



ASIAN AMERICAN MEDICAL GROUP LIMITED

and its controlled entities

ABN 42 091 559 125

APPENDIX 4D

HALF YEAR REPORT

28 FEBRUARY 2022

Asian American Medical Group Limited *and its controlled entities*

Appendix 4D Half Year Report for the period ended 28 February 2022

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Appendix 4D

Asian American Medical Group Limited

ABN 42 091 559 125

Half Year Report

Current reporting period: 6 months ended 28 February 2022

Previous corresponding period: 6 months ended 28 February 2021

All amounts are stated in Singapore Dollars.

Results for announcement to the market

				S\$'000
Revenue	Down	-10.9%	to	530
Loss after income tax from continuing operations	Down	- 66.2%	to	(622)
Loss on sale of discontinued operation	-	-	to	-
Net loss for the period attributable to members	Down	- 66.2%	to	(622)

Commentary on results

Please refer to the review of operations within the Directors' report on page 6.

Dividends per share

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

Net tangible assets and net asset value per share

	28-Feb-22	31-Aug-21
Net tangible assets per ordinary share - (S cents)	1.54	1.55
- (A cents)*	1.58	1.57
Net asset value per ordinary share - (S cents)	1.54	1.55
- (A cents)*	1.58	1.57

*exchange rate used was 0.9796 S\$ to 1.00 A\$ (2021: 1.0287 S\$ to 1.00 A\$)

Right-of-use asset is included for the purpose of net tangible assets calculation

Details of entities over which control has been gained or lost

Nil.

Compliance statement

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

Asian American Medical Group Limited

Corporate Directory

Directors

Mr Ang Kong Meng (Non-Executive Chairman) – appointed on 9th December 2021
Mr Evgenii Tugolukov (Non-Executive Director)
Ms Jeslyn Jacques Wee Kian Leong (Independent Non-Executive Director)
Mr Pang Fey Yu (Independent Non-Executive Director)
Mr Peter Hurley (Independent Non-Executive Director) – resigned on 16 November 2021
Dato' Dr Kai Chah Tan (Executive Chairman) – deceased on 5th December 2021

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

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

Bankers

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

Westpac Banking Corporation
114 William Street
Melbourne VIC 3000

Share registry

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

Stock Exchange Listing

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

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

Interim Financial Report

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated group for the six months ended 28 February 2022 (1H2022).

Directors

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

Mr Evgenii Tugolukov (Non-Executive Director)

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

Mr Pang Fey Yu (Independent Non-Executive Director)

Mr Ang Kong Meng (Non-Executive Chairman) – appointed on 9th December 2021

Mr Peter Hurley (Independent Non-Executive Director) – resigned on 16 November 2021

Dato' Dr Kai Chah Tan (Executive Chairman) – deceased on 5th December 2021

Review of Operations

The principal activities of Asian American Medical Group Limited and its controlled entities (AAMG or the Group) are that of provision of specialised medical services for liver diseases and transplantation, healthcare project management and consultancy services and healthcare real estate.

The following table summarises the financial performance of the Group for 1H2022 compared to that of 1H2021:

	1H2022	1H2021	Change
	S\$'000	S\$'000	%
Revenue	530	595	-10.9
Other income	9	235	-96.2
Direct costs and operating expenses	(1,161)	(2,517)	-53.9
Share of results of associates	-	-	n.m.
Loss before income tax from continuing operations	(622)	(1,687)	-63.1
Taxation	-	-	n.m.
Loss after income tax from continuing operations	(622)	(1,687)	-63.1
Discontinued operations			
Loss on sale of discontinued operations	-	(156)	100
Loss after taxation	(622)	(1,843)	-66.2
Loss attributable to:			
Members of the parent entity	(627)	(1,869)	-66.4
Non-controlling interest	5	26	-80.8
	(622)	(1,843)	-66.2
Basic loss per share for continuing operations (S cents)	(0.17)	(0.49)	-65.3
Diluted loss per share for continuing operations (S cents)	(0.17)	(0.49)	
n.m. – not meaningful			

**Asian American Medical Group Limited
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Review of Financial Performance

For the first six months of FY2022, the Group recorded 10.9% decline in revenue to S\$0.53 million (1H2021: S\$0.6 million). The decline is mainly from Liver segment consultation fees. Total operating expenses were 61.0 % lower than the previous year at S\$0.87 million (1H2021: S\$2.24 million); excluding unrealised exchange gain of S\$0.16 million (1H2021 unrealised exchange loss of S\$0.23 million net exchange impact was S\$0.39 million), expenses were 48.4% lower. Half of the expense savings of \$0.77 million were from employee costs that were 61.2% lower, mainly due to lower doctors' salaries (Dr Tan passed away on 5 December 2021). Lease rental was S\$0.33 million lower as the Group reduced the Singapore clinic area by 70% in June 2021. For 1H2022 the Group reported a net loss of S\$0.62 million (1H2021: S\$1.84 million).

Direct costs for the Group increased marginally to S\$0.28 million in 1H2022 from S\$0.27 million in 1H2021, this was in line with the slightly higher sales of drugs and health supplements. Gross profit margin decreased to 46.8% from 53.6% in 1H2021 as revenue from consultation fees was lower.

After the sudden demise of the late Dr KC Tan, operations in Hainan were suspended and services of three Chinese staff were terminated on 31 January 2022. With limited resources, the Group will focus on the Singapore clinical operations. The Board of Directors will monitor operation conditions and decide on the strategic plan for the Group at the appropriate time. The on-going restrictions in Singapore and elsewhere due to the Covid-19 pandemic continue to create great uncertainty and difficult operating conditions for businesses.

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

i. Liver segment

As mentioned above revenue declined 10.9% from previous year, the number of patients did not improve as cross boarder travel restriction is still in place. The Group did not have any overseas patients during the period under review. Revenue from the new line of premium health supplements launched in late November was encouraging at S\$90K, there was no sale of medical supplies.

AALC did not perform a living donor liver transplant (LDLT) in 1H2022 and 1H2021. There were no surgical cases in 1H2022, AALC treated only Singaporean and foreign patients residing in Singapore for post-transplant regular review.

AALC did not receive any Job Support Scheme grant (1H2021 received S\$86K) and rental rebate (1H2021 received S\$129K). Net loss increased by S\$0.98 million to S\$1.66 million as compared to a net loss of S\$0.68 million in 1H2021. Higher net loss was mainly due to waiver of S\$1.48 million inter-company receivable from Asian American Healthcare Services (Qionghai) Co Ltd. The Group decided to suspend business development in Hainan. Without this write off, net loss would be S\$0.18 million a reduction of S\$0.50 million from the previous year.

ii. Management and Consultancy segment

The management and consultancy segment, operating under Asian American Medical Group Pte. Ltd. (AAMGPL) did not generate any revenue in 1H2022 (1H2021: nil revenue). There was no project-related income from Hippocrates Development Sdn. Bhd. (HDSB) relating to the construction and development of the Tunku Laksamana Johor Cancer Centre in 1H2022.

AAMGPL recorded a net loss of S\$2.32 million after writing of Investment of S\$0.82 million and inter-company receivable of S\$2.29 million in subsidiary (Asian American Healthcare Services (Qionghai) Co Ltd. The Hainan China project was suspended after the demise of Dr KC Tan with low possibility of resuming operation, the Group deemed appropriate to write off the total investment.

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iii. Healthcare Real Estate segment

The healthcare real estate segment owns a five-acre plot of land in Iskandar Puteri, in the Southern Malaysian state of Johor. The Company had plans to build an international cancer centre serving patients from Malaysia and South East Asian countries.

Development of the cancer centre was put on hold due to the Covid-19 pandemic. The Group is in discussion with an external interested party to re-start the project. The healthcare real estate segment did not generate any income and incurred a net loss of S\$1,896 excluding unrealised exchange gain in 1H2022 (1H2021: net loss of S\$8,674).

iv. Multi-Specialty Medical Clinic –Boao, Hainan

The Multi-Specialty Medical Clinic located at Boao, Hainan, operates under Asian American Healthcare Services (Qionghai) Co Ltd (AAHSQ). After signing a collaborative agreement with Kings College Hospital (KCH) in April 2021, minimal development of the venture was carried out with KCH as China remained strictly closed to international visitors with no indication of when the restrictions would be lifted.

After the demise of Dr KC Tan on 5 December 2021, the Group decided to suspend the Hainan project and direct resources to focus on Singapore clinical operations. Services of all employees at Hainan were terminated on 31 January 2022. Management contacted KCH in early February 2022 to discuss the termination of the collaboration agreement, the discussion is on-going.

For 1H2022 the Clinic did not generate any revenue Total expenses were S\$0.41 million (1H2021: S\$0.56 million), of which S\$0.2 million was staff cost and S\$0.15 million was professional fee consisting mainly KCH brand fee. Net profits before tax of S\$3.46 million (1H2021: net loss S\$0.56 million) were from the waiver of inter-company loans due to AAMGPL (the holding company) of S\$2.29 million and due to AALC (associate) of S\$1.48 million.

Review of Financial Position (as at 28 February 2022 vs 31 August 2021)

Trade and other receivables decreased by 86.4%, to S\$0.06 million as at 28 February 2022 from S\$0.44 million as at 31 August 2021. This was in line with the drop in revenue.

Trade and other payables decreased by S\$0.58 million or 32.8% to S\$1.19 million as at 28 February 2022 from S\$1.77 million as at 31 August 2021, in line with the decrease in purchases as a result of lower operational activities.

The Group's net assets increased by S\$0.53 million to S\$5.90 million as at 28 February 2022 from S\$5.37 million as at 31 August 2021. This was mainly the result of a share capital increase of S\$1.33 million by way of a private share placement with a sophisticated investor in September 2021, less net loss for the half year of S\$0.80 million.

Net Asset Value per share remained unchanged at S\$1.55 cents as at 28 February 2022 from 31 August 2021.

Interim Dividends

No interim dividend has been declared by the Directors for the period ended 28 February 2022 (2021: Nil).

Subsequent Events

On 9 February 2022 the Group had a virtual discussion with Kings College Hospital (KCH) to express the desire to terminate the collaboration agreement to set up a liver specialist clinic at Hainan, China. The Group had lost its key person for the Hainan project and no replacement is expected to be identified in the foreseeable future due to the difficult business conditions there.

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KCH responded with a settlement proposal on 9 March 2022, requiring the Group to pay KCH brand fee from May 2021 to October 2021 totalling £212,502. The Group replied to KCH on 21 April to reject their proposal because KCH did not provide the full services as claimed due to Covid-19 travel restrictions. The Group proposed to terminate the Agreement as Dr KC Tan was the sole contact for the collaboration his sudden demise was a force majeure event. The Group requested for cancellation of invoices raised between May to October 2021, and a refund of the £29,514 paid in July 2021.

DBS Singapore contacted AALC on the issue of finding an individual guarantor to replace the late Dr KC Tan, in relation to the bridging loan of S\$1.0 million extended to AALC under the special SME scheme encouraged by Enterprise Singapore. DBS indicated verbally that if the Group is unable to find a replacement individual guarantor, the Bank would likely recall the bridging loan facilities, giving AALC 6 months to make full repayment. Outstanding amount as of 26 April 2022 was S\$807,890. The Group has not been able to find an appropriate guarantor replacement. The breach of the loan agreement has not been remedied on or before the end of the reporting period and as a result, the full amount payable under the loan agreement has been classified as current as at 28 February 2022. The matter is still unresolved at the date of the financial statements.

On 12 April 2022 AALC received Notice of Repossession and Re-Entry of #02-37 giving AALC 7 days from the date of Notice, i.e. by 18 April 2022, to vacate the clinic premise from Parkway Hospital Singapore Pte Ltd (PHS). This was related to the outstanding rental of S\$264,794. PHS demanded full settlement with 21 days from date of the letter of demand failing which they reserve the right to proceed with winding-up application. On 18 April 2022 the clinic premises was handed over to PHS on "as is where is". AALC moved its clinic operations to a shared facility at No. 6 Napier Road, #05-16, Gleneagles Medical Centre, Singapore 258499.

On 18 April 2022 AALC received legal letter of demand from PHS for its overdue of S\$491,965 for use of in-patient related hospital and other facilities. On the same date, PHS suspended all hospital, laboratory and X ray services to AALC. PHS demanded payment with 21 days from date of the letter of demand, failing which they reserve their right to proceed with winding-up application.

Auditor's Declaration

The lead auditor's independence declaration under S 307C of the *Corporations Act 2001* is set out on page 9 for the half-year ended 28 February 2022.

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



Mr Ang Kong Meng
Non-Executive Chairman
27 April 2022

DECLARATION OF INDEPENDENCE
BY PAUL GOSNOLD
TO THE DIRECTORS OF ASIAN AMERICAN MEDICAL GROUP LIMITED

As lead auditor for the review of Asian American Medical Group Limited for the half-year ended 28 February 2022, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Asian American Medical Group Limited and the entities it controlled during the period.



Paul Gosnold
Director

BDO Audit (SA) Pty Ltd

Adelaide, 27 April 2022

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 28 FEBRUARY 2022

	Note	Consolidated Group 28.2.2022 S\$	28.2.2021 S\$
Revenue	4	529,537	595,333
Other operating income	4	9,115	234,713
Changes in inventories		(46,354)	(8,336)
Raw materials and consumables used		(235,557)	(267,864)
Employee benefits expense		(471,543)	(1,244,138)
Depreciation		(6,616)	(43,422)
Amortisation	9	(83,596)	(360,121)
Directors' fee		-	(73,845)
Advertising and marketing expense		-	(4,719)
Professional fees	11	(237,965)	13,005
Operating lease expense		(5,620)	(3,340)
Finance expense	12	(20,008)	(42,797)
Other expenses	11	(53,444)	(482,019)
Loss before income tax from continuing operations		(622,051)	(1,687,550)
Income tax expense	7	-	-
Loss for the year from continuing operations		(622,051)	(1,687,550)
Discontinued operations			
Loss on sale of discontinued operations			(155,780)
Loss after income tax		(622,051)	(1,843,330)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net effect of foreign currency translation (tax: Nil)		(176,551)	321,451
Total comprehensive income for the period		(798,602)	(1,521,879)
Loss attributable to:			
Members of the parent entity		(626,784)	(1,869,205)
Non-controlling interests		4,733	25,875
		(622,051)	(1,843,330)
Total comprehensive Loss attributable to:			
Members of the parent entity		(803,335)	(1,547,754)
Non-controlling interests		4,733	25,875
		(798,602)	(1,521,879)

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Interim Financial Report

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 28 FEBRUARY 2022

	Note	Consolidated Group 28.2.2022 S\$	28.2.2021 S\$
Loss per share			
Basic loss per share (S cents)		(0.17)	(0.53)
Diluted loss per share (S cents)		(0.17)	(0.53)
Loss per share for continuing operations			
Basic loss per share (S cents)		(0.17)	(0.49)
Diluted loss per share (S cents)		(0.17)	(0.49)

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2022

	Note	Consolidated Group 28.2.2022 S\$	31.8.2021 S\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,329,179	874,422
Trade and other receivables	6	55,085	436,729
Inventories		27,666	74,020
TOTAL CURRENT ASSETS		1,411,930	1,385,171
NON-CURRENT ASSETS			
Property, plant and equipment		6,813,017	6,775,794
Right of Use Assets	9	390,114	473,710
TOTAL NON-CURRENT ASSETS		7,203,131	7,249,504
TOTAL ASSETS		8,615,061	8,634,675
CURRENT LIABILITIES			
Trade and other payables	8	1,193,357	1,773,437
Finance lease liability	9	367,976	160,073
Borrowings	10	840,282	193,342
TOTAL CURRENT LIABILITIES		2,401,615	2,126,852
NON-CURRENT LIABILITIES			
Deferred tax liability	7	75,922	75,922
Finance lease liability	9	232,450	315,611
Borrowings	10	-	743,071
TOTAL NON-CURRENT LIABILITIES		308,372	1,134,604
TOTAL LIABILITIES		2,709,987	3,261,456
NET ASSETS		5,905,074	5,373,219
EQUITY			
Equity attributable to members of the parent entity:			
Issued capital	13	19,553,590	18,223,133
Reserves		(1,409,033)	(1,232,482)
Accumulated losses		(12,479,753)	(11,852,969)
		5,664,804	5,137,682
Non-controlling interest		240,270	235,537
TOTAL EQUITY		5,905,074	5,373,219

The accompanying notes form part of this financial report.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 28 FEBRUARY 2022

	Issued capital S\$	Accumulated losses S\$	Foreign currency translation reserve S\$	Non- controlling interest S\$	Total S\$
Balance at 1.9.2020	18,223,133	(6,178,697)	(870,540)	792,567	11,966,463
Total comprehensive income:					
Loss for the period from continuing operations	-	(1,689,400)	-	1,850	(1,687,550)
(Loss)/profit for the period from discontinued operation	-	(179,805)	-	24,025	(155,780)
Other comprehensive loss	-	-	321,451	-	321,451
	-	(1,869,205)	321,451	25,875	(1,521,879)
Transactions with the owners in their capacity as owners:					
De-recognition of NCI upon disposal of discontinued operation	-	(25,982)	-	(397,041)	(423,023)
Balance at 28.2.2021	18,223,133	(8,073,884)	(549,089)	421,401	10,021,561
Balance at 1.9.2021	18,223,133	(11,852,969)	(1,232,482)	235,537	5,373,219
Issue of share capital (net of transaction costs) Note 13	1,330,457	-	-	-	1,330,457
Total comprehensive income:					
Loss for the period	-	(626,784)	-	4,733	(622,051)
Other comprehensive loss	-	-	(176,551)	-	(176,551)
	-	(626,784)	(176,551)	4,733	(798,602)
Balance at 28.2.2022	19,553,590	(12,479,753)	(1,409,033)	240,270	5,905,074

The accompanying notes form part of this financial report.

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 28 FEBRUARY 2022

	Note	Consolidated Group	
		28.2.2022	28.2.2021
		S\$	S\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		866,120	3,095,069
Payments to suppliers and employees		(1,500,699)	(3,567,991)
<i>Net cash used in operating activities</i>		(634,579)	(472,922)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(66,188)	(17,579)
Interest income		9	17
Proceed from disposal of property, plant and equipment		7,030	-
Disposal of subsidiary, net of cash		-	(912,099)
<i>Net cash (used)/generated from investing activities</i>		(59,149)	(929,661)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of obligation under leases		(59,990)	(227,417)
Interest expense		(20,009)	(42,797)
Repayment of loan		(96,131)	-
Issuance of shares		1,330,457	-
<i>Net cash used in financing activities</i>		1,154,327	(270,214)
Net increase / (decrease) in cash and cash equivalents		460,599	(1,672,797)
Cash and cash equivalents at beginning of period		874,422	2,690,875
Exchange difference on cash and cash equivalents		(5,842)	24,854
Cash and cash equivalents at end of period	5	1,329,179	1,042,932

The accompanying notes form part of this financial report.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 28 FEBRUARY 2022**

1 Nature of operations and general information

Asian American Medical Group Limited (AAMG or Company) is a company domiciled in Australia. The consolidated financial report of the Company as at and for half-year ended 28 February 2022 comprises the Company and its subsidiaries (together referred to as the Group). The principal activities of AAMG are that of provision of specialised medical services for liver diseases and transplantation, healthcare project management and consultancy services and healthcare real estate. There has been no change in the principal activities of the Group during the period under review.

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

The consolidated interim financial report is presented in Singapore Dollars (S\$) as a significant portion of the group's activity is denominated in Singapore Dollars. The rate of exchange used at 28 February 2022 was 0.9796 S\$ to 1A\$ (2021: 1.0287 S\$ to 1A\$).

2 Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 28 February 2022 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian *Accounting Standards* including AASB 134 *Interim Financial Reporting*.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Asian American Medical Group Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes that occurred during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 31 August 2021, together with any public announcements made during the half-year.

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

Estimates

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

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 31 August 2021.

Going concern

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

As disclosed in the financial statements, revenue declined 10.9% from S\$595,333 in 1H2021 to S\$529,537 in 1H2022. The Group made a net loss of S\$622,051, a decline from S\$1,843,330 in 1H2021.

Cash balance increased from S\$874,422 on 31 August 2021 to S\$1,329,179 on 28 February 2022. As at 28 February 2022 the Group had net current liabilities of S\$989,685 compared to net current liabilities of S\$741,681 at 31 August 2021.

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The reported net loss for 1H2022 and the net current liability position as at 28 February 2022, indicates that there exists a material uncertainty that may cast significant doubt over the Group's ability to continue as a going concern.

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

- The Group will continue to work on restructuring and focus on the liver clinic operations. Fully-vaccinated travelers from more countries are being allowed to enter Singapore without quarantine. Management expects the Group's business activities in Singapore to improve with the return of overseas patients, especially from neighboring countries. Operating costs of the clinic will be kept lean to return net profits and generate sufficient cash flow to meet expenses and pay creditors.
- Relocated the clinical operations to a shared facilities with another medical practice to reduce operating costs further.
- The Group will transfer the clinical operations from Asian American Liver Centre Pte Ltd (AALC) to Asian American Healthcare Venture Pte Ltd (AAHV) once license is granted by Ministry of Health Singapore (MOH). AAHV submitted application to MOH for license to operate medical clinic on 4 April, 2022. MOH scheduled site inspection via video call on 29 April 2022.
- The Group will dispose of the two insolvent subsidiaries, Asian American Liver Centre Pte Ltd (AALC) and Asian American Medical Group Pte Ltd (AAMGPL) by selling its shares in these subsidiaries at a nominal fee of S\$1.00 for each subsidiary before 31 August 2022. AAMG Ltd is not legally responsible for the liabilities of its subsidiaries.

The Directors have prepared cash flow projections for the 12 months from the date of the financial statements that support the ability of the Company to continue as a going concern, and that the Group's cash flows can adapt to the changes in circumstances as the group works through the above action plans.

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

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

3 Impact of new accounting standards

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

These financial statements were authorised for issue by the Board of Directors on 27 April 2022

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4. Revenue

	Consolidated Group	
	28.2.2022	28.2.2021
	S\$	S\$
Operating activities		
Provision of services	155,963	295,384
Sale of medication	373,574	299,949
Total revenue from operating activities	529,537	595,333
Other operating income		
Interest received	9	81
Government Grant received (Covid-19 subsidies)	-	215,076
Other income	9,106	19,556
Total other operating income	9,115	234,713

a. Disaggregation of revenue

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

Consolidated – 28 February 2022	Liver	Management and Consultancy	Total
	S\$	S\$	S\$
<i>Sectors</i>			
Healthcare	529,537	-	529,537
	529,537	-	529,537
<i>Geographical regions</i>			
Singapore	529,537	-	529,537
	529,537	-	529,537
<i>Timing of revenue recognition</i>			
Goods and services transferred at a point in time	529,537	-	529,537
Services rendered over time	-	-	-
	529,537	-	529,537

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Consolidated – 28 February 2021

	Liver	Management and Consultancy	Total
	S\$	S\$	S\$
<i>Sectors</i>			
Healthcare	595,333	-	595,333
	595,333	-	595,333
<i>Geographical regions</i>			
Singapore	535,033	-	535,033
Asia (ex-Singapore)	60,300	-	60,300
Others	-	-	-
	595,333	-	595,333
<i>Timing of revenue recognition</i>			
Goods and services transferred at a point in time	595,333	-	595,333
Services rendered over time	-	-	-
	595,333	-	595,333

5 Cash and cash equivalents

Cash and cash equivalents comprise the following amounts:

	Consolidated Group	
	28.2.2022	31.8.2021
	S\$	S\$
Cash and bank balances	1,329,179	874,422
Cash per consolidated statement of cash flows	1,329,179	874,422

6 Trade and other receivables

	Consolidated Group	
	28.2.2022	31.8.2021
	S\$	S\$
Trade receivables	43,160	88,083
Less: Allowance for expected credit losses	-	(7,074)
	43,160	81,009
Other receivables	11,444	213,298
Deposits: <i>Note 6a</i>	481	142,422
Total current trade and other receivables:	55,085	436,729

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a. Impairment of Parkway Rental Deposit

On 18 April 2022 the clinic premise was repossessed by Parkway Hospital on "as is where is" condition without re-instatement by AALC. The Group assessed that the 3 months' rental deposit will not be refunded by Parkway Hospital but would be used to offset unpaid rental payments outstanding as at the reporting date.

b. Allowance for expected credit losses

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

According to the Group's historical credit loss data and past due receivables, there are no underlying indicators of expected credit losses using an allowance matrix. Furthermore, we have taken into consideration the probabilities of credit default and do not deem any expected credit losses being necessary.

c. Credit risk

Management has assessed that the loss allowance provision as at 28 February 2022 is negligible as the Group has no significant default in trade receivables based on historical experience.

There is no impairment loss recognised on trade receivables for the financial period ended 28 February 2022 and 29 February 2021.

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

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	28.2.2022	31.8.2021	28.2.2022	31.8.2021	28.2.2022	31.8.2021
Consolidated	%	%	S\$	S\$	S\$	S\$
Not overdue	0%	0%	8,775	31,799	-	-
Due 1 – 30 days	0%	0%	-	30,683	-	-
Due 31 – 60 days	0%	0%	2,996	264	-	-
Due over 60 days	0%	0%	31,389	25,337	-	(7,074)
			43,160	88,083	-	(7,074)

7 Taxation

	Consolidated Group		
	31.8.2021	Movement	28.2.2022
	S\$	S\$	S\$
Non-current			
<u>Deferred tax asset and liability</u>			
Tax liability arising from land revaluation	75,922	-	75,922
Net deferred tax asset	75,922	-	75,922

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8 Trade and other payables

	Consolidated Group	
	28.2.2022	31.8.2021
	S\$	S\$
Trade payables	553,617	670,549
Patients' deposits (Note 9a)	295	56,444
Provision for employee benefits	-	32,739
Sundry payables and accrued expenses		
- Parkway Hospitals Singapore Pte Ltd	-	343,572
- Others	639,447	670,133
Total current trade and other payables	1,193,359	1,773,437

No provision for employee benefits for the period under review the Group terminated services of all staff, and re-hired only two on new terms.

Lease liability of 248,747 reclassified to current lease liability after offsetting 3 months rental deposit of \$44,997, the clinic premise was repossessed by Parkway Hospital on 18 April 2022.

a. Contract liabilities

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

	28.2.2022	31.8.2021
	S\$	S\$
Patients' deposits at the beginning of the period recognised as revenue	739	25,648

9 Leases

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

	Clinical Premises
	S\$
At 1 September 2021	473,710
Amortisation	(83,596)
At 28 February 2022	390,114

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

	Clinical Premises
	S\$
At 1 September 2021	475,684
Interest expense	10,972
Lease payments	(59,990)
	426,666
Outstanding lease liabilities that was previously presented as "Other Payables"	173,760
At 28 February 2022	600,426

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	28/2/2022	31/8/2021
	S\$	S\$
Of which:		
Lease liabilities - current	367,976	160,073
Lease liabilities - non-current	232,450	315,611
	<u>600,426</u>	<u>475,684</u>

10 Interest bearing loans and borrowings

	28/2/2022	31/8/2021
	S\$	S\$
Current		
Unsecured – bridging loan	840,282	193,342
Non-current		
Unsecured – bridging loan	-	743,071
	<u>840,282</u>	<u>936,413</u>

Bridging loan from DBS Bank through its subsidiary under Enterprise Singapore's special financial support scheme for SMEs was supported by a personal guarantee from the late Executive Chairman Dr KC Tan. After the demise of Dr Tan, DBS requested for a new guarantor. The Group has not been able to find an appropriate guarantor replacement. The breach of the loan agreement has not been remedied on or before the end of the reporting period and as a result, the full amount payable under the loan agreement has been classified as current as at 28 February 2022. The matter is still unresolved at the date of the financial statements.

The carrying amounts of non-current term loan payable approximate their fair values as at the end of the reporting period.

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

11 Other expenses

	28/2/2022	28/2/2021
	S\$	S\$
Audit fees	38,923	49,043
Due and subscriptions	31,320	41,359
Printing and stationery	15,242	18,623
Travel & Entertainment	13,386	41,272
Others	110,908	99,612
Unrealised exchange loss / (gain)	(156,335)	232,110
	<u>53,444</u>	<u>482,019</u>
Professional fees <i>Note (a)</i>	237,965	(13,005)

Note (a): 1H2022 include Kings College Hospital fees of S\$127,775 (1H2021 included write back of provision for professional fee S\$105,070 that was no longer required).

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12 Finance expenses

	28/2/2022	28/2/2021
	S\$	S\$
Interest on loans	9,036	-
Interest on lease liabilities (Note 9)	10,972	42,797
	<u>20,008</u>	<u>42,797</u>

13 Issued Capital

	28/2/2022	31/8/2021
	S\$	S\$
Opening share balance	18,223,133	18,223,133
Shares issued during the period	1,330,457	-
Total Capital	<u>19,553,590</u>	<u>18,223,133</u>

a Ordinary shares

	28/2/2022	31/8/2021
	No. of shares	No. of shares
At the beginning of the reporting year	347,752,754	347,752,754
Shares issued during the year	34,775,275	-
At reporting date	<u>382,528,029</u>	<u>347,752,754</u>

During the reporting period 34,775,275 new ordinary shares were issued at A\$0.0388 per share via private placement to a sophisticated investor under the Company's 15% annual issuing capacity for the purpose of ASX Listing Rule 7.1 and therefore shareholder approval for the Placement shares was not required. The net proceeds from the Placement is used for business expansion into new healthcare related businesses in China and general corporate working capital purposes.

b Capital Management

Management controls the capital of the Group in order to provide shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern. There are no externally imposed capital requirement.

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

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14 CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned	
		28 February 2022	31 August 2021
Asian American Medical Group Limited	Australia	100%	100%
<i>Subsidiary of Asian American Medical Group Limited:</i>			
Asian American Medical Group, Inc.	British Virgin Islands	100%	100%
<i>Subsidiaries of Asian American Medical Group, Inc.:</i>			
Asian American Liver Centre Pte Ltd	Singapore	100%	100%
Asian American Medical Group Pte Ltd	Singapore	100%	100%
Asian American Health Ventures Pte Ltd	Singapore	100%	100%
<i>Subsidiary of Asian American Health Ventures Pte Ltd:</i>			
Asian American Oncology Management Sdn. Bhd.	Malaysia	100%	100%
Hippocrates Development Sdn. Bhd.	Malaysia	95%	95%
<i>Subsidiary of Asian American Medical Group Pte Ltd:</i>			
Asian American Healthcare Services (Qionghai) Co., Limited	China	100%	100%
Zhen Mei Aesthetics & Beauty (Qionghai) Co., Limited (de-registered in January 2022)	China	100%	100%
Golden Bell Asia American Healthcare Ventures Company Limited	Myanmar	51%	51%
<i>Note: the Group excluded financial numbers from GBAA and the investment was fully impaired in FY2021.</i>			

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15 SEGMENT INFORMATION

During the six-month period ending 28 February 2022, there were no changes from prior periods in the measurement methods used to determine operating segments and reporting segment profit of loss.

(i) Segment Performance

	Liver S\$	Multi- specialty S\$	Management and Consultancy S\$	Healthcare Real Estate S\$	Corporate S\$	Total S\$
28 February 2022						
External sales revenue	529,537	-	-	-	-	529,537
Inter-segment revenue	-	-	-	-	-	-
Total segment revenue	529,537	-	-	-	-	529,537
Inter-segment eliminations						-
Total Group revenue						529,537
28 February 2022						
Segment net (loss)/profit before tax	(1,663,834)	3,463,490	(2,323,268)	(12,287)	(86,152)	(622,051)
Income tax expense						-
Total Group net loss after tax						(622,051)
	Liver S\$	Multi- specialty S\$	Management and Consultancy S\$	Healthcare Real Estate S\$	Corporate S\$	Total S\$
28 February 2021						
External sales revenue	595,333	-	-	-	-	595,333
Inter-segment revenue	-	-	-	-	-	-
Total segment revenue	595,333	-	-	-	-	595,333
Inter-segment eliminations						-
Total Group revenue						595,333
Segment net (loss)/profit before tax	(682,447)	(557,365)	14,675	19,193	(481,606)	(1,687,550)
Income tax expense						-
Total Group net loss after tax from continuing operations						(1,687,550)
Loss on sale of discontinued operations						(155,780)
Total Group net loss after tax						(1,843,330)

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(ii) Segment assets

	Liver S\$	Multi- specialty S\$	Management and Consultancy S\$	Healthcare Real Estate S\$	Corporate S\$	Total S\$
28 February 2022						
Non-current segment assets	456,251	-	820	5,227,614	14,829,138	20,513,823
Current segment assets	166,357	76	8,907	156,022	11,150,261	11,481,623
Total segment assets	622,608	76	9,727	5,383,636	25,979,399	31,995,446

Reconciliation of segment assets to Group assets:

Inter-segment eliminations	(23,380,385)
Total Group assets	<u>8,615,061</u>

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

Reconciliation of segment assets to Group assets:

Inter-segment eliminations	(31,988,280)
Total Group assets	<u>8,634,675</u>

(iii) Segment liabilities

	Liver S\$	Multi- specialty S\$	Management & Consultancy S\$	Healthcare Real Estate S\$	Corporate S\$	Total S\$
28 February 2022						
Segment liabilities	(3,961,105)	-	(3,846,038)	(2,218,152)	(6,622,985)	(16,648,280)

Reconciliation of segment liabilities to Group liabilities:

Inter-segment eliminations	13,938,293
Total Group liabilities	<u>(2,709,987)</u>

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

Reconciliation of segment liabilities to Group liabilities:

Inter-segment eliminations	21,726,221
Total Group liabilities	<u>(3,261,456)</u>

(iv) Revenue by geographical location

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

	Consolidated Group	
	28.2.2022 S\$	28.2.2021 S\$
Singapore	529,537	535,033
Asia (ex-Singapore)	-	60,300
Total revenue	<u>529,537</u>	<u>595,333</u>

(v) Assets by geographical location

	Consolidated Group	
	28.2.2022 S\$	31.8.2021 S\$
<i>Non-current assets by geographical location</i>		
Singapore	457,071	481,993
Malaysia	6,746,060	6,759,876
China	-	7,635
Total non-current assets	<u>7,203,131</u>	<u>7,249,504</u>
<i>Current assets by geographical location:</i>		
Australia	1,052,251	365,691
Singapore	197,584	693,281
Malaysia	162,019	162,727
Myanmar	-	96,187
China	76	67,285
Total current assets	<u>1,411,930</u>	<u>1,385,171</u>

(vi) Major Customers

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

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16 Contingent liabilities

Under the Sale and Purchase Agreement (“SPA”) of the land owned under HDSB, HDSB will pledge up to 20% of the Net Profit earned by Tunku Laksamana Johor Cancer Centre to be paid to the land vendor or the vendor’s named beneficiary for a period of 10 years.

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

17 Capital Commitments

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

18 Subsequent Events

On 9 February 2022 the Group had a virtual discussion with Kings College Hospital (KCH) to express the desire to terminate the collaboration agreement to set up a liver specialist clinic at Hainan, China. The Group had lost its key person for the Hainan project and no replacement is expected to be identified in the foreseeable future due to the difficult business conditions there.

KCH responded with a settlement proposal on 9 March 2022, requiring the Group to pay KCH brand fee from May 2021 to October 2021 totalling £212,502. The Group replied to KCH on 21 April to reject their proposal because KCH did not provide the full services as claimed due to Covid-19 travel restrictions. The Group proposed to terminate the Agreement as Dr KC Tan was the sole contact for the collaboration his sudden demise was a force majeure event. The Group requested for cancellation of invoices raised between May to October 2021, and a refund of the £29,514 paid in July 2021.

DBS Singapore contacted AALC on the issue of finding an individual guarantor to replace the late Dr KC Tan, in relation to the bridging loan of S\$1.0 million extended to AALC under the special SME scheme encouraged by Enterprise Singapore. DBS indicated verbally that if the Group is unable to find a replacement individual guarantor, the Bank would likely recall the bridging loan facilities, giving AALC 6 months to make full repayment. Outstanding amount as of 26 April 2022 was S\$807,890. The Group has not been able to find an appropriate guarantor replacement. The breach of the loan agreement has not been remedied on or before the end of the reporting period and as a result, the full amount payable under the loan agreement has been classified as current as at 28 February 2022. The matter is still unresolved at the date of the financial statements.

On 12 April 2022 AALC received Notice of Repossession and Re-Entry of #02-37 giving AALC 7 days from the date of Notice, i.e. by 18 April 2022, to vacate the clinic premise from Parkway Hospital Singapore Pte Ltd (PHS). This was related to the outstanding rental of S\$264,794. PHS demanded full settlement with 21 days from date of the letter of demand failing which they reserve the right to proceed with winding-up application. On 18 April 2022 the clinic premises was handed over to PHS on “as is where is”. AALC moved its clinic operations to a shared facility at No. 6 Napier Road, #05-16, Gleneagles Medical Centre, Singapore 258499.

On 18 April 2022 AALC received legal letter of demand from PHS for its overdue of S\$491,965 for use of in-patient related hospital and other facilities. On the same date, PHS suspended all hospital, laboratory and X ray services to AALC. PHS demanded payment with 21 days from date of the letter of demand, failing which they reserve their right to proceed with winding-up application.

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DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 10 to 26 are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 28 February 2022 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Ang Kong Meng
Non-Executive Chairman
27 April 2022

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ASIAN AMERICAN MEDICAL GROUP LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Asian American Medical Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 28 February 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 28 February 2022 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

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


Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 28 February 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

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

A stylized blue ink signature of the BDO firm, consisting of the letters 'BDO' in a cursive-like font.

BDO Audit (SA) Pty Ltd

A blue ink signature of Paul Gosnold, written in a cursive script.

Paul Gosnold
Director

Adelaide, 28 April 2022