S$	**S$**
Current		
Trade receivables	5,718,574	4,635,006
Less: Provision for doubtful debts	-	(224,087)
Trade receivables - net	5,718,574	4,410,919
Other receivables	253,366	40,028
Deposits	155,437	147,747
Total current trade and other receivables	6,127,377	4,598,694

a. Provision for impairment of receivables

Included in last financial year's trade receivable was an amount of S$224,087 due from Rich Tree Land Pte Ltd ("RTL") which were billings by Asian American Medical Group Pte Ltd ("AAMG PL") for work performed as the appointed Project Lead Manager ("PLM") for the Zhuhai Project. Following the termination of the PLM Agreement during the year, RTL has disputed our billings and as a result, we had to resort to legal proceedings to recover this debt. To be prudent, we made a full provision for doubtful debts last financial year and we managed to agree on a settlement and recover S$150,078 during the financial year under review.

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

There is no other class of financial assets that is past due and/or impaired except for trade receivables. The balances of receivables that remain within initial trade terms are considered to be high credit quality.

	Consolidation Group	
	2017	**2016**
	S$	**S$**
Current	1,518,501	2,119,473
Due 1 - 30 days	760,021	681,611
Due 31- 60 days	1,014,633	588,580
Due over 60 days	2,425,419	1,021,255
	5,718,574	4,410,919

11 Inventories

	Consolidated Group	
	2017	2016
	S$	S$
Medical Supplies at cost	165,618	190,728

12 Plant and Equipment

	Consolidated Group	
	2017	2016
	S$	S$
Office equipment		
At Cost	7,735	9,534
Accumulated depreciation	(6,333)	(7,400)
Total office equipment	1,402	2,134
Medical equipment		
At Cost	338,929	338,929
Accumulated depreciation	(334,262)	(325,162)
Total medical equipment	4,667	13,767
Computers		
At Cost	169,975	167,425
Accumulated depreciation	(129,721)	(107,891)
Total computers	40,254	59,534
Furniture and fittings		
At Cost	15,311	15,311
Accumulated depreciation	(14,074)	(13,670)
Total furniture and fittings	1,237	1,641
Renovations		
At Cost	240,856	240,856
Accumulated depreciation	(218,482)	(199,296)
Total Renovations	22,374	41,560
Total plant and equipment	69,934	118,636

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	Medical equipment	Computers	Furniture and fittings	Renovations	Total
	S$	S$	S$	S$	S$	S$
Consolidated Group						
Balance at 31 August 2016	2,134	13,767	59,534	1,641	41,560	118,636
Additions	-	-	4,849	-	-	4,849
Disposals	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-
Depreciation expense	(732)	(9,100)	(24,129)	(404)	(19,186)	(53,551)
Carrying amount at 31 August 2017	1,402	4,667	40,254	1,237	22,374	69,934

	Office equipment	Medical equipment	Computers	Furniture and fittings	Renovations	Total
	S$	S$	S$	S$	S$	S$
Balance at 31 August 2015	3,126	42,534	82,577	804	60,746	189,787
Additions	-	-	2,950	1,200	-	4,150
Disposals	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-
Depreciation expense	(992)	(28,767)	(25,993)	(363)	(19,186)	(75,301)
Balance at 31 August 2016	2,134	13,767	59,534	1,641	41,560	118,636

There was no asset purchased under finance lease arrangement during the year (2016: $ Nil).

13 Intangible Assets

	Consolidated Group	
	2017	2016
	S$	S$
Total Intangible Assets		
Goodwill		
Goodwill, at cost	266,123	266,123
Less: Goodwill written-off	(266,123)	-
Net carrying amount	-	266,123

Impairment disclosures

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

In performing the impairment assessment of the carrying amount of goodwill in FY2017, the recoverable amount of CGUs in which goodwill has been attributed to, is determined using value in use calculations using cash flow projections from financial budgets approved by the management covering a period not exceeding five years.

Goodwill written-off

During the financial year, the Group wrote-off its goodwill of S$266,123 in view of the uncertainty of the profitability of AALC in the coming years. The goodwill written-off of $266,123 has been recognised in the profit or loss account.

14 Trade and Other Payables

	Consolidated Group	
	2017	**2016**
Current	**S$**	**S$**
Trade payables	5,029,622	3,928,457
Patients' deposits	85,063	57,462
Provision for employee benefits	165,826	188,560
Sundry payables and accrued expenses	660,222	355,221
Total current trade and other payables	5,940,733	4,529,700

The provision for employee benefits relates to the provision for cash bonus to employees for the period from January to August 2017 (2016: January to August 2016) and is payable by December 2017 (2016: December 2016).

15 Taxation

	Consolidated Group	
	2017	**2016**
	S$	**S$**
Current assets		
Income tax refundable	8,334	8,334

Non-current

	1 September 2016	Recognised in profit or loss	31 August 2017
	S$	**S$**	**S$**
Deferred tax asset			
Tax allowance relating to unabsorbed losses	150,000	(150,000)	-
Net deferred tax asset	150,000	(150,000)	-

16 Issued Capital

	Consolidated Group	
	2017	**2016**
	S$	**S$**
Opening share balance	12,932,538	7,458,090
Shares issued during the year	-	5,722,880
Share issue expenses	-	(363,772)
Share options exercised	-	115,340
Closing share capital	12,932,538	12,932,538

a. Ordinary shares	**2017 Number of shares**	**2016 Number of shares**
Opening share balance	297,752,754	239,453,754
Shares issued during the year	-	57,000,000
Share options exercised	-	1,299,000
Closing share capital	297,752,754	297,752,754

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.

During the last financial year, following the approval received from Shareholders at the Annual General Meeting held on 3 December 2015, the Company issued a total of 57,000,000 new ordinary shares at A$0.10 per share for A$5,700,000 which were fully paid in January 2016. In addition, 1,299,000 new ordinary shares were issued in January 2016 under the Group's Incentive Option Scheme.

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 year.

17 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(o) 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	
	2017	**2016**
	S$	**S$**
(i) Employee share option reserve		
Beginning of financial year	-	72,179
Employee share option exercised (Note 18)	-	(72,179)
End of financial year	-	-
(ii) Foreign currency translation reserve		
Beginning of financial year	(374,557)	(595,513)
Net currency translation differences of financial statements of foreign subsidiaries	525,350	220,956
End of financial year	150,793	(374,557)
Total as at end of financial year	**150,793**	**(374,557)**

18 Share-Based Employee Remuneration

As at 31 August 2016 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 ended 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 was settled in equity. The Group has no legal or constructive obligation to repurchase or settle the options.

There no outstanding share options at the end of the current and previous reporting years.

No employee remuneration expense (all of which related to equity-settled share-based payment transactions) has been included in profit or loss for FY2017 and credited to share option reserve (2016: Nil).

19 Controlled Entities

Controlled entities consolidated

	Country of incorporation	Percentage owned (%) 2017	2016
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. (formerly known as Asian American Radiation Oncology Pte. Ltd.)	Singapore	70	70
Asian American Medical Group Pte. Ltd.	Singapore	100	100
Million Health Ventures Pte. Ltd.	Singapore	100	100
Subsidiary of Million Health Ventures Pte. Ltd. :			
Asian American Oncology Management Sdn. Bhd.	Malaysia	100	-
Associate of Asian American Liver Centre Pte. Ltd :			
PT. Asian Liver Center Indonesia	Indonesia	50	50

20 Commitments

a. Operating leases

	Consolidated Group 2017 S$	2016 S$
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable – minimum lease payments		
Not longer than 1 year	415,018	489,902
Longer than 1 year but not longer than 5 years	33,000	448,018
	448,018	937,920

The leases for the Group's office premises at Gleneagles Hospital will expire in June 2018 and February 2019.

b. Finance leases

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 are as follows:

a) amounting to S$27,000 (US$20,000) 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. However, the liver clinic has commenced operations during the year but is temporarily operating on a different revenue sharing model until the joint venture company is set up.

b) amounting to S$35,000 (US$25,500) in respect of investment of 51% share in a company in Myanmar called Gold Bell Asia American Healthcare Ventures Co., Ltd.

c) amounting to S$35,000 (US$25,500) in respect of the Group's share in the investment of 50% share in a joint venture company in Myanmar between Gold Bell Asia American Healthcare Ventures Co., Ltd and Grand Hantha Company Limited.

There is no other capital commitment as at reporting date.

21 Cash Flow Information

Reconciliation of cash flow from operations with loss after income tax

	Consolidated Group	
	2017	**2016**
	S$	**S$**
Loss after income tax	(3,030,810)	(2,061,123)
Adjustment for:		
Depreciation	53,551	75,301
Provision for doubtful debts	-	224,087
Write-off of goodwill	266,123	-
Foreign exchange (loss)/gain– net	(98,138)	44,870
Finance income	(100,618)	(79,019)
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(1,173,537)	3,583,475
(Decrease)/increase in inventories	25,111	(27,061)
Increase/ (decrease) in trade and other payables	1,404,991	(2,158,896)
Increase/(decrease) in deferred and current tax liabilities	150,000	(171,493)
Net cash used in operating activities	(2,503,327)	(569,859)

22 Events After the Balance Sheet Date

Subsequent to year end, Asian American Liver Centre Pte Ltd disposed of its 50% stake in PT Asian Liver Centre Indonesia for S$1.00 on 12 September 2017. The entity has been dormant since its incorporation.

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.

23 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 radiation oncology and related fields (radiation oncology segment);
(iii) Provision of healthcare management and consultancy services (management and consultancy segment); and

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 field advisory.

Details of the performance of each of these operating segments for the financial years ended 31 August 2017 and 31 August 2016 are set out below:

(i) Segment performance

	Liver	Radiation Oncology	Management & Consultancy	Total
	S$	S$	S$	S$
31 August 2017				
External sales revenue	13,171,254	1,966,084	29,544	15,166,882
Inter segment sales	3,957	-	-	3,957
Total segment revenue	13,175,211	1,966,084	29,544	15,170,839
Inter-segment eliminations				(3,957)
Total Group revenue				15,166,882
Segment net (loss)/profit before tax	(585,090)	208,578	(1,529,742)	(1,906,254)
Other expenses				(975,177)
Income tax expense				(149,379)
Total Group net loss after tax				(3,030,810)

	Liver	Radiation Oncology	Management & Consultancy	Total
	S$,	S$	S$	S$
31 August 2016				
External sales revenue	15,640,633	1,060,819	381,393	17,082,845
Inter segment sales	-	6,884	-	6,884
Total segment revenue	15,640,633	1,067,703	381,393	17,089,729
Inter-segment eliminations				(6,884)
Total Group revenue				17,082,845
Segment net (loss)/profit before tax	(1,011,359)	4,051	(709,290)	(1,716,598)
Other expenses				(494,525)
Income tax benefit				150,000
Total Group net loss after tax				(2,061,123)

(ii) Segment assets

	Liver	Radiation Oncology	Management & Consultancy	Others	Total
	S$	S$	S$	S$	S$
31 August 2017					
Segment assets	7,119,366	895,093	5,457,186	3,647,883	17,119,528
Reconciliation of segment assets to Group assets:					
Inter-segment eliminations					(1,573,535)
Total Group assets					15,545,993
Segment asset increases in the year					
Capital expenditure	4,849	-	-	-	4,849

	Liver	Radiation Oncology	Management & Consultancy	Others	Total
	S$	S$	S$	S$	S$
31 August 2016					
Segment assets	5,986,052	579,796	6,045,209	10,758,360	23,369,417
Reconciliation of segment assets to Group assets:					
Inter-segment eliminations					(6,995,120)
Unallocated assets intangible					266,123
Total Group assets					16,640,420
Segment asset increases in the year					
Capital expenditure	2,950	1,200	-	-	4,150

(iii) Segment liabilities

	Liver	Radiation Oncology	Management & Consultancy	Others	Total
	S$	S$	S$	S$	S$
31 August 2017					
Segment liabilities	(5,836,637)	(242,827)	(7,293,295)	(4,610,249)	(17,983,008)

Reconciliation of segment liabilities to Group liabilities:

Inter-segment eliminations	12,042,275
Total Group liabilities	(5,940,733)

	Liver	Radiation Oncology	Management & Consultancy	Others	Total
	S$	S$	S$	S$	S$
31 August 2016					
Segment liabilities	(3,964,150)	(136,108)	(6,356,287)	(1,061,670)	(11,518,215)

Reconciliation of segment liabilities to Group liabilities:

Inter-segment eliminations	6,988,515
Total Group liabilities	(4,529,700)

(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	
	2017	2016
	S$	S$
Singapore	14,694,885	16,525,263
Asia (ex-Singapore)	154,632	426,825
Others	317,365	130,757
Total revenue	15,166,882	17,082,845

(v) Assets by geographical location

	Consolidated Group	
	2017	2016
	S$	S$
Assets by geographical location:		
Australia	3,118,012	4,131,154
Singapore	12,427,981	12,509,266
Total assets	15,545,993	16,640,420

(vi) Major Customers

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

24 Parent Company Information

	2017	2016
Parent entity	**S$**	**S$**
Assets		
Current assets	3,649,838	10,758,347
Non-current assets	6,246,612	1,390,826
Total assets	9,896,450	12,149,173
Liabilities		
Current liabilities	(291,190)	(38,453)
Total liabilities	(291,190)	(38,453)
Total Net Assets	9,605,260	12,110,720
Equity		
Issued capital	26,019,305	26,019,305
Accumulated losses	(16,484,479)	(13,475,546)
Foreign currency revaluation reserve	70,434	(433,039)
Total Equity	9,605,260	12,110,720

	2017	2016
Financial performance	**S$**	**S$**
Loss for the year	(4,421,664)	(1,741,093)
Other comprehensive income	503,472	214,564
Total comprehensive loss	(3,918,192)	(1,526,529)

Included in the loss for the year is a S$3,798,212 write down (2016: S$1,412,731) of investment in subsidiary to the net asset of the Group and does not have an impact on the Group's consolidated results for the current or prior year.

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

25 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
6A Napier Road,
Gleneagles Hospital Annexe Block #02-37,
Singapore 258500

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