annual report 2013


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Asian American Medical Group Limited

(formerly known as Asian Centre for Liver Diseases and Transplantation Limited)

ABN NUMBER 42 091 559 125

Annual report for the year ended
31 August 2013

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

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

Dato' Dr Kai Chah Tan
D.P.M.P., MBBS(MAL), FRCS(EDIN)
Executive Chairman and Surgeon,
Hepatobiliary / Transplant

Dear Shareholders,

The fiscal year ended 31 August 2013 ("FY2013") is the first year that we will be reporting under the new name and brand identity of Asian American Medical Group Limited ("AAMG"). It has been a challenging year for AAMG in view of the operating environment, but it has also been a year of immense strategic significance.

The rising costs of healthcare – rentals, staff costs and the overall dollar value of many third-party ancillary services – are starting to affect Singapore's positioning as a medical hub. This is a fact which we can no longer shy away from. Aspiring medical hubs in the region offer significantly lower price points for most medical services, although there is little doubt that Singapore remains the preferred centre for premium specialised services.

The outflow of this mid-tier market has been taking place over the last few years and is likely to continue. It is also, I believe, a major reason for the decrease in AAMG's revenue to S$19.4 million from S$24.0 million in FY2012. However, despite the lower revenue, we have continued to invest in capabilities and marketing, the second major reason for our decline in net profit to S$0.2 million from S$2.5 million, respectively.

What have we as a corporation, mindful of the changing operating environment and our obligation to shareholders, done? Allow me to outline the major initiatives taken or being contemplated.

The first initiative has been and continues to be the improvement of our capabilities. Our mission is to save lives and to improve the clinical outcomes of patients we handle. Hence, we have chosen to "raise the game" by collaborating with the world-renowned UPMC, a US$10 billion Pittsburg-based healthcare enterprise. During the year under review we formalised our partnership with UPMC, a process which entailed expenses that also crimped our bottom-line. This collaboration is also a major reason for our re-branding as AAMG to reflect the unique and combined Asian and American value proposition that we bring to the medical landscape in the region.

As shareholders are aware, as part of the collaboration with UPMC, we are setting up a Comprehensive Transplant Centre ("CTC") in Singapore. In line with this initiative, we started to offer our second specialisation in February 2013 at the Asian Centre for Blood and Bone Marrow Transplant ("ACBBMT"). This centre specialises in haematopoietic and stem cell Transplant as well as treatment for other blood-related diseases and is headed by Dr Yvonne Loh.

Through advanced medical expertise and technologies, including telemedicine, electronic medical records and the management skills of UPMC, the CTC will specialise in transplant surgery and immunology, infectious diseases and intensive care of immune-suppressed patients, including organs other than liver and blood.

The collaborative effort will not only bring the UPMC brand to Asia, but will also help to raise Singapore's profile as a hub for specialised medical care, attracting patients from South-East Asia and the Middle East.

Second, building on the collaboration with UPMC, we are looking farther afield to enlarge our hub-and-spoke concept. As shareholders are aware, we established a liver ambulatory clinic in Ho Chi Minh City in Vietnam in 2010. In line with this strategy we deepened our presence in the country of about 90 million people by setting up a high-end Vietnamese-American Liver Center ("VALC") with Vinmec International Hospital JSC ("Vinmec") in Hanoi. We have started clinic sessions and in the near future will commence hepatobiliary surgery in conjunction with the local specialists.

Other countries where we have made inroads to include Mongolia – which has the world's highest incidence of liver diseases per capita – and Russia, where rising affluence are leading many premier patients to turn to Singapore for advanced medical care (instead of going only to Europe or Israel as in the past). The Russian initiative has to be seen in conjunction with our April 2013 placement of A$3.6 million worth of new shares to RusSing Med Holdings Pte Ltd. RusSing was founded by Mr Evgeny Tugolukov, a successful and experienced businessman and investor with whom we are working closely to establish AAMG's presence in Russia.

A third initiative that we are contemplating is the possibility of conducting surgery in some of these spokes. Healthcare standards have improved substantially in some of the centres that we are working closely with. The advanced equipment and support systems, along with the continued guidance and input from the AAMG team, could well mean that AAMG's local partners can perform some surgical operations in these countries – offering higher quality associated with the AAMG brand but at lower price points compared to Singapore.

Returning to our financial performance, the Company's balance sheet remains healthy with cash and cash equivalents of S$7.3 million as at 31 August, 2013, even after paying FY2012 final dividends of S$0.6 million and FY2013 interim dividends of S$0.2 million. Net Asset Value per share as at 31 August, 2013 rose to 3.75 S cents from 2.45 S cents a year earlier.

The Board has approved a second and final dividend of A$0.001 cent per share. Including the interim dividend of A$0.001 per share paid in May 2013, the total payout for FY2013 is A$0.002 per share. It would represent a dividend yield of approximately 1.7% based on A$0.12 share price as at 31 October 2013.

In February 2013, Mr Paul Vui Yung Lee joined us as an Independent Non-Executive Director, replacing Mr Harry Vui Khiun Lee who resigned due to his ongoing business and personal commitments. Effective 1 March 2013, Mr Meng Yau Yeoh was appointed as the Group's Chief Financial Officer after serving four years as Group Financial Controller.

As a result of the collaboration and the name change, we have conducted a re-branding exercise to re-position the Group as a global healthcare provider that offers specialised health care for several specific disciplines. This will enable us to build a strong brand, accommodate the addition of other medical specialties, cater to the geographical expansion of the Group, taking into account our relationship with UPMC. The new AAMG brand and logo were launched on 21 October 2013.

On behalf of the Board of directors, we express our deep appreciation to our investors and staff. We look forward to your continued support in the year ahead as we continue to develop AAMG into a global healthcare brand.

Dato' Dr Kai Chah Tan
Executive Chairman

Pamela Anne Jenkins
RGN, B Sc (Hons), MBA
Executive Director

I am very excited and proud to share with Shareholders AAMG's accomplishments during the year in review. We have achieved several significant corporate and operational milestones, all part of the Group's effort to transform itself into a global healthcare brand offering world-class treatment under the Comprehensive Transplant Centre ("CTC") for liver-related and blood diseases and transplantation. We are grateful for the crucial support and advice from our partner, UPMC, as we execute our growth strategies.

Asian Centre for Blood and Bone Marrow Transplantation ("ACBBMT")

The planning and setting up of ACBBMT started in the last quarter of 2012 and it was operational in February this year, with a Haematopoietic Stem Cell Transplant Programme as well as programmes for other blood-related diseases. ACBBMT specifically aims to provide optimum clinical care for patients with blood disorders, particularly blood cancers such as leukaemia, myeloma and lymphoma, and blood stem cell (including bone marrow and cord blood) transplantation. This centre of excellence is headed by Dr Yvonne Loh, the only transplant physician in the Asia-Pacific region with specific training in haematopoietic cell transplantation for immunological diseases. Dr Loh has served as the Medical Director of the Haematopoietic Stem Cell Transplant programme in Singapore General Hospital ("SGH"), where she has performed close to 100 transplants, before setting up the ACBBMT under AAMG.

We are very optimistic about the success of ACBBMT. Within the first few months after opening its doors, ACBBMT successfully performed its first life-saving bone marrow transplantation for a patient from the Middle East. ACBBMT, with seven months of operation, contributed about 3% to the Group's revenue for the financial year under review. We expect the contribution to be more significant in the next financial year.

With the establishment of ACBBMT, AAMG has become a CTC. In line with this, the Parkway Asian Liver Ward which we co-manage with Gleneagles Hospital, Singapore, has been renamed Parkway Asian Transplant Unit. Two of the seven Intensive Care Units ("ICU") have also been modified to cater for bone marrow transplant patients.

Share placement exercise

In April 2013, AAMG successfully placed out 21,000,000 new shares for an aggregate sum of A$3.6 million (approximately S$4.1 million) to RusSing Med Holdings Pte Ltd ("RMH"). The Placement shares represent slightly over 10% of the enlarged share capital base of 209,454,000 shares. RMH is a wholly-owned subsidiary of RusSing Holdings Pte Ltd ("RusSing"), which is a private holding company that focuses on business opportunities generated by the growing relationship between Russia and Singapore. The founder of the Group, Mr Evgeny Tugolukov, has more than 18 years of experience in investment management and is involved in the Biotech and Pharmaceutical sectors, as well as other industries such as Agriculture, Natural Resources, Green Technology and Real Estate. We are honoured to have Mr Tugolukov join the Board of directors in June 2013 and we look forward to his valuable contribution to the Board.

The Share Placement exercise is a crucial piece in the development of the CTC and our expansion. The funds raised from the Placement will primarily be used to develop the CTC including funding start-up costs for ACBBMT, general working capital for our expansion plans and other strategic alliances and business development plans. This allows the cash reserves generated from past profits to be retained, providing a healthy reserve.

The success of the Share Placement is also a testament of the ability of AAMG to attract sophisticated investors by leveraging on our good track record, unique CTC business model and our relationship with UPMC.

Collaboration with Vinmec International Hospital in Hanoi

Also in April this year, AAMG signed a Memorandum of Understanding ("MOU") with Vinmec International General Hospital JSC ("Vinmec") to jointly set up the Vietnamese-American Liver Center ("VALC") to treat the entire spectrum of liver diseases for adults and children in Hanoi. Vinmec is a state-of-the-art modern hospital owned and developed by Vingroup JSC, Vietnam's largest listed property developer and hospitality group. Vinmec has more than 600 closed inpatient and semi-inpatient rooms fully equipped with advanced and high-end facilities, furnished to 5-star standards and located on a premium 2.5-hectare plot of land in Times City, a modern and luxurious mixed development in Hanoi. The MOU was subsequently formalised into a Service Agreement two months later in June 2013.

VALC officially started its clinic sessions in August and we are encouraged by the response thus far. On 24 August, VALC held its first public seminar at Vinmec to create awareness on hepatitis and liver diseases and to promote VALC and its services. This seminar, which included talks by Dr Tan and Dr Vincent Lai, was well received by the public and will be the first of many such events jointly organised by Vinmec and AAMG to educate the public on liver disease treatment and prevention and to promote VALC.

AAMG's collaboration with Vinmec is our second foray into Vietnam after our first overseas centre was set up in Ho Chi Minh City back in 2010.

Group Branding Exercise

As we transformed ourselves from a single-disciplinary centre treating only liver-related diseases and liver transplantation into a multi-disciplinary comprehensive transplant centre following our collaboration with UPMC, we needed to rebrand ourselves to create a strong new identity that reflects our expanded business, strengths and vision. We also needed a consistent and uniform brand image across our various subsidiaries and specialties, whereby anyone can correlate all the companies within our Group to the holding company's master brand.

We therefore engaged a brand consultant to help us with brand architecture, methodology and logo design. The process of building a brand – from initial briefing and conceptualisation of the brand to its final roll-out – is a long and challenging journey. Every element of the brand had to be carefully thought through and articulated right down to the smallest details such as choice of colours, texture of the logos and corporate stationeries design. At the end of the whole process, the final product was a simple yet powerful AAMG brand that captures all our values and personality consistently across the Group. The detailed write-up on AAMG's new brand can be found on pages 10 to 11.

Conclusion

In summary, what we have achieved during the year is consistent with the goals and plans we set out to do after we were listed in 2009. We successfully raised enough funds to finance our transformation into a CTC and continue with our business development efforts. We have created a new brand to better represent ourselves to the world. We started our treatment centre for blood diseases and bone marrow transplantation and finally we expanded further overseas with a collaboration with one of the best equipped and modern private hospital in Vietnam. With these achievements, we have put together some important building blocks that position us well in the local and international markets.

As AAMG continues to evolve into a global healthcare brand, we have not lost focus of our main priority which is to provide the best care and service to all our patients. Our clinical success and strong reputation will eventually translate into increased value to all our Shareholders. Lastly, I would also like to specially acknowledge the hard work, dedication and contribution of every AAMG staff member without which, AAMG will not be where we are today. We still have plenty of work to do but I am excited by the prospects of the Group.

PJenkins

Pamela Anne Jenkins
Executive Director

A New Brand. A New Journey.

Embracing his vision to provide multi-organ transplantation within an integrated medical hub in Asia, Dato' Dr Kai Chah Tan, Founder and Executive Chairman of the then Asian Centre for Liver Diseases and Transplantation Ltd ("ACLDT"), led the bold move to rebrand ACLDT to Asian American Medical Group ("AAMG"). This is in line with the Group's strategic collaboration with US-based UPMC, a global health enterprise and renowned leader in solid organ transplantation and cancer treatment.

Having established itself as Asia's foremost liver centre since 1994, Asian Centre for Liver Diseases & Transplantation Pte Ltd ("ACLDT PL") has grown from strength to strength under the leadership of Dr Tan. As the first private medical centre in South-east Asia to have performed its 100th Living Donor Liver Transplant ("LDLT") in 2007, ACLDT PL has achieved yet another key milestone in 2012 – its 200th LDLT.

Stretching AAMG's existing capabilities to go beyond liver transplant, the partnership with UPMC was forged to establish a Comprehensive Transplant Centre ("CTC") based in Singapore. First-of-its-kind in Asia, the CTC will provide not only liver transplantation and treatments but also bone marrow, kidney and other organ transplants while continuing to provide excellent, seamless inpatient and out-patient care.

Through sharing of expertise with UPMC who is renowned for its clinical and technological innovation, research and education, AAMG looks set to transform the way healthcare is provided in Asia as it aims to deliver world-class healthcare to patients in Asia and beyond.

Following the rebranding to AAMG is the name change for its two wholly-owned subsidiaries, from Asian Centre for Liver Diseases & Transplantation Pte Ltd and Asian Centre for Blood & Bone Marrow Transplantation Pte Ltd to Asian American Liver Centre and Asian American Blood & Marrow Transplant Centre respectively.

Our New Brand Identity

The strong capital "A" in our new brand logo stands for "Asian American". It evokes the unique partnership that has been forged between AAMG and UPMC.

It also speaks deeply of our harmonious blend of East and West, the unity of Asia and America, and the cultural nuances of our combined expertise and partnership.

The regular shape of the left stroke symbolises the rational disciplines of Western medicine that lies in the heart of what we do; while the brush-inspired right stroke embodies the subtleties and relational values of Asia.

Attractive textures fill the "A" letter displaying a play of warm colour hues to differentiate our various service offerings, which in turn reflects what we aim to deliver to our patients through our medical expertise and world-class patient care – well-being, peace-of-mind and a better quality of life.

Together, these elements come together to form a unique symbol that embodies our brand promise: Dedicated to healing, Powered by innovation.

Asian American
MEDICAL GROUP

Asian American
LIVER CENTRE

Asian American
BLOOD & MARROW
TRANSPLANT CENTRE

Dato' Dr Kai Chah Tan

Executive Chairman
D.P.M.P., MBBS (MAL), FRCS (EDIN)

Dato' Dr Kai Chah Tan serves as the Executive Chairman of AAMG. He is also the Executive Chairman of Asian Centre for Liver Diseases & Transplantation Pte Ltd ("ACLDT PL") and the director of Asian American Medical Group Inc.("AAMG Inc"), Asian Centre for Blood and Bone Marrow Transplantation Pte Ltd ("ACBBMT") and Asian American Medical Group Pte Ltd ("AAMG PL"), all wholly owned subsidiaries of AAMG. Dr Tan is the lead Surgeon (Hepatobiliary/Transplant) in ACLDT.

Dr Tan graduated from the University of Malaya, in 1978 and obtained his Surgical Fellowship in 1982. From 1984 to 1987, he obtained advanced training in paediatric and adult hepatobiliary surgery and liver transplant surgery in the United Kingdom. He was Consultant Liver Surgeon in King's College Hospital ("KCH") and taught in surgery, University of London between 1988 to 1994.

Dr Tan returned to South-East Asia in 1994 to set up private practice, the ACLDT PL, in Gleneagles Hospital, Singapore and the then Subang Jaya Medical Centre ("SJMC"), in Kuala Lumpur, Malaysia. He started a paediatric LDLT programme in SJMC, Malaysia in 1995 where over 50 transplants were performed. It was here that he performed South-East Asia's first paediatric LDLT on 23 March 1995.

In 1996, Dr Tan was appointed Director of the Liver Transplant Programme, National University Hospital ("NUH"), Singapore. He performed 47 transplants, both adult and paediatric, at the NUH before he left in March 2002.

In April 2002, the first successful adult-adult LDLT in South-East Asia was performed in Gleneagles Hospital, Singapore. Dr Tan and his team have successfully performed more than 200 LDLTs - the only private centre in South-East Asia to reach this historical milestone. He has published extensively, including co-editing a textbook on 'The Practice of Liver Transplantation', and lectured on the subjects of hepatobiliary and liver transplantation surgery.

Pamela Anne Jenkins

RGN, B Sc (Hons), MBA
Executive Director

Ms Pamela Anne Jenkins is the Executive Director of AAMG. She is also the Managing Director of ACLDT PL and the director of AAMG Inc, ACBBMT and AAMG PL. Ms Jenkins oversees management and operational issues, budgetary control and strategic planning in liaison with the Executive Chairman and Founder, Dato' Dr Kai Chah Tan.

Ms Jenkins holds a Bachelor of Science (Honours) degree from University of East London, United Kingdom as well as a Master of Business Administration ("MBA") from Kingston University, United Kingdom. Ms Jenkins has wide experience in specialised nursing and healthcare management, covering neurosurgery, cardiothoracic surgery, vascular surgery, orthopaedic surgery, general surgery, microvascular surgery, eye surgery, plastic surgery, paediatric surgery, urology and renal transplantation, hepatobiliary and liver transplant surgery. She has also written conference papers on liver failure and liver transplantation, with special focus on paediatric liver diseases.

Ms Jenkins began her career in 1984 as an Operating Theatre Sister, KCH, London, and subsequently attained the position of Clinical Nurse Specialist and Department Manager at the hospital's Liver Transplant Surgical Service. In her latter role she was in charge of operating theatre staff, trainee nurses, administration, management of the unit and budgetary control.

After ten years at KCH, she relocated to Singapore in 1994 to establish ACLDT with Dr Tan, assuming the role of director of ACLDT. She was responsible for the design and development of the centre, implementation of management systems, and assisted in hepatobiliary and liver transplantation surgery. In 1997, she assumed the position of Managing Director.

Mr Wing Kwan Teh
Non-Executive Director
CA (S'pore), FCCA (UK), CA (M'sia)

Mr Wing Kwan Teh specializes in corporate finance and merger & acquisition. More specifically, he advises and reviews on the Group's investment opportunities, acquisition plans, operational restructuring and corporate finance matters.

Mr Teh is currently a Group CEO and Executive Director of Sapphire Corporation Limited (listed on the Main Board of the Singapore Exchange Securities Limited ("SGX-ST")), a non-executive and non-independent director of Xpress Group Limited (listed on the Hong Kong Stock Exchange) and CCM Group Limited (listed on Catalist of the SGX-ST). He is also an appointed adviser to Koda Ltd (listed on SGX-ST), a sophisticated investor in and a director of BMI Capital Partners Limited (Hong Kong), advising its investment strategies. He was appointed Audit Committee Chairman and Independent Director of other companies listed on the SGX-ST. Teh has had significant experience having been a professional in finance who have been advising companies listed in and prepared to list in Hong Kong, Singapore, Australia, Vietnam and Taiwan.

Mr Teh is a Chartered Accountant of the Institute of Singapore Chartered Accountants, Fellow Member of the Association of Chartered Certified Accountants (United Kingdom), a Chartered Accountant of the Malaysian Institute of Accountants and a Full Member of Singapore Institute of Directors.

Mr Evgeny Tugolukov
Non-Executive Director
B Econ

Mr Evgeny Tugolukov holds a degree in Economics and Enterprise Management from the Ural State Technical University ("USTU") in Russia. He is the President and Founder of RusSing Holdings Pte Ltd ("RusSing") which was founded to create more linkages between Russia and Singapore/South-East Asia to create new business visions and ideas and also strengthening the cultural interstate communications

Mr Tugolukov has over 18 years of rich entrepreneurial background in various business fields. Under his management, several sizeable holdings were created, including one of Russia's largest power machine-building companies – PJSC EMAlliance. He is currently involved in industries such as agriculture, natural resources, healthcare and real estate development. Having established a successful track record in the business field, Mr Tugolukov became and is currently an Honorary Business Representative of International Enterprise Singapore in Russia and Ukraine.

Mr Tugolukov was appointed as Non-Executive Director of AAMG on 3 June 2013 following the successful share placement of AAMG's shares to one of RusSing's wholly-owned subsidiaries, RusSing Med Holdings Pte Ltd.

Mr Heng Boo Fong
Independent
Non-Executive Director
FCA (S'pore), B Acc (Hons)

Mr Heng Boo Fong is an Independent Non-Executive Director and is also the Chairman of the Audit Committee of AAMG. He is also a member of the joint Nomination and Remuneration Committee.

Mr Fong studied at the University of Singapore (now known as National University of Singapore, NUS) and graduated with an Honours Degree in Accountancy. He has over 39 years of working experience in auditing, finance, business development and corporate governance.

He is currently a Director (Special Duties) at the Singapore Totalisator Board (owner of Singapore Pools & Singapore Turf Club). Prior to this appointment, he was with the Auditor-General's Office, Singapore, from 1975 to 1993. He held the appointment of Assistant Auditor-General when he left the Auditor-General's Office. He was also General Manager (Corporate Development) of a listed company in Singapore as well as the Chief Financial Officer of a listed company in Australia. His other professional experience included membership of Audit Committees of Statutory Boards and Advisory Committees of School of Accountancy of Nanyang Technological University, Singapore and Ngee Ann Polytechnic, Singapore. Mr Fong is a Fellow Member of the Institute of Singapore Chartered Accountants. He was a council member of the then Institute of Certified Public Accountants of Singapore ("ICPAS") (now known as Institute of Singapore Chartered Accountants ("ISCA")) and he was awarded a silver medal by ICPAS in 1999.

Mr Fong is also presently an Independent Director of three companies listed on the SGX-ST.

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

Mr Paul Lee has over 15 years' experience in business development, quality control and cost management. He has been serving on a few boards of companies in Malaysia and Australia. He has broad experience in diverse industries and international businesses such as public utilities infrastructure construction, building materials, property development, and oil palm plantations. With a Business Degree from Edith Cowan University in Perth and strong analytical skills, he has aided companies in both identifying and implementing strategic growth opportunities.

Mr Lee was appointed to the Board on 31 January 2013. He chairs the joint Nomination and Remuneration Committee and is also a member of the Audit Committee.

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

Ms Jeslyn Leong is a Fellow of the Association of Chartered Certified Accountants (United Kingdom) with 22 years of extensive experience in the field of corporate finance. She was also previously working as Financial Accountant of Teys Australia Pty Ltd, Australia's leading beef processor and exporter.

Ms Leong joined AAMG as a Non-Executive Director on 1 January 2012.

Dr Kang Hoe Lee

Respiratory Physician
& Intensivist
(Critical Care & Liver Transplant)
MA (UK), MBBCHir (UK), MRCP (UK), FAMS (SIN), EDIC (EUR)

Dr Kang Hoe Lee graduated from University of Cambridge, UK, in 1987. He was a scholar at Jesus College, Cambridge, where he received the Duckworth Prize. Dr Lee also received a scholarship from the Kuok Foundation, Malaysia, for furthering his medical studies. He performed his surgical housemanship with Professor Sir Roy Calne (one of the pioneers in liver transplantation) at Addenbrooke's Hospital, Cambridge. This was followed by further training in internal medicine at Cambridge and he obtained his MRCP (London) in 1990. Subsequent to this, he joined the Department of Medicine, NUH, Singapore, and underwent further training in Intensive Care and Respiratory Medicine. This continued with a two-year Critical Care Fellowship at University of Pittsburgh Medical Center, USA- the leading centre for liver transplantation in the world - under Professor Thomas Starzl and Professor John Fung, where he was awarded Fellow of the Year.

Dr Lee then returned to Singapore in 1995, and later joined the NUS as a Lecturer in the Department of Medicine. He later became an Associate Professor of Medicine and Senior Consultant, and Director of Medical Intensive Care Unit. He was also one of the founding members of the Society of Intensive Care Medicine in Singapore. During this period, he published many articles on respiratory related issues (especially pneumonia), ICU issues, health outcomes, liver cirrhosis and liver transplantation. Dr Lee joined Gleneagles Hospital in September 2005 as the Director of Critical Care and has been affiliated with AAMG since then. He has established close contacts with the King's College Liver Unit, UK, as part of the development of ACLDT as a leading liver transplant centre. He is currently responsible for managing all the acute liver failure patients and liver transplant patients treated at ACLDT and bone marrow patients from ACBBMT. He is also responsible for all liver dialysis treatments and has brought several machines to ACLDT, making it one of the premier liver dialysis centres in the world.

Dr Salleh Ibrahim

Surgeon
(Hepatobiliary/Liver Transplant)
MBBS (SIN), FRCS (GLAS), FAMS (Gen Surg)

After obtaining his basic medical degree from the NUS in 1995, Dr Salleh Ibrahim furthered his training in the Royal College of Glasgow. He had worked at the General Surgery departments of Singapore General Hospital ("SGH") and Changi General Hospital ("CGH") from 1996 to 2011. Prior to joining AAMG in February 2012, he was a Senior Consultant (General Surgery) and Director, Hepato-Pancreatic Biliary Surgery, at CGH, and Chairman of the Liver Transplant Committee of Eastern Health Alliance, Singapore.

Since 2003, Dr Salleh has been a Clinical Lecturer at NUS. He is a Visiting Specialist to international liver transplant centres in Taiwan and Brazil. He also sits on several Boards of Directors for Non-governmental Organisations ("NGOs") and charitable organisations in Singapore.

Dr Salleh has been accorded Merit Awards by the Taiwan and Japanese Surgical Associations, as well as for his research paper at the CGH Annual Scientific Meeting. Besides being a reviewer of several medical journals, he has also published extensively on the safety of living donors, treatment of advanced liver cancer and surgical techniques in pancreatic surgery. Dr Salleh's research and clinical interests are on the effective treatment of liver cancer and bioartificial liver.

Dr Vincent Wai Kwan Lai

Gastroenterologist
(Transplant Hepatology & Therapeutic Endoscopy)
MBChB (UK), MRCP (UK), PhD (Bham UK), CCT (UK), Specialist Register (UK)

Dr Vincent Lai attained his basic medical degree from the University of Sheffield in England in 1993. He undertook his specialist training in Gastroenterology and Hepatology in England and spent five years in Birmingham, which has one of the largest liver transplant units in Europe. In 2002, he was awarded the prestigious Medical Research Council Clinical Training Fellowship. He completed his Ph.D. at the University of Birmingham in 2007, investigating the liver immunity in viral hepatitis. He was accredited by the Specialist Accreditation Board in gastroenterology in England and was a Consultant in a teaching hospital prior to taking up a post in Singapore.

As a Consultant Hepatologist at the Derby NHS Foundation Trust Hospital from 2006 to 2008, Dr Lai helped in the further development of the provision of viral services in Derby. During his tenure there, he not only obtained a grant from the Trust for a study in infection in liver patients but was also actively involved in medical research.

Subsequently, Dr Lai joined NUH, Singapore, as a Consultant Gastroenterologist with specific interest in viral hepatology, acute liver failure and liver transplantation. He was part of the acute liver failure faculty in the Asia Pacific Study of Liver Disease group.

Dr Lai is also trained in therapeutic endoscopy and endoscopic retrograde cholangiopancreatography ("ERCP"). His research interests are in the adaptive and innate immunity in patients with liver disease particularly those with viral hepatitis and liver failure.

Dr Lai joined AAMG as a Consultant Gastroenterologist with a specific interest in viral hepatology, acute liver failure, therapeutic endoscopy and liver transplantation in January 2011.

Dr Yvonne Loh

Haematologist & Medical Director
(Haematopoietic Cell Transplant and Leukaemia)
MBBS (SIN), MRCP (UK), FAMS (FAEM)

Dr Yvonne Loh is the Haematologist and Medical Director of AABMTC. Prior to joining AABMTC, she was a Senior Consultant (Department of Haematology), Medical Director of Haematopoietic Stem Cell Transplant Programme and Director of the Acute Leukemia Service, at the SGH. She was responsible for drafting the risk-adapted transplant approaches which have been vital in ensuring the seamless management of acute leukaemia patients from diagnosis to transplant.

Following her undergraduate medical training at the NUS, where she was a recipient of the Dean's list of awards in the Second and Final Professional examinations, Dr Loh attained her basic specialist training in internal medicine and advanced specialty training in Haematology at SGH. Subsequently, she became a Fellow of the Academy of Medicine Singapore, College of Physicians, Chapter of Haematologists.

In 2006, Dr Loh pursued her HMDP Fellowship at the Division of Immunotherapy, Northwestern University, Chicago – the world's largest single-centre experience in transplants in immunological diseases – under her mentor, Professor Richard Burt. Upon her return to Singapore, Dr Loh spearheaded the SGH programme for haematopoietic cell transplantation for immunological diseases the only transplant physician in the Asia Pacific region with specific training in this field to do so. Dr Loh was also a holder of various grants; having received support from the National Medical Research Council of Singapore for her role as the project principal investigator of the Centre for Immunological Diseases Research and Therapy, as well as SingHealth Foundation for her role as the principal investigator of several clinical trials in transplantation for MDS and leukaemia.

Dr Loh's work has been published in leading peer-reviewed journals including Blood, JAMA, Bone Marrow Transplantation and Lancet Neurology. She has also presented several abstracts at international meetings by the American Society of Hematology Congress, the American Society of Blood and Marrow Transplant, and the European Blood and Marrow Transplantation. She is a frequent speaker at local and regional meetings in the areas of bone marrow transplantation, acute leukaemia and transplantation for immunological diseases. As a clinical lecturer at the Yong Loo Lin School of Medicine, NUS and Physician Faculty for the SGH Medicine Residency Programme, Dr Loh has been involved in undergraduate and post-graduate teaching. She also serves as a board member and medical advisor at the Bone Marrow Donor Programme, the local registry of bone marrow donors in Singapore.

Mr Cherinjit Kumar Shori

Group Chief Operating Officer
B Acc, PGDip Marketing & Healthcare

Mr Cherinjit Kumar Shori holds a Bachelor of Accountancy degree from Nanyang Technological University in Singapore.

Mr Shori also holds a Graduate Diploma in Marketing from the Singapore Institute of Management and Certificate in Healthcare Management from Georgetown University, USA.

He has more than 20 years' experience in the healthcare and hospitality industries covering business development and marketing. He was the Group Vice President/Deputy Chief Marketing Officer for Singapore-based Parkway Group Healthcare Pte Ltd, one of Asia's largest healthcare providers, where he served for ten years in strategic marketing, business development and regional expansion to increases the market share for its group of hospitals in Singapore, before joining AAMG.

Prior to that, he held senior management positions with various companies including Sun Cruises and Sembawang Leisure (a subsidiary of Sembawang Corporation).

Mr Shori has also been invited to speak at international conferences, the latest being the Internationale Tourismus-Börse Berlin ("ITB Berlin") Conference 2012 where he shared his experience in the future of global medical tourism.

Mr Shori joined AAMG as Group Chief Operating Officer in November 2009.

Mr Meng Yau Yeoh

Group Chief Financial Officer
FCA (S'pore), FCCA (UK), CA (M'sia)

Mr Meng Yau Yeoh obtained his professional accounting qualification from the Association of Chartered Certified Accountants ("ACCA") in 1994.

He started his career at the then KPMG Peat Marwick in 1995 as Audit Junior and left as an Audit Senior in 1998. After spending four years in the Big 4 audit firm, Mr Yeoh spent the next ten years between 1999 and 2009 working in several listed and privately owned companies involved in a wide range of industries ranging from construction, information technology, investment holdings to service and hospitality in Singapore, Malaysia and Australia. During that period, he was involved in two successful IPOs in Singapore.

Mr Yeoh is a Fellow Member of the Institute of Singapore Chartered Accountants, Fellow Member of the Association of Chartered Certified Accountants (United Kingdom) and a Chartered Accountant registered with the Malaysian Institute of Accountants. He joined AAMG as Group Financial Controller in December 2009 and was subsequently appointed as Group Chief Financial Officer in March 2013.

Year ended 31 August	2013 S$'000	2012 S$'000	(Decrease)/Increase %
Revenue	19,399	24,050	(19.3)
Earnings before interest, taxation, depreciation and amortisation ("EBITDA")	479	3,180	(84.9)
Profit after income tax attributable to members	231	2,538	(90.9)
Total share capital and reserves	7,899	4,623	70.9

	2013 S Cents	2012 S Cents
Basic earnings per share	0.12	1.35
Net asset value per share	3.77	2.45
Net tangible asset value per share	3.64	2.31

The Group commenced operation of its wholly-owned subsidiary Asian Centre for Blood and Bone Marrow Transplantation Pte Ltd ("ACBBMT") in February 2013. This is in line with the Group's strategic plan for the establishment of the Comprehensive Transplant Centre ("CTC") in Singapore in collaboration with US-based UPMC. As such, the current year under review includes a new operating segment in the Consolidated Group.

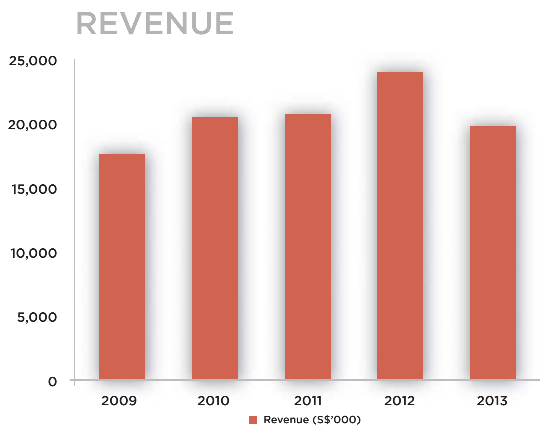
The Group's liver segment saw a decline of 19.3% in patient transactions from 14,218 in FY2012 to 11,474 in the current financial year. Including the Vietnam associate, the decline was lower at 11.9% as patient numbers in the latter increased by 161.4%. The number of living donor liver transplantations also decreased to 12 compared to 15 last year. There was a decrease across the various categories of services, particularly for surgeries and liver dialysis performed during the year, which fell by 41.1% and 35.9% respectively, from FY2012. The lower patient transactions reflect the overall slowdown in foreign patient volumes in Singapore as the cost of healthcare here continues to rise, which also explained the importance of our recent strategic move – we have since diversified our segment to now include CTC. In addition, the depreciation of Indonesian Rupiah and Malaysian Ringgit has made travelling to Singapore more expensive and resulted in patients from two of our biggest markets deferring their visits or seeking alternative destinations. Indonesians and Malaysians comprise approximately 40% of our total patients. Also, the haze in June and July this year, the worst in Singapore's history, kept foreign patients away during that period.

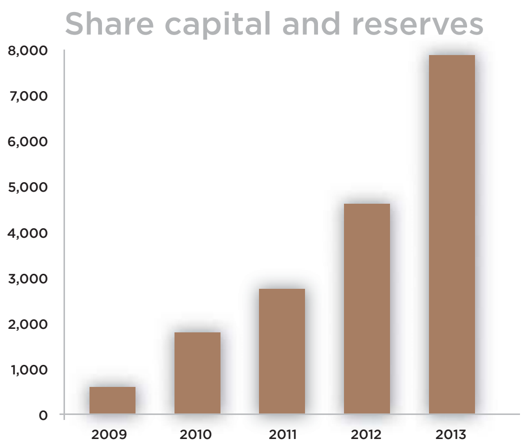
The blood and bone marrow segment commenced operations in February 2013. Taking into consideration of a learning curve period of 7 months, this segment contributed a total revenue of S$0.6 million for the year ended 31 August 2013, accounting for 3.2% of Group revenue. Despite that, the total revenue for the Group for FY2013 declined by 19.3% to S$19.4 million compared to the same period last year.

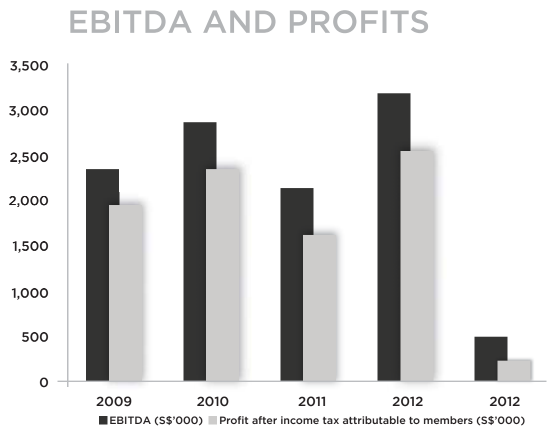
Cost of sales declined by 17.4% in tandem with the lower revenue. Overall expenses decrease by 9.1% or S$1.9 million to S$19.1 million from S$21.0 million in FY2012. Excluding the cost of sales, overall expenses increased by S$0.3 million. The significant changes are:

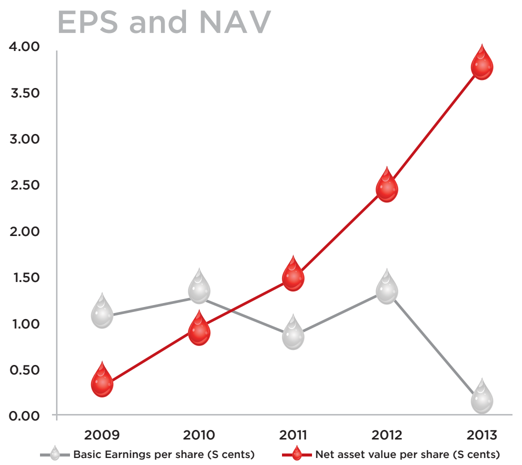
a) Start-up costs and other operating overheads for new ACBBMT of S$0.8 million;
b) UPMC's management fee of S$0.2 million;
c) Reduction in payroll expense of S$0.3 million in ACLDT as a result of lower headcount during the first half of FY2013;
d) Reduction in professional fee of S$0.2 million in ACLDT as FY2012's fees were mainly a result of third –party services in relation to the ACLDT and UPMC collaboration;
e) Reduction in office lease cost of S$0.1 million as a result of the closure of the Mount Elizabeth Medical Centre clinic in November 2012; and
f) The absence of a one-off gain of S$0.1 million from gain on disposal of subsidiary in FY2012

Given the above-mentioned, the net profit before tax for the Group declined by 89.1% or S$2.7 million from S$3.0 million in FY2012 to S$0.3 million this financial year. Taxes, on the back of lower taxable profits, decreased by 80.8%.







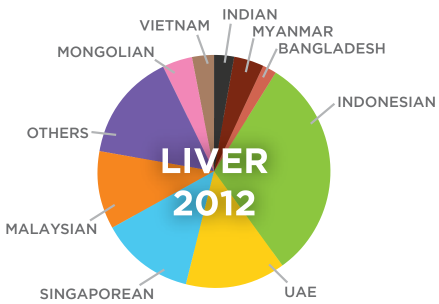


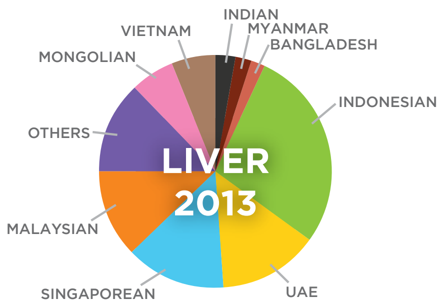
In April 2013, the Group placed out 21,000,000 new ordinary shares at A$0.17 per share. As a result, the Shareholders' Equity or Net Assets, after accounting for a total dividend of S$1.0 million paid in FY2013, rose by S$3.2 million to S$7.9 million as at 31 August 2013. Correspondingly, Net Asset Value ("NAV") per share rose by S 1.3 cents to S 3.8 cents. The share placement exercise has strengthened both our cash position and net asset base.

Property, plant and equipment increased by S$0.3 million from S$0.3 million to S$0.6 million as a result of the renovation cost and purchase of furniture and equipment for ACBBMT's new clinic.

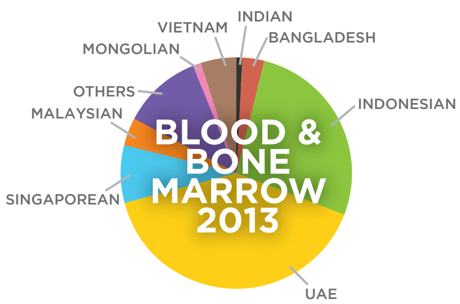
Trade and other receivables decreased by S$0.8 million from S$4.2 million to S$3.4 million due mainly to the decline in revenue. Trade and other payables also reduced by $0.3 million due mainly to lower purchases, despite higher accruals which included UPMC costs of S$0.2 million as at 31 August 2013.

Cash and cash equivalents as at 31 August 2013 increased substantially by S$2.9 million to S$7.3 million due to the net proceeds from issuance of shares, current year earnings and after paying last year's final and current year's interim dividends.





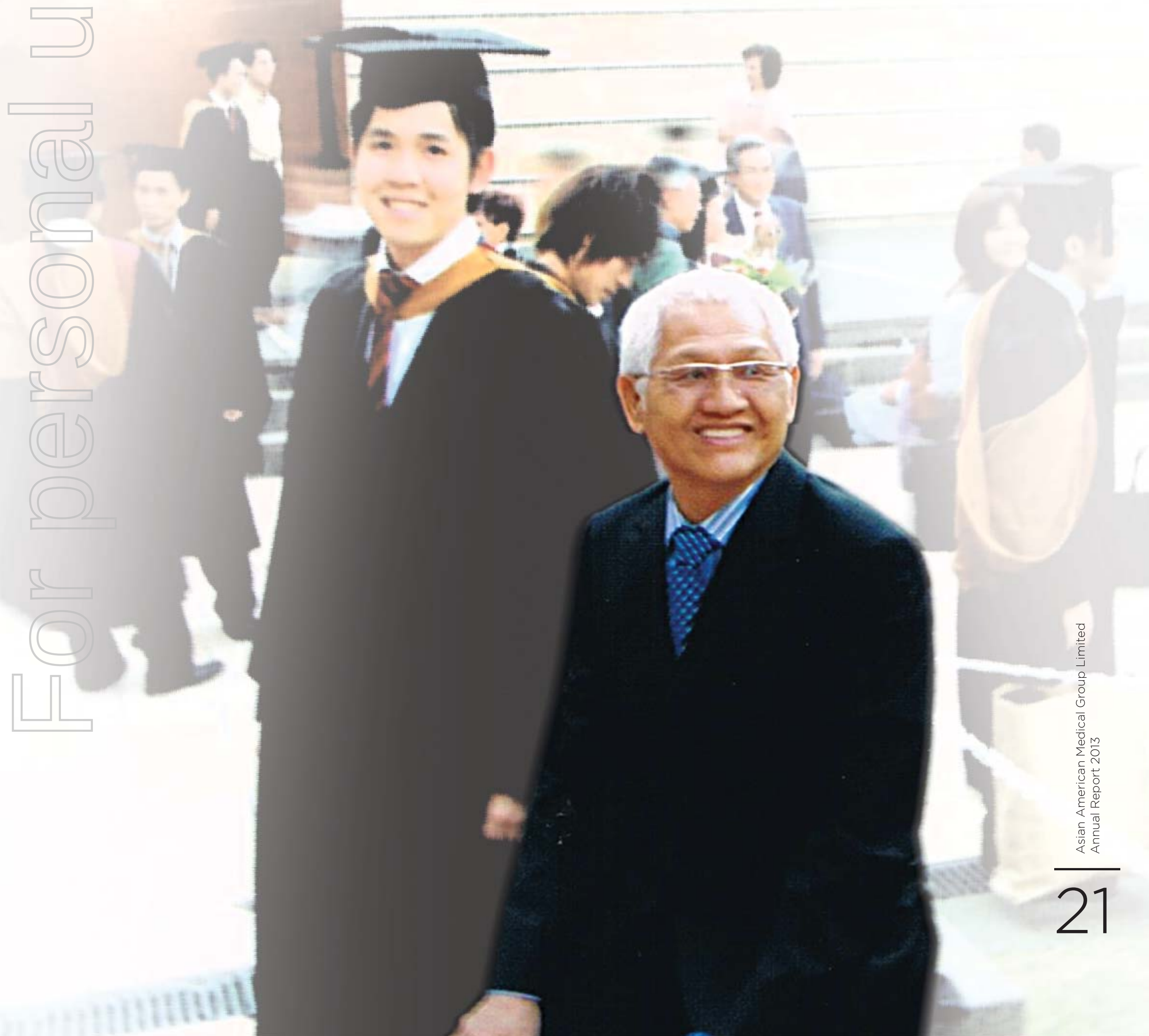
For our liver segment, patients from Indonesia, Malaysia, Singapore and UAE continue to form the majority of its core patients. There was an overall decline in the number of patients across the board but there were notable increases in patients from emerging markets like Vietnam and Mongolia.



Patients from the UAE represent about 40% of the patients in the Group's new blood and bone marrow segment during the first seven months of operation. This was followed by patients from Indonesia, which made up of approximately a quarter of the numbers. Local Singaporeans, patients from Malaysia, Vietnam and South Asia forms the remaining number of patients.

JIMMY YEOW:

For most of us, we look forward to planning for our retirement and savouring life once we turn 60. However, this was not the case for me up to three years ago.



In 2010, my liver function started to deteriorate rapidly when I was 60 years old. My health suddenly took a turn for the worse. I was frequently in and out of hospitals in my hometown, Port Dickson, Malaysia.

My liver failed due to viral hepatitis B infection; my skin turned extremely yellow from jaundice and I was nauseous all the time. I felt as if my life was slipping away as my strength waned day by day.

As I did not want to burden and worry my family, I asked my wife to keep the truth from my three children who were all studying in Sydney, Australia then.

However, due to the gravity of the situation, my wife felt compelled to tell my children. Upon learning the severity of my condition, my eldest daughter, then 27, flew back to Port Dickson immediately after being alerted by my wife. At that time, my health condition had become so serious that I had been staying in a hospital near Kuala Lumpur for months. When my daughter saw me, she called her two brothers at once and they too flew home soon after.

I remembered my doctors in the hospital asking for my family members to gather. I thought then, "I am old enough to sign for anything, including the medical treatments that I should get. Why do they need my family here?" It didn't take long for me to realise that they have been gathered to "settle" my affairs. The harsh reality that I may die anytime hit me like a ton of bricks. I was despondent, worried, confused and terrified. More importantly, what will happen to my family and loved ones?

My doctors at that hospital told me that there was little that they could do for me at this stage, and that I could seek treatment in other hospitals in USA, Britain, Japan, Hong Kong, China or Singapore. My brother, a doctor, urged me to see Dr K C Tan from ACLDT in Singapore. He said that Dr Tan is a renowned liver surgeon and hepatobiliary expert who had performed many liver transplant surgeries.

My stomach had bloated so much by then that I looked like a pregnant woman. I was in immense pain and was very ill. Apart from the expertise of Dr. Tan, we chose ACLDT because of its proximity to Port Dickson as we were racing against time. My doctor said that my condition was so bad that no airline may take me if I delay for one more day, thus I immediately flew with my wife and daughter to Singapore. Upon reaching Singapore, we headed straight to Gleneagles Hospital where ACLDT is located and I was admitted at once. My two sons arrived in Singapore soon after.

Dr Tan and his team of doctors, nurses and staff at ACLDT wasted no time in assessing my condition, and Dr Tan advised me to get a liver transplant without delay. But who will be my liver donor? I was reluctant and worried to have to put my family through this, especially my children as they still have so much more going for them in their lives ahead.

A series of tests was done promptly to assess the suitability of my daughter but due to her petite frame, her liver was not big enough for the right lobe of her liver to be removed and donated to me in a living donor liver transplant surgery. My younger son had not yet turned 21 years old then, and thus my elder son, Jie Xiang, then 25, responded to the call without any hesitation.

I was very touched at my son's love for me to make such a bold decision, especially when we were hard-pressed for time to explore other options.

Preceding the transplant was an extremely challenging time for us, especially for my son and me. It was a test of our physical, mental as well as emotional strengths. Not only did we have to go through a series of further tests and procedures, we also had interviews with various specialists, psychologists and the Transplant Ethics Committee which are mandatory by Singapore law before any transplant can be carried out in Singapore.

The thought of my son's sacrifice and my family's love and support for me carried me through that grueling period of time.

Three years on, after a successful liver transplant, I am now feeling better than ever. Both Jie Xiang and I have been doing well since. I'm happy to say that Jie Xiang suffers no side effects from the transplantation. He has gone on to graduate from university and he's now back in Malaysia and working as a civil engineer.

My family and I have learnt and grown so much through this experience. We now try to live our lives to the fullest every day knowing that every day is a gift from God and should be cherished, especially with our loved ones. Having been brought back from the brink of death, I know I am a very lucky man!

I would not be here today if not for my son's selfless sacrifice and the dedication and professionalism of Dr Tan and his team of doctors and nurses at ACLDT and Gleneagles Hospital. A big Thank You to all of them!

Corporate governance statement

The Board of Asian American Medical Group Limited ("AAMG") seeks to practice the highest ethical and commercial standards while executing its responsibilities in directing the business and affairs of the Company on behalf of its shareholders.

The Board of AAMG has considered the principles of good corporate governance and best practice recommendations as published by the ASX Corporate Governance Council ("ASXCGC"). ASX Listing Rule 4.10.3 requires the Company to disclose the extent to which it follows or diverges from these best practice recommendations in its Annual Report.

This report discloses corporate governance practices the Board would like to highlight to stakeholders.

Additional information relating to corporate governance practices that the Company has adopted can be found on the Company's web site: www.aamg.co.

The Role of the Board & Management
The Company has formalised and disclosed the roles and responsibilities of the Board and those delegated to senior management.

The Board of the Company is responsible for the overall corporate governance of the AAMG, including its ethical behavior, strategic direction, establishing goals for management and monitoring the achievement of those goals with a view to optimising Company performance and maximising shareholder value.

The role of management is to support the Executive Director and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

Full details of the matters reserved to the Board and to senior management are available on the Company's web site at www.aamg.co.

Scheduled meetings of the Board are held at least four times a year and the Board meets on other occasions to deal with matters that require attention between scheduled meetings. The responsibility for the operation and administration of the consolidated entity is delegated by the Board to the Managing Director.

The Board is responsible for:

- Setting the strategic direction of the Company and establishing goals to ensure these strategic objectives are met;
- Appointing the Managing Director, setting objectives for the Managing Director and reviewing performance against those objectives, ensuring appropriate policies and procedures are in place for recruitment, training, remuneration and succession planning;
- Monitoring financial performance including approval of the annual and half-yearly financial reports and liaison with the Company's auditors;
- Ensuring that risks facing the company and its controlled entities have been identified ensuring that appropriate and adequate controls, monitoring and reporting mechanisms are in place;
- Receiving detailed briefings from senior management on a regular basis during the year;
- Approving the Boards of directors of subsidiary companies; and
- Ensuring the Company complies with the law and conforms to the highest standards of financial and ethical behavior.

AAMG has obligations to its stakeholders to ensure the Company is managed with appropriate due diligence and that all necessary processes are implemented to minimise risk and maximise business opportunities.

To this end, all commercial arrangements, capital expenditure, operational expenditure and other commitments are appropriately documented and have been authorised by either the Executive Director or the Board as appropriate.

The composition of the Board is determined in accordance with the Company's constitution and the following principles and guidelines:

- The Board should comprise of at least three directors with at least two non-executive directors;
- The Board should comprise of directors with an appropriate range of qualifications and expertise; and
- The Board should meet formally at least four times per annum and informally on an "as required" basis with all directors being made aware of, and having available, all necessary information, to participate in an informed discussion of all agenda items.

Directors in office

At the date of this statement the following directors are considered independent by the Board:

Name	Position	Independent
Mr Heng Boo Fong	Non-Executive Director	Yes
Ms Jeslyn Jacques Wee Kian Leong	Non-Executive Director	Yes
Mr Paul Vui Yung Lee	Non-Executive Director	Yes

The skills, experience, expertise and tenure of each director are disclosed in the Directors' Report within this Annual Report.

Director independence

The Board considers three of AAMG's directors as independent under the guidelines.

In assessing the independence of directors, the Board follows the ASX guidelines as set out:

An independent director is a non-executive director (i.e. is not a member of management) and:

- Is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- Within the last three years has not been employed in an executive capacity by the Company or another Group member, or been a director after ceasing to hold any such employment;
- Within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another Group member, or an employee materially associated with the service provided;
- Is not a material supplier or customer of the Company or other Group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- Has no material contractual relationship with the Company or another Group member other than as a director of the Company;
- Has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company; and
- Is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

ASXCGC Recommendation 2.1 states that the majority of directors of the Company should be independent. Although currently AAMG does not comply with that recommendation, the Board is of the opinion that the current structure and composition of the Board is appropriate given the size and nature of operations of the Group.

Where additional skills are considered necessary for specific purposes, access is made to independent professional advice at the expense of the Company. Such advice is to be shared amongst the directors.

Chairman

Due to the size of the Company, Dato' Dr Kai Chah Tan is the Company's Chairman. While recognising that the ASXCGC recommends that the chairperson be independent, the Company feels that the strong independence exercised by the other Board members mitigates any negative impact on the Company that it may have.

Appointment to the Board

Where a casual vacancy arises during the year, the Board has procedures to select the most suitable candidate with the appropriate experience and expertise to ensure a balanced and effective board. Any director appointed during the year to fill a casual vacancy or as an addition to the current board, holds office until the next Annual General Meeting and is then eligible for re-election by the shareholders.

New directors receive a letter of appointment which sets out the terms of their appointment. On appointment, an induction programme is available to directors that include one-on-one sessions with members of the senior management team.

Evaluation of senior executives

Senior executives, including the Group Chief Operating Officer or Group Chief Financial Officer have a formal job description and letter of appointment describing their term of office, duties, rights, responsibilities and entitlements upon termination.

The performance of senior executives is reviewed annually before the budgets are approved for the next financial year. This process is a formal one with the executive's performance assessed against Company, division and personal benchmarks by the joint Nomination and Remuneration Committee. Benchmarks are agreed with the respective senior executives and reviews are based upon the degree of achievement against those benchmarks.

Induction procedures are in place to allow new senior executives to participate fully and actively in management decision-making. The induction program includes orientation of:

- The Company's financial position, strategies, operations and risk management policies.
- The respective rights, duties, responsibilities and roles of the board and senior executives.

Ethical business practices

The Company has adopted a Code of Conduct to maintain confidence in the Company's integrity, its legal obligations and the expectations of its stakeholders. The Company is committed to being a socially responsible corporate citizen, using honest and fair business practices, to act in the best interests of clients so as to achieve the best outcome for shareholders.

The Board has procedures in place for reporting any matters that may give rise to unethical practices or conflicts between the interests of a director or senior executive and those of the Company. These procedures are reviewed as required by the Board. To this end, the Company has adopted a Conflict of Interest Policy that clarifies the processes for directors and senior executives to determine and disclose when a conflict of interest exists.

Diversity policy

The Company values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. Our recruitment processes encourage the development of diversity in our workplace, bearing in mind that employees must have the required skills to be successful in their positions.

In accordance with this policy and ASX Corporate Governance Principles, the Board has established the following objectives in relation to gender diversity. We currently meet our objectives but will continue to monitor and improve on our objectives to be in line with our Company's needs and direction. A written diversity policy has been developed by the Board to ensure gender diversity.

	Objective		Actual	
	Number	%	Number	%
Number of women employees in the whole organisation	15	71	24	77
Number of women in senior executive positions	3	38	2	25
Number of women on the Board	2	29	2	29

Shareholding and trading

The Board encourages directors and senior executives to own shares in the Company to further link their interests with the interests of all shareholders. Trading of shares by directors or senior executives is prohibited under certain circumstances and as described in the ASX Listing Rules and during certain periods of the financial year. A director or senior executive must not deal in the Company shares at any time when he or she has unpublished information which, if generally available, might affect the share price. Directors are required to notify the Company Secretary following dealing.

Safeguard integrity

The Board has established an Audit Committee comprised of the two non-executive directors. This committee operates under a charter to enable it to perform its roles and responsibilities. Where considered appropriate, the Company's external auditors and the Company's management are invited to attend meetings. The members of the Audit Committee are:

- Mr Heng Boo Fong (Chairman)
- Mr Paul Vui Yung Lee

The qualifications of members of the committee together with their attendances at committee meetings are disclosed in the Directors' Report within this Annual Report.

The role of the Audit Committee is to assist the Board fulfill its responsibilities in relation to the identification of the areas of significant business risks and the monitoring of the following:

- Effective management of financial and other business risks;
- Reliable management reporting;
- Compliance with laws and regulations in respect to financial reporting;
- Maintenance of effective and efficient audits;
- Meeting with external auditors on a twice-yearly basis and informally as circumstances require; and
- Recommending to the Board the appointment, rotation, removal and remuneration of the external auditors, and review their terms of engagement, and the scope and quality of the audit. Periodically, the Audit Committee reviews the appointment of the external audit engagement partners using a formal process of evaluation to determine the most appropriate level of skills and experience to suit the size and complexity of the Company.

The Audit Committee provides the Board with additional assurances regarding the reliability of financial information for inclusion in the financial statements.

The committee is chaired by an independent chair who is not the chairman of the Board.

Timely and balanced disclosure

The Board recognises the need to comply with ASX Listing Rule 3.1 concerning continuous disclosure.

At each meeting of directors, consideration is given as to whether notice of material information concerning the Company, including its financial position, performance, ownership and governance has been made available to all investors.

The Continuous Disclosure Policy also requires senior executives in possession of disclosable information to comply with that policy.

Communication with shareholders

The Board aims to ensure that shareholders, on behalf of whom they act, are informed of all major developments affecting the Company's activities and its state of affairs, including information necessary to assess the performance of the directors.

Communication with shareholders is achieved through the distribution of the following information:

- The Annual Report distributed to shareholders;
- The Half Yearly Report which is available on the Company's web site;
- The Annual General Meeting and other meetings called to obtain shareholder approval for Board action as appropriate. Shareholders are encouraged to attend and participate at the Company's Annual General Meeting and other General Meetings;
- Letters to shareholders when considered to be appropriate and informative;
- Announcements to the Australian Securities Exchange; and
- Investor information through the Company's internet portal at www.aamg.co.

The Company strives to ensure that Company announcements via the ASX are made in a timely manner, are factual, do not omit material information and are expressed in a clear and objective manner.

Shareholders' role

The shareholders of the Company are responsible for voting on the election of directors at the Annual General Meeting in accordance with the constitution.

All directors (other than a Managing Director) are subject to re-election by rotation, no later than every three years.

The Annual General Meeting also provides shareholders with the opportunity to express their views on matters concerning the Company and to vote on other items of business for resolution by shareholders.

Risk management

The Board is responsible for overseeing the risk management function. The Company believes that it is crucial for all Board members to be a part of the process and as such has established risk management as a component of the Audit Committee.

The Board is responsible for ensuring the risks and opportunities are identified on a timely basis.

The Board has a number of mechanisms in place to ensure the management's objectives and activities are aligned with the risks identified by the Committee. These include the following:

- Implementation of Board approved operating plans and budgets;
- Board monitoring of progress against these budgets, including the monitoring of key performance indicators of both a financial and non financial nature; and
- The establishment of committees to report on specific risk as identified.

Internal Risk Management System Compliance

Management is accountable to the Board to ensure that operating efficiency, effectiveness of risk management procedures, internal compliance control systems and controls and policies are all being monitored. Management has designed and implemented a risk management and internal control system to manage the Company's material business risks and reports to the Board at each meeting on the effective management of those risks. The Company has developed a series of operational risks which the Company believes to be inherent in the industry in which the Company operates. These include:

- Changed operating, market or regulatory environments;
- Fluctuations in demand volumes;
- Fluctuations in exchange rates; and
- Increasing costs of operations.

These risk areas are provided here to assist investors better understand the nature of the significant risks faced by the Company.

Monitoring Performance

The Board and senior management monitor the performance of all divisions through the preparation of monthly management accounts. The monthly management accounts are prepared using accrual accounting techniques and report each business unit's result as contribution after overhead allocation. These monthly management accounts are compared to monthly budgets, which have been set allowing for the seasonality of anticipated revenues and costs in each of the divisions.

The monitoring of the Company's performance by the Board and management assists in identifying the correct allocation of resources and staff to maximise the overall return to shareholders.

A performance evaluation for senior management was undertaken during the year and was in accordance with the process developed by the Board for that purpose.

Details of the structure of non-executive directors' and senior executives' remuneration are included in the Remuneration Report within the Directors' Report in this Annual Report.

Nomination and Remuneration

Joint Nomination and Remuneration Committee

The joint Nomination and Remuneration Committee is comprised of two non-executive directors. The role of the joint Nomination and Remuneration Committee is to make decisions on the following matters:

- Determine the appropriate size and composition of the Board;
- Determine the terms and conditions of appointment to and retirement from the Board;
- Develop appropriate criteria for Board membership;
- Reviewing membership of the Board and proposing candidates for consideration by the Board;
- Arranging a review of the Board's own performance;
- Determine the Company's remuneration plans, policies and practices, including compensation arrangements for the non-executive directors, executive directors, Group Chief Operating Officer, Group Chief Financial Officer and senior executives; and
- Responsible for considering general remuneration policies and practices, recruitment and termination policies and superannuation requirements.

Details of the attendance of directors at the joint Nomination and Remuneration Committee meetings are disclosed in the Directors' Report in this Annual Report.

The Board believes that it has the right numbers and skill sets within its Board members for the current size of the Company, and is confident that each non-executive director brings independent judgement to bear on Board decisions.

The Company does not have a policy to preclude its executives from entering into transactions to limit their economic risk from investing in Company shares, options or rights and has made executives aware of their obligations in relation to financial commitments against shares issued under the executive securities plan and has requested that they take sufficient professional advice in relation to their individual financial position.

There are no retirement schemes or retirement benefits other than statutory benefits for non-executive directors.

Directors' report

The directors present their report, together with the financial statements of the Asian American Medical Group Limited ("the Group") for the year ended 31 August 2013.

Directors

The directors of the Group at any time during or since the end of the financial year are as set out below.

Dato' Dr Kai Chah Tan (Executive Chairman)
Ms Pamela Anne Jenkins (Executive Director)
Mr Wing Kwan Teh (Non-Executive Director)
Mr Evgeny Tugolukov (Non-Executive Director) (appointed 3 June 2013)
Mr Heng Boo Fong (Independent Non-Executive Director)
Mr Paul Vui Yung Lee (Independent Non-Executive Director) (appointed 31 January 2013)
Ms Jeslyn Jacques Wee Kian Leong (Independent Non-Executive Director)
Mr Harry Vui Khiun Lee (Independent Non-Executive Director) (resigned 31 January 2013)

The skills, experience, expertise and tenure of each director are disclosed in the profile of directors section within the Annual Report.

Below is the profile of a director who is no longer in office:

Mr Harry Vui Khiun Lee B Bus (Econ & Fin) (resigned 31 January 2013)

Mr Harry Lee has more than 21 years of experience in construction-related industries in Malaysia, Singapore and Australia. He is currently the Chief Executive Officer of the HRL Group of Companies which is involved in investment holdings and development. He also holds several directorships of private and listed companies in different industries. He has been a director of another public-listed company in Australia, Millepede International Ltd, since 25 January 2011.

Principal activities

The principal activity of Asian American Medical Group Limited and its controlled entities ("AAMG" or "the Group") is that of provision of specialised medical services to cater for patients seeking treatment for liver and blood diseases and transplantation under its Comprehensive Transplant Centre ("CTC"). During the period under review, AAMG expanded its operations by forming a wholly-owned subsidiary, Asian Centre for Blood and Bone Marrow Transplantation Pte Ltd ("ACBBMT") for its blood and bone marrow transplantation centre. Other than the above, there has been no change in the principal activity of the Group during the financial period.

Company Secretary

The following person held the position of company secretary at the end of the financial year:

Mr Dario Nazzari

Dario Nazzari has a Bachelor of Commerce, a Diploma in Financial Planning and has more than 16 years professional experience. He is a Chartered Accountant and a member of the Institute of Chartered Accountants.

Review and results of operations

Details of the Operations of AAMG during the year, the financial position and the strategies and prospects for the future years can be found in the Chairman and Executive Director's message found on pages 6 to 9 and Financial Review section on pages 18 and 20, which forms part of this Annual Report.

Directors' meetings

The following table sets out the number of director's meetings (including meetings of Committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, six (6) Board meetings, three (3) Audit Committee meetings and four (4) joint Nomination and Remuneration Committee meetings were held.

	Directors' Meetings		**Audit Committee Meetings**		**Joint Nomination and Remuneration Committee Meetings**	
	Number Eligible to attend	Number Attended	Number Eligible to attend	Number Attended	Number Eligible to attend	Number Attended
Dato' Dr Kai Chah Tan	6	6	-	-	-	-
Ms Pamela Anne Jenkins	6	6	-	-	-	-
Mr Wing Kwan Teh	6	6	-	-	-	-
Mr Evgeny Tugolukov *	-	-	-	-	-	-
Mr Heng Boo Fong	6	6	3	3	4	4
Mr Paul Vui Yung Lee *	3	3	1	1	1	1
Ms Jeslyn Jacques Wee Kian Leong	6	5	-	-	-	-
Mr Harry Vui Khiun Lee ^	3	2	2	2	2	2

* Mr Paul Vui Yung Lee and Mr Evgeny Tugolukov were appointed on 31 January 2013 and 3 June 2013 respectively.

^ Mr Harry Vui Khiun Lee resigned on 31 January 2013.

Directors' interest

The relevant interests of each director in the shares of the parent entity at the date of this report are as follows:

Director	**Number of shares**
Dato' Dr Kai Chah Tan	102,298,250
Ms Pamela Anne Jenkins	21,324,600
Mr Wing Kwan Teh	4,084,090
Mr Evgeny Tugolukov	^ 21,000,000
Mr Heng Boo Fong	-
Mr Paul Vui Yung Lee	-
Ms Jeslyn Jacques Wee Kian Leong	-

^ Indirect interest through RusSing Med Holdings Pte Ltd.

None of the directors have share options in the Company.

Dividends paid or recommended

An interim unfranked dividend of S$0.001 (A$0.001) (2012 : S$0.001) per qualifying ordinary share for the financial year ended 31 August 2013 was paid on 22 May 2013.

Following the completion of accounts the Directors propose to declare a final unfranked dividend of S$0.001 (A$0.001) (2012 : S$0.004) per qualifying ordinary share in respect of the financial year ended 31 August 2013, to be paid to the shareholders in December 2013.

This dividend has not been included as a liability in these financial statements and will be paid to all shareholders on the Register of Members at the relevant date. The total estimated to be paid is S$248,000 (A$209,000).

Significant changes in state of affairs

There were no significant changes in the state of affairs of the Group during the year.

Events After the Balance Date

The Group received approval from the Accounting and Corporate Regulatory Authority (“ACRA”) in Singapore to change the names of its subsidiaries Asian Centre for Liver Diseases & Transplantation Pte Ltd and Asian Centre for Blood and Bone Marrow Transplantation Pte Ltd to Asian American Liver Centre Pte Ltd and Asian American Blood & Marrow Transplant Centre Pte Ltd on 10th and 11th October 2013, respectively.

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.

Likely developments

Except as detailed in the Chairman’s and Executive Director’s message on pages 6 to 9, likely developments, future prospects and business strategies of the operations of the Group and the expected results of those operations in future years have not been included in this report, as the directors believe, on reasonable grounds, that the inclusion of such information would be likely to result in unreasonable prejudice to the Group.

Options

At the date of this report, the unissued ordinary shares of AAMG under option are as follows:

Grant Date	Exercise Price	Options outstanding at 1.9.2012	Options granted	Options exercised/ cancelled/ lapsed	Options outstanding at 31.8.2013	Exercise period
17.1.2011	$0.088	1,299,000	-	-	1,299,000	17.1.2012 to 17.1.2016

Option holders do not have any rights to participate in any issues of shares or other interests in the company or any other entity.
Except as disclosed above, there have been no unissued shares or interests under option of any controlled entity within the Group during or since reporting date.
For details of options issued to directors and executives as remuneration, refer to the Remuneration Report.
During the financial year, no ordinary shares were issued as a result of the exercise of options.

Environmental regulation

The Company’s operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

The directors are not aware of any particular or significant environmental issues which have been raised in relation to the Company’s operations during the financial year. The directors are also not aware of any breach in the environmental regulations in Singapore and Vietnam during the financial year.

REMUNERATION REPORT (AUDITED)

This remuneration report, which forms part of the director's report, sets out information about the remuneration of the directors and executives for the year ended 31 August 2013.

Remuneration policy

The objective of the Group's remuneration policy is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns remuneration with achievement of strategic objectives and the creation of value to shareholders, and conforms to market best practice for delivery of reward. The Board ensures that remuneration satisfies the following key criteria for good reward governance practices:

i) Competitiveness and reasonableness;
ii) Acceptability to shareholders;
iii) Performance linkage/alignment of executive compensation;
iv) Transparency; and
v) Capital management.

The Group has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the Group.

Alignment to shareholders' interest:

i) Focuses on sustained growth in shareholder wealth; and
ii) Attracts and retains high calibre executives.

Alignment to program participants' interest:

i) Rewards capability and experience; and
ii) Provides a clear structure for earning rewards.

The joint Nomination and Remuneration Committee, consisting of at least two non-executive directors, is responsible for making recommendations on remuneration policies and packages applicable to Board members and for approval of remuneration for executive officers of the Group taking into account the financial position of the Consolidated Group. The Board remuneration policy per the formal Charter is to ensure the remuneration package properly reflects the person's duties and responsibilities, and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

The Constitution of the Company specifies that the aggregate remuneration of directors, other than salaries paid to executive directors, shall be determined from time to time by general meeting. An amount not exceeding the amount determined is divided between those directors as they agree. The latest determination was at the Annual General Meeting held on 23 November 2009 when shareholders approved an aggregate remuneration pool of A$200,000 per annum.

The Board as a whole determines the amount of the fees paid to each non-executive director. The amount proposed to be paid to each non-executive director during the year is between A$15,000 - A$25,000 (2012 : A$15,000 - A$25,000).

All directors and executives may be allocated options to acquire shares in the Group under the Incentive Option Scheme approved by shareholders from time to time. The last such scheme was approved by shareholders at the Annual General Meeting of shareholders held on 6 December 2010. The options are subject to service conditions such that only a third of the options granted may be exercised on or after the first, second and third anniversary of the grant. Options expire at the earlier of termination of employment or five years after the grant date. The exercise price is set by the joint Nomination and Remuneration Committee. The inputs to the option valuation methodology are set out in Note 21.

The Group's policy for determining the nature and amounts of emoluments of board members and key management personnel of the company is as follows:

Fixed remuneration for executives

The executive directors and key management personnel are employed under a contract detailing their remuneration, service period and non-competition clauses. All executive directors and key management personnel are employed on a continuing basis the terms of which are not expected to change in the immediate future. Apart from retirement benefits which accrue under statute (such as unpaid annual leave and pension benefits), there are no retirement benefits for executive directors and key management personnel. The Company pays to the Singapore Central Provident Fund ("CPF") at the statutory employer's contribution rate and salary sacrificed contributions and therefore there are no future liabilities in respect of these payments.

Service contracts

The executive directors and key management personnel are employed under a contract detailing their remuneration, service period and non-competition clauses. All executive directors and key management personnel are employed on a continuing basis the terms of which are not expected to change in the immediate future. Contracts can be terminated by AAMG at will in cases of severe misconduct or breach of duties. Currently there are no formal service contracts in place for the non-executive directors.

Performance based remuneration

Performance based remuneration has short-term and long-term incentive components. Short-term organisational goals are managed with the use of performance bonuses. The criteria relate to either achievement of individual performance targets, budget targets or achievement of year on year growth of key financial measures. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the committee's recommendations.

Long-term organisational goals are aligned with key management personnel performance through the use of options under the Group's Incentive Option Scheme. Options are granted based on the performance and contribution of the directors and executives. The exercise price is set by the joint Nomination and Remuneration Committee. Shares issued to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director and executive. Options are valued using the binomial option pricing methodology and expensed in accordance with the vesting conditions.

Voting and comments made at the Company's 2012 Annual General Meeting

AAMG received more than 99% of "yes" votes on its remuneration report for 2012 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Employment Details of Members of Key Management Personnel

The key management personnel of the Group during the financial year ended 31 August 2013 are listed below.

Directors:
Dato' Dr Kai Chah Tan – Executive Director and Chairman
Ms Pamela Anne Jenkins – Executive Director
Mr Wing Kwan Teh - Non-Executive Director
Mr Evgeny Tugolukov - Non-Executive Director (appointed 3 June 2013)
Mr Heng Boo Fong - Independent Non-Executive Director
Mr Paul Vui Yung Lee - Independent Non-Executive Director (appointed 31 January 2013)
Ms Jeslyn Jacques Wee Kian Leong - Independent Non-Executive Director
Mr Harry Vui Khiun Lee - Independent Non-Executive Director (resigned 31 January 2013)

Other key management personnel:
Mr Cherinjit Kumar Shori – Group Chief Operating Officer
Mr Meng Yau Yeoh – Group Chief Financial Officer

The skills, experience, expertise and tenure of each director and key management personnel are disclosed in the profile of directors and key management personnel sections respectively within the Annual Report.

The following table provides details of persons who were, during the financial year, members of key management personnel of the Consolidated Group. The table also illustrates the proportion of remuneration that was performance and non-performance based and the proportion of remuneration that was received in the form of options:

			Proportion of elements of remuneration related to performance.		Proportion of elements of remuneration not related to performance	
31 August 2013	**Position held as at 31 August 2013**	**Contract details (duration & termination)**	**Non-salary cash-based incentives**	**Share/ Options**	**Fixed salary/ Fees**	**Total**
Dato' Dr Kai Chah Tan	Executive Chairman / Surgeon	Service Agreement/In accordance with Constitution	3%	-	97%	100%
Ms Pamela Anne Jenkins	Executive Director	Service Agreement/In accordance with Constitution	12%	-	88%	100%
Mr Wing Kwan Teh	Non-Executive Director	In accordance with Constitution	-	-	100%	100%
Mr Evgeny Tugolukov	Non-Executive Director (appointed on 3 June 2013)	In accordance with Constitution	-	-	-	-
Mr Heng Boo Fong (1)	Non-Executive Director	In accordance with Constitution	-	-	100%	100%
Mr Paul Vui Yong Lee (2)	Non-Executive Director (appointed 31 January 2013)	In accordance with Constitution	-	-	-	-
Ms Jeslyn Jacques Wee Kian Leong	Non-Executive Director	In accordance with Constitution	-	-	100%	100%
Mr Cherinjit Kumar Shori	Group Chief Operating Officer	No fixed term/ One month	21%	4%	75%	100%
Mr Meng Yau Yeoh	Group Chief Financial Officer	No fixed term/ One month	23%	4%	73%	100%

(1) Mr Heng Boo Fong is also the Chairman of the Audit Committee and member of the joint Nomination and Remuneration Committee.
(2) Mr Paul Vui Yung Lee is also the Chairman of the joint Nomination and Remuneration Committee and member of the Audit Committee.

Remuneration Details for the Year Ended 31 August 2013

The following table of benefits and payment details, in respect of the financial year, the components of remuneration for each director and member of the key management personnel of the Consolidated Group:

	Cash salary and fees	Cash bonus	Post employment benefit – Central Provident Fund	Long term employee benefits - Share Options	Total
31 August 2013	**S$**	**S$**	**S$**	**S$**	**S$**
Dato' Dr Kai Chah Tan	2,400,000	65,000	8,925	-	2,473,925
Ms Pamela Anne Jenkins	474,000	65,000	15,400	-	554,400
Mr Wing Kwan Teh	27,586	-	-	-	27,586
Mr Evgeny Tugolukov (2)	-	-	-	-	-
Mr Heng Boo Fong	27,586	-	-	-	27,586
Mr Harry Vui Khiun Lee (1)	18,568	-	-	-	18,568
Mr Paul Vui Yung Lee (2)	-	-	-	-	-
Ms Jeslyn Jacques Wee Kian Leong	12,379	-	-	-	12,379
Mr Cherinjit Kumar Shori	252,000	73,500	10,240	15,054	350,794
Mr Meng Yau Yeoh	154,200	53,040	13,600	8,171	229,011
	3,366,319	256,540	48,165	23,225	3,694,249

(1) Mr Harry Vui Khiun Lee resigned on 31 January 2013
(2) Mr Evgeny Tugolukov and Mr Paul Vui Yung Lee were appointed during the financial year; therefore there is no comparative figure.

	Cash salary and fees	Cash bonus	Post employment benefit– Central Provident Fund	Long term employee benefits - Share Options	Total
31 August 2012	**S$**	**S$**	**S$**	**S$**	**S$**
Dato' Dr Kai Chah Tan	2,400,000	60,000	7,501	-	2,467,501
Ms Pamela Anne Jenkins	408,000	60,000	10,001	-	478,001
Mr Wing Kwan Teh	15,128	-	-	-	15,128
Mr Heng Boo Fong	26,045	-	-	-	26,045
Mr Harry Vui Khiun Lee	9,633	-	-	-	9,633
Ms Jeslyn Jacques Wee Kian Leong	-	-	-	-	-
Mr Cherinjit Kumar Shori	252,000	63,000	16,694	16,482	348,176
Mr Meng Yau Yeoh	142,200	36,000	13,334	8,945	200,479
	3,253,006	219,000	47,530	25,427	3,544,963

Options and Rights Granted

All directors and executives may be allocated options to acquire shares in the Group under the Incentive Option Scheme approved by shareholders from time to time. The last such scheme was approved by shareholders at the Annual General Meeting of shareholders held on 6 December 2010.

	Grant details			For the financial year ended 31 August 2013					Overall		
	Date	No.	Value $ (Note 1)	Exercised no.	Exercised $	Lapsed no.	Lapsed $	Vested no.	Vested %	Unvested %	Lapsed %
Group Key Management Personnel											
Mr Cherinjit Kumar Shori	17.1.2011	842,000	41,562	-	-	-	-	561,000	67%	33%	-
Mr Meng Yau Yeoh	17.1.2011	457,000	22,559	-	-	-	-	304,000	67%	33%	-
				-	-	-	-	865,000			

Note 1 The value of options granted as remuneration and as shown in the above table has been determined in accordance with applicable accounting standards.

Indemnification and insurance of officers

The Company is required to indemnify the directors and other officers of the Company against any liabilities incurred by the directors and officers that may arise from their position as directors and officers of the Company. No costs were incurred during the year pursuant to this indemnity.

The Company has entered into deeds of indemnity with each director whereby, to the extent permitted by the Corporations Act 2001, the Company agreed to indemnify each director against all loss and liability incurred as an officer of the Company, including all liability in defending any relevant proceedings.

Since the end of the previous year the Company has paid insurance premiums in respect of directors' and officers' liability and legal expenses' insurance contracts.

The terms of the policies prohibit disclosure of details of the amount of the insurance cover, the nature thereof and the premium paid.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. There were no such proceedings brought or interventions on behalf of the Company with leave from the Court under section 237 of the Corporations Act 2001.

Non-audit services

During the year, Grant Thornton, the Group's auditors, performed certain other services in addition to their statutory audit duties.

The Board has considered the non-audit services provided during the year by the auditor and, in accordance with written advice provided by resolution of the Audit Committee, is satisfied that the provision of those non-audit services during the year is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Audit Committee to ensure they do not impact upon the impartiality and objectivity of the auditor; and

- The non-audit services do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Details of the amounts paid to the auditors of the Group, Grant Thornton, and its related practices for audit and non-audit services provided during the year are set out in note 7 to the Financial Statements.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required by section 307C of the Corporations Act 2001 for the year ended 31 August 2013 has been received as set out immediately following the end of the Directors' report.

The Report of Directors is signed in accordance with a resolution of the Board of Directors.

Dato' Dr Kai Chah Tan

Executive Chairman

1 November 2013

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AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF ASIAN AMERICAN MEDICAL GROUP LIMITED

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Asian American Medical Group Limited for the year ended 31 August 2013, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

S J Gray
Director – Audit & Assurance

Adelaide, 1 November 2013

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

Our Ref: Asian American Medical Group_Aug 13.Docx

Asian American Medical Group Limited

(formerly known as Asian Centre for Liver Diseases and Transplantation Limited)

ABN NUMBER 42 091 559 125

Financial Statements for the year ended
31 August 2013

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 August 2013

	Note	Consolidated Group Year ended 31 August 2013 S$	Consolidated Group Year ended 31 August 2012 S$
Revenue	2	19,399,378	24,049,814
Other operating income	2	67,033	37,090
Changes in inventories		56,216	55,128
Inventories		(2,124,813)	(2,070,616)
Purchase services		(8,721,636)	(11,045,304)
Employment benefits expense		(6,632,480)	(6,345,011)
Operating lease expense		(586,095)	(600,087)
Depreciation and amortisation expenses		(143,220)	(146,604)
Directors' fees		(78,081)	(50,806)
Gain on disposal of subsidiary		-	59,473
Finance expense	3	(4,326)	(6,358)
Other expenses		(900,688)	(909,971)
Profit before income tax	4	331,288	3,026,748
Income tax expense	5	(99,865)	(520,532)
Profit for the year		**231,423**	**2,506,216**
Other comprehensive income:			
Items that may be reclassified to Profit or Loss:			
Net effect of foreign currency translation		(20,696)	8,625
Total comprehensive income for the year		**210,727**	**2,514,841**
Profit attributable to :			
Members of the parent entity		231,423	2,537,771
Non-controlling interest		-	(31,555)
		231,423	**2,506,216**
Total comprehensive income attributable to :			
Members of the parent entity		210,727	2,548,043
Non-controlling interest		-	(33,202)
		210,727	**2,514,841**
Earnings per share			
From continuing operations:			
Basic earnings per share (S cents)	9	**0.12**	**1.35**
Diluted earnings per share (S cents)	9	**0.12**	**1.34**

These financial statements should be read in conjunction with the accompany notes.

Consolidated statement of financial position

As at 31 August 2013

	Note	Consolidated Group	
		2013	2012
		S$	S$
Current assets			
Cash and cash equivalents	10	7,317,924	4,392,953
Trade and other receivables	11	3,472,770	4,248,855
Balance with related party	12	-	360,817
Inventories	13	373,019	316,803
Total current assets		11,163,713	9,319,428
Non-current assets			
Plant and equipment	14	594,063	284,565
Intangible assets	15	266,123	266,123
Balance with related party	12	320,765	-
Total non-current assets		1,180,951	550,688
Total assets		12,344,664	9,870,116
Current liabilities			
Trade and other payables	16	4,207,918	4,555,800
Finance lease liabilities	18	49,059	47,025
Current tax liabilities	17	141,028	527,965
Total current liabilities		4,398,005	5,130,790
Non-current liabilities			
Finance lease liabilities	18	29,580	78,639
Deferred tax liabilities	17	17,645	38,492
Total non-current liabilities		47,225	117,131
Total liabilities		4,445,230	5,247,921
Net assets		**7,899,434**	**4,622,195**
Equity			
Issued capital	19	4,267,495	266,133
Reserves	20	69,992	67,575
Retained earnings		3,561,947	4,288,487
Total equity		**7,899,434**	**4,622,195**

These financial statements should be read in conjunction with the accompany notes.

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Consolidated statement of changes in equity

For year ended 31 August 2013

	Issued Capital	Retained Earnings	Reserve for own shares	Foreign Currency Translation Reserve	Employee share option reserve	Non-controlling interest	Total
	S$	S$	S$	S$	S$	S$	S$
Balance at 1.9.2011	266,133	2,482,040	(2,883)	16,407	15,469	(20,119)	2,757,047
Total comprehensive income for the year	-	2,537,771	-	10,272	-	(33,202)	2,514,841
Employee share option	-	-	-	-	25,427	-	25,427
Shares sold during the year			2,883			-	2,883
Non-controlling interest on acquisition of subsidiary	-	-	-	-	-	-	-
Transfer to gain on disposal of subsidiary						53,321	53,321
Dividend paid (note 8)	-	(731,324)	-	-	-	-	(731,324)
Balance at 31.8.2012	266,133	4,288,487	-	26,679	40,896	-	4,622,195
Balance at 1.9.2012	266,133	4,288,487	-	26,679	40,896	-	4,622,195
Total comprehensive income for the year	-	231,423	-	(20,696)	-	-	210,727
Employee share option	-	-	-	-	23,113	-	23,113
Shares issued during the year	4,001,362	-	-	-	-	-	4,001,362
Dividend paid (note 8)	-	(957,963)	-	-	-	-	(957,963)
Balance at 31.8.2013	4,267,495	3,561,947	-	5,983	64,009	-	7,899,434

These financial statements should be read in conjunction with the accompany notes.

Consolidated statement of cash flows

For year ended 31 August 2013

	Note	Consolidated Group Year ended 31 August 2013	 Year ended 31 August 2012
		S$	S$
Cash flows from operating activities			
Receipts from customers		20,214,587	20,510,291
Payments to suppliers and employees		(19,343,474)	(20,219,339)
Income tax paid		(507,649)	(315,109)
Net cash provided by/ (used in) operating activities	24a	363,464	(24,157)
Cash flows from investing activities			
Purchase of property, plant and equipment	14a	(452,718)	(5,710)
Interest received		33,980	9,161
Disposal of subsidiary		-	(6,273)
Net cash used in investing activities		(418,738)	(2,822)
Cash flows from financing activities			
Proceeds from issue of new shares		4,001,362	-
Repayment of finance lease liabilities		(47,025)	(44,990)
Proceeds from sale of treasury shares		-	5,766
Fixed deposit pledged		(1,500,000)	(696)
Dividends paid	8	(957,963)	(731,324)
Finance cost	3	(4,326)	(6,358)
Net cash generated from/ (used in) financing activities		1,492,048	(777,602)
Net change in cash and cash equivalents held		1,436,774	(804,581)
Cash and cash equivalents at beginning of financial year		4,271,067	5,054,285
Effect of exchange rate change on cash held in foreign currencies		(11,803)	21,363
Cash and cash equivalents at end of financial year	10	5,696,038	4,271,067

These financial statements should be read in conjunction with the accompany notes.

Notes to the financial statements

For the year ended 31 August 2013

1 Statement of significant accounting policies

This financial report includes the consolidated financial statements and notes of Asian American Medical Group Limited ("AAMG") and controlled entities ("Consolidated Group" or "Group").

(a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. AAMG is a for-profit entity for the purpose of preparing the financial statements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. 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.

AAMG is a company domiciled in Australia.

The consolidated financial report is presented in Singapore Dollars ("SGD") as a significant portion of the group's activity is denominated in Singapore Dollars.

These consolidated financial statements have been approved for issue by the Board of Directors on 1 November 2013.

(b) Principles of consolidation

A controlled entity is any entity over which AAMG has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 22 to the financial statements. All controlled entities have a 31 August financial year end.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered the Consolidated Group during the year, their operating results have been included from the date control was obtained.

All inter-group balances and transactions between entities in the Consolidated Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Accounting policies of subsidiaries are consistent with those adopted by the parent entity.

(c) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received in recognised in a separate reserve within equity attributable to owners of AAMG.

When the group ceases to have control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(d) Business combinations

Business combinations occur where an acquirer obtains controls 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 1(k)) or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

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

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

All transaction costs incurred in relation to the business combination are expensed to the statement of profit or loss and other comprehensive income.

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

(e) Income tax

The income tax expense (benefit) for the year comprises current income tax expense (benefit) and deferred tax expense (benefit).

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 tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (benefit) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in when management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(f) 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.

(g) Plant & equipment

Each class of plant and equipment is carried at cost or fair value as indicated 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 statement of profit or loss and other comprehensive income during the financial year 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 and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

(h) 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.

In accordance with AASB 117 Leases, 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.

(i) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are expensed to the profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties. 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 and are subsequently measured at amortised cost.

(ii) Held-to-maturity investments

These investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

(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 year.

(iv) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

(v) Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

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.

(j) 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 statement of profit or loss and other comprehensive income.

Impairment testing is performed annually for goodwill.

(k) 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.

(l) 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 year; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on the translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of profit or loss and other comprehensive income. These differences are recognised in the statement of profit or loss and other comprehensive income in the year in which the operation is disposed.

(m) 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 statement of profit or loss and other comprehensive income as incurred.

Equity-settled compensation: The Group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a binomial option pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(n) 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.

(o) 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.

(p) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable. Revenue from sale of goods or rendering of a service is recognised upon delivery of the goods or service.

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").

(q) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting year for goods and services received by the Group during the reporting year which remains unpaid, The balance is recognised as a current liability with the amount being normally paid within 30 days of initial recognition.

(r) 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.

(s) Share-based employee remuneration

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

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

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

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

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

(t) 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.

(u) Comparative figures

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

(v) Standards and Interpretations issued but not yet effective

At the date of authorisation of the financial report, the following Standards and Interpretations were in issue, but not yet effective.

(i) AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) and AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures (effective from 1 January 2015)

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities.

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:

- Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; and (2) the characteristics of the contractual cash flows.
- Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss).
- Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
- Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.
- Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows;
  - The change attributable to changes in credit risk are presented in other comprehensive income (OCI) and;
  - The remaining change is presented in profit or loss.

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The de-recognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed. The Group has not yet decided when to adopt AASB 9.

(ii) AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements, AASB 128 Investments in Associates and Joint Ventures, AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards and AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments (effective 1 January 2013)

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 Consolidated and Separate Financial Statements, and Interpretation 12 Consolidation – Special Purpose Entities.

The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. Control exists when the investor can use its power to affect the amount of its returns.

When this standard is first adopted for the year ended 31 August 2014, there will be no impact on the transactions and balances recognised in the financial statements.

AASB 11 replaces AASB 131 Interests in Joint Ventures and AASB Interpretation 113 Jointly-controlled Entities – Non-monetary Contributions by Ventures. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change.

In addition, AASB 11 removes the option to account for jointly-controlled entities using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations for liabilities are accounted for by recognising the share of those assets and liabilities. Joint ventures that give the venturers a right to the net assets are accounted for using the equity method.

When this standard is first adopted for the year ended 31 August 2014, there will be no impact on transactions and balances recognised in the financial statements because the joint arrangements in place relate to joint operations.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128. Application of this standard by the Group will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the Group's investments.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept.

When this standard is first adopted for the year ended 31 August 2014, there will be no impact on the transactions and balances recognised in the financial statements.

(iii) AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013)

AASB 13 explains how to measure fair value and aims to enhance fair value disclosures. Application of the new standard will impact the type of information disclosed in the notes to the financial statements.

The Group is yet to undertake a detailed analysis of the differences between the current fair valuation methodologies used and those required by AASB 13. However, when this standard is adopted for the first time for the year ended 31 August 2014, there will be no impact on the financial statements because the revised fair value measurement requirements apply prospectively from 1 January 2013.

(iv) Revised AASB 119 Employee Benefits and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)

The AASB released a revised standard on accounting for employee benefits. It requires the recognition of all re-measurements of defined benefit liabilities/assets immediately in other comprehensive income (removal of the so-called 'corridor' method), the immediate recognition of all past service cost in profit or loss and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset. This replaces the expected return on plan assets that is currently included in profit or loss. The standard also introduces a number of additional disclosures for defined benefit liabilities/assets and could affect the timing of the recognition of termination benefits. The amendments will have to be implemented retrospectively.

The Group does not have any defined benefit plans. Therefore, these amendments will have no impact on the Group/Company.

(v) AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements

The Standard amends AASB 124 Related Party Disclosures to remove the individual key management personnel (KMP) disclosures required by Australian specific paragraphs.
This amendment reflects the AASB's view that these disclosures are more in the nature of governance disclosures that are better dealt within the legislation, rather than by the accounting standards.

When these amendments are first adopted for the year ending 31 August 2014, they are unlikely to have any significant impact on the Group.

(vi) AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities

This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This Standard also amends AASB 132 to refer to the additional disclosures added to AASB 7 by this Standard.

When this AASB 2012-2 is first adopted for the year ended 31 August 2014, there will be no impact on the Group as the Group does not have any netting arrangements in place.

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

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

When AASB 2012-3 is first adopted for the year ended 31 August 2015, there will be no impact on the Group as this standard merely clarifies existing requirements in AASB 132.

(w) 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

(i) 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.

2 Revenue

	Consolidated Group	
	2013	2012
	S$	S$
Operating activities		
Provision of services	15,889,095	20,322,069
Sale of medication	3,443,852	3,677,745
Management fee	66,431	50,000
Total revenue from operating activities	19,399,378	24,049,814
Other revenue		
Interest received	33,980	9,161
Other income	33,053	27,929
Total other revenue	67,033	37,090

3 Finance expense

Interest expense on obligation under finance lease	4,326	6,358

4 Profit for the year

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

a. Expenses	Consolidated Group	
	2013	2012
	S$	S$
Cost of sales	(10,790,233)	(13,060,792)
Foreign currency translation gain	105,759	508
Administrative expenses include rental expense on operating leases as follows:		
- premises	(586,095)	(600,087)
Depreciation and amortisation is reflected in the statement of comprehensive income as follows:		
- depreciation	(143,220)	(146,604)
Professional fees	(179,220)	(266,542)
Management fee	(214,020)	-
Credit card charges	(98,541)	(118,274)
Central Provident Fund	(221,784)	(190,585)
Share option expense	(23,225)	(25,427)

5 Income Tax Expense

	Note	Consolidated Group	
		2013	2012
		S$	S$
a. The components of tax expense comprise:			
Current tax		141,028	527,965
Deferred tax	17	(20,847)	-
Over provision in respect of prior years		(20,316)	(7,433)
		99,865	520,532

b. The prima facie tax on profit before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit before income tax at Australian tax rate of 30% (2012 : 30%)	99,386	908,024
Add:		
Effect of tax rates in foreign jurisdiction	(43,067)	(393,477)
Tax effect of:		
- over provision for income tax in prior years	(20,316)	(7,433)
- partial income tax exemption	(25,925)	(25,925)
- current year losses for which no deferred tax asset was recognised	89,787	39,343
Income tax expense	99,865	520,532

The value of tax losses not recognised is S$780,984 (2012 : S$290,902).

6 Key Management Personnel Compensation

The key management personnel ("KMP") compensation included in employment expenses includes:

	2013	2012
	S$	S$
Short-term benefits	3,622,859	3,472,006
Post employment benefit	48,165	47,530
Share based payments	23,225	25,427
Total compensation	3,694,249	3,544,963

Detailed remuneration disclosures are provided in the remuneration report.

KMP Options and Right Holdings

All directors and executives may be allocated options to acquire shares in the Group under the Incentive Option Scheme approved by shareholders from time to time. The last such scheme was approved by shareholders at the Annual General Meeting of shareholders held on 6 December 2010.

The number of options over ordinary shares held by each KMP of the Group during the financial year is as follows:

31 August 2013	**Balance at beginning of year**	**Granted as remuner-ation during the year**	**Exercised during the year**	**Lapsed/ cancelled**	**Balance at end of year**	**Balance vested as end of year**	**Vested during the year**
Dato' Dr Kai Chah Tan	-	-	-	-	-	-	-
Ms Pamela Anne Jenkins	-	-	-	-	-	-	-
Mr Wing Kwan Teh	-	-	-	-	-	-	-
Mr Evgeny Tugolukov	-	-	-	-	-	-	-
Mr Heng Boo Fong	-	-	-	-	-	-	-
Mr Harry Vui Khiun Lee	-	-	-	-	-	-	-
Mr Paul Vui Yung Lee	-	-	-	-	-	-	-
Ms Jeslyn Jacques Wee Kian Leong	-	-	-	-	-	-	-
Mr Cherinjit Kumar Shori	842,000	-	-	-	842,000	280,000	280,000
Mr Meng Yau Yeoh	457,000	-	-	-	457,000	152,000	152,000
	1,299,000	-	-	-	1,299,000	432,000	432,000

31 August 2012	**Balance at beginning of year**	**Granted as remuner-ation during the year**	**Exercised during the year**	**Lapsed/ cancelled**	**Balance at end of year**	**Balance vested as end of year**	**Vested during the year**
Dato' Dr Kai Chah Tan	-	-	-	-	-	-	-
Ms Pamela Anne Jenkins	-	-	-	-	-	-	-
Mr Wing Kwan Teh	-	-	-	-	-	-	-
Mr Heng Boo Fong	-	-	-	-	-	-	-
Mr Harry Vui Khiun Lee	-	-	-	-	-	-	-
Ms Jeslyn Jacques Wee Kian Leong	-	-	-	-	-	-	-
Mr Cherinjit Kumar Shori	842,000	-	-	-	842,000	561,000	281,000
Mr Meng Yau Yeoh	457,000	-	-	-	457,000	304,000	152,000
	1,299,000	-	-	-	1,299,000	865,000	433,000

KMP Shareholdings

The number of ordinary shares in Asian American Group Limited held by each KMP of the Group during the financial year is as follows:

31 August 2013	Balance at beginning of year	Issued during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
Dato' Dr Kai Chah Tan	102,298,250	-	-	-	102,298,250
Ms Pamela Anne Jenkins	21,324,600	-	-	-	21,324,600
Mr Wing Kwan Teh	4,084,090	-	-	-	4,084,090
Mr Evgeny Tugolukov	-	-	-	21,000,000*	21,000,000
Mr Heng Boo Fong	-	-	-	-	-
Mr Harry Vui Khiun Lee	561,915	-	-	(561,915)^	-
Mr Paul Vui Yung Lee	-	-	-	-	-
Ms Jeslyn Jacques Wee Kian Leong	-	-	-	-	-
Mr Cherinjit Kumar Shori	-	-	-	-	-
Mr Meng Yau Yeoh	-	-	-	-	-
	128,268,855	-	-	20,438,085	148,706,940

* at date of appointment
^ resigned on 31 January 2013

31 August 2012	Balance at beginning of year	Issued during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
Dato' Dr Kai Chah Tan	102,298,250	-	-	-	102,298,250
Ms Pamela Anne Jenkins	21,324,600	-	-	-	21,324,600
Mr Wing Kwan Teh	4,084,090	-	-	-	4,084,090
Mr Heng Boo Fong	-	-	-	-	-
Mr Harry Vui Khiun Lee	561,915	-	-	-	561,915
Ms Jeslyn Jacques Wee Kian Leong	-	-	-	-	-
Mr Cherinjit Kumar Shori	-	-	-	-	-
Mr Meng Yau Yeoh	-	-	-	-	-
	128,268,855	-	-	-	128,268,855

* At date of appointment

Other KMP Transactions

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with KMP, refer to Note 26: Related Parties.

7 Auditor's Remuneration

	Consolidation Group	
	2013	**2012**
	S$	**S$**
Remuneration of the parent entity auditor, Grant Thornton Audit Pty Ltd:		
- auditing or reviewing the financial report	35,897	36,464
- taxation services	3,837	11,070
Remuneration of related practices of Grant Thornton Audit Pty Ltd:		
- auditing or reviewing the financial report of subsidiaries	68,500	64,300
- taxation services	-	8,400

8 Dividends

	Consolidation Group	
	2013	**2012**
	S$	**S$**
Final unfranked dividend of 0.4 S cents per share in respect of financial year ended 2012 (2012 : 0.3 S cents per share)	728,088	495,081
Interim unfranked dividends 0.1 S cents per share (2012 : 0.1 S cents per share)	229,875	236,243
	957,963	731,324

Following the completion of accounts the Directors propose to declare a final unfranked dividend of S$0.001 (A$0.001) (2012 : S$0.004) per qualifying ordinary share in respect of the financial year ended 31 August 2013, to be paid to the shareholders in December 2013.

This dividend has not been included as a liability in these financial statements and will be paid to all shareholders on the Register of Members at the relevant date. The total estimated to be paid is S$248,000 (A$209,000).

9 Earnings per Share

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the profit and loss and share data used in the computation of basic and diluted earnings per share for the year ended 31 August:

	Consolidation Group	
	2013	**2012**
Profit for the year	S$231,423	S$2,537,771
	Number of shares	Number of shares
Weighted average number of ordinary shares during the year used in calculating basic EPS	196,011,692	188,454,000
Effect of dilution:		
Share option	812,121	811,875
Weighted average number of ordinary shares during the year used in calculating diluted EPS	196,823,813	189,265,875
Basic earnings per share (S cents)	0.12	1.35
Diluted earnings per share (S cents)	0.12	1.34

10 Cash and Cash Equivalents

	Consolidation Group	
	2013	**2012**
	S$	**S$**
Cash and bank balances	5,696,038	4,271,067
Fixed deposit pledged	1,621,886	121,886
	7,317,924	4,392,953

The effective interest rate on short-term bank deposits was 0.13% - 1.15% (2012 : 0.13%) per annum; these deposits have an average maturity of 18 months (2012 : 24 months).

Fixed deposit amounting to S$500,000 (2012 : Nil) is pledged to a bank for a standby credit facility of S$1,000,000 and another fixed deposit amounting to S$ 121,886 (2012 : S$121,886) is pledged to a bank for performance guarantee relating to the operating lease.

Reconciliation of cash

Cash at the end of the financial year as shown in the consolidated statement of cash flows is reconciled to items in the consolidated statement of financial position as follows:

Cash and cash equivalents	7,317,924	4,392,953
Less: Fixed deposit pledged	(1,621,886)	(121,886)
Cash and cash equivalents in the consolidated statement of cash flows	5,696,038	4,271,067

11 Trade and Other Receivables

	Consolidation Group	
	2013	2012
Trade receivables	S$	S$
Current		
Trade receivables	3,227,588	4,218,476
Other receivables	177,732	17,879
Deposits	67,450	12,500
Total current trade and other receivables	3,472,770	4,248,855

a Provision for impairment of receivables

Current trade and term receivables are non-interest bearing loans and generally on 30-day terms. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired. No trade or other receivables are considered past due and impaired.

b Credit risk

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

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

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

	Consolidation Group	
	2013	2012
	S$	S$
Current	1,418,331	1,936,299
Due 1 - 30 days	1,211,596	711,421
Due 31- 60 days	508,233	797,483
Due over 60 days	89,428	773,273
	3,227,588	4,218,476

12 Balance with related party

	Consolidated Group	
	2013	2012
Current	S$	S$
Non-trade amount due from associate company	-	360,817
Non-current		
Non-trade amount due from associate company	320,765	-

The non-trade amount due from associate company is unsecured, interest-free and has no fixed repayment terms.

13 Inventories

	Consolidated Group 2013 S$	2012 S$
Current		
- Medical Supplies at cost	373,019	316,803
Total inventories	373,019	316,803

14 Plant and Equipment

	Consolidated Group 2013 S$	2012 S$
Office equipment		
At Cost	12,792	12,792
Accumulated depreciation	(10,824)	(8,666)
Total office equipment	1,968	4,126
Medical equipment		
At Cost	383,824	293,429
Accumulated depreciation	(185,988)	(127,624)
Total medical equipment	197,836	165,805
Computers		
At Cost	132,068	116,377
Accumulated depreciation	(69,027)	(55,669)
Total computers	63,041	60,708
Furniture and fittings		
At cost	13,294	13,294
Accumulated depreciation	(13,056)	(10,397)
Total furniture and fittings	238	2,897
Renovations		
At cost	480,288	144,926
Accumulated depreciation	(149,308)	(93,897)
Total Renovations	330,980	51,029
Total plant and equipment	594,063	284,565

	Office equipment	Medical equipment	Computers	Furniture and fittings	Renovations	Total
	S$	S$	S$	S$	S$	S$

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
Consolidated Group						
Balance at 31 August 2012	4,126	165,805	60,708	2,897	51,029	284,565
Additions	-	90,395	26,961	-	335,362	452,718
Depreciation expense	(2,158)	(58,364)	(24,628)	(2,659)	(55,411)	(143,220)
Carrying amount at 31 August 2013	1,968	197,836	63,041	238	330,980	594,063

Included in medical equipment is medical equipment under finance lease arrangement amounting to S$121,933 (2012 : S$161,267).

Finance lease liabilities (see note 18) are secured by the related assets held under finance leases.

15 Intangible Assets

	Consolidated Group 2013	Consolidated Group 2012
	S$	S$
Total Intangible Assets		
Goodwill		
Cost	266,123	266,123
Accumulated impairment losses	-	-
Closing carrying value at the end of the year	266,123	266,123
Reconciliation of Goodwill		
Balance at the beginning of year	266,123	266,123
Additions	-	-
Disposals	-	-
Impairment losses	-	-
Closing carrying value at the end of the year	266,123	266,123

Impairment test for goodwill

Goodwill is allocated to cash generating units ("CGU's") according to applicable business operations. There is no impairment loss in the current year and prior period. In the current financial year and prior financial period, AAMG had one cash generating unit which is medical services. The recoverable amount of a CGU is based on value-in-use calculations. These calculations are based on projected cash flows approved by management covering a period not exceeding five years. Management's determination of cash flow projections and gross margins are based on past performance and its expectation for the future. The present value of future cash flows has been calculated using a discount rate of 7% (2012 : 7%) and a growth rate of 10% (2012 : 10%) per annum to determine value-in-use.

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

16 Trade and Other Payables

	Consolidated Group	
	2013	**2012**
	S$	**S$**
Current		
Trade payables	3,431,120	3,634,644
Patients' deposits	70,159	450,103
Sundry payables and accrued expenses	706,639	471,053
Total current trade and other payables	4,207,918	4,555,800

17 Taxation

	Consolidated Group	
	2013	**2012**
	S$	**S$**
Current		
Income tax payable	141,028	527,965

Non-current

Deferred tax liabilities:	**1 September 2012 S$**	**Recognised in profit and loss S$**	**31 August 2013 S$**
Tax allowances relating to plant & equipment	38,492	(20,847)	17,645
Net deferred tax liability	38,492	(20,847)	17,645

Deferred tax liabilities:	**1 September 2011 S$**	**Recognised in profit and loss S$**	**31 August 2012 S$**
Tax allowances relating to plant & equipment	38,492	-	38,492
Net deferred tax liability	38,492	-	38,492

18 Finance Lease

	Consolidated Group 2013 S$	Consolidated Group 2012 S$
Current	49,059	47,025
Non-current	29,580	78,639
	78,639	125,664

19 Issued Capital

	Consolidated Group 2013 S$	Consolidated Group 2012 S$
Opening share balance	266,133	266,133
Shares issued during the year	4,001,362	-
Total capital	4,267,495	266,133

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

	Consolidated Group Number	Consolidated Group S$
a. Ordinary Shares		
At the beginning of reporting year	188,454,000	266,133
Shares issued during year:	21,000,000	4,063,745
Transaction cost	-	(62,383)
At reporting date	209,454,000	4,267,495

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

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

In April 2013, the Company issued 21,000,000 new ordinary shares at A$0.17 per share (2012 : Nil) for A$3,570,000 (S$4,063,745 at exchange rate of A$1 : S$1.138) before transaction cost, which are fully paid.

b. Capital Management

Management controls the capital of the Group in order to provide shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern. Currently the Group's debt relates to finance lease only.

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.

20 Reserves
Nature and purpose of reserve

(a) *Share-based payments*
The share-based payments reserve is used to recognise:

- At grant date of 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) *Transactions with non-controlling interests*
The reserve is used to record the differences described in note 1(d) which may arise as a result of transactions with non-controlling interests that do not result in a loss of control.

(iii) *Foreign currency translation*
Exchange difference arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in note 1(l) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

(iv) *Reserve for own shares*
The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group. At 31 August 2013, the Group held no Company's shares (2012 : Nil).

21 Share-Based Payments

i. On 23 November 2009, the shareholders of AAMG approved the establishment of the AAMG Employee Share Option Plan and the rules that govern the operation of the Plan. Minor amendments to the Rules have been approved by shareholders at the Annual General Meeting since. The options are granted under the Plan for no consideration and hold no voting or dividend rights and are not transferable. On 17 January 2011, 1,299,000 share options were granted to certain key management personnel under the Plan to take up ordinary shares at an exercise price of A$0.088 each. The options are exercisable on or before 17 January 2016.

ii. Options granted to key management personnel are as follows:

Grant Date	Number
17 January 2011	1,299,000

These options vest over a 3-year period and are subject to service conditions such that only a third of the options granted may be exercised on or after the first, second and third anniversary of the grant. Options expire at the earlier of termination of employment or five years after the grant date. Further details of these options are provided in the Directors' report. The options lapse when a KMP ceases their employment with the Group. During the financial year, 433,000 options were vested with key management personnel (2012 : 432,000).

iii. The Company established the AAMG Employee Share Option Plan as a long-term incentive scheme to recognise talent and motivate executives to strive for Group performance. Employees are granted options which vest over 3 years, subject to meeting specified service criteria. The options are issued for no consideration and carry no entitlements to voting rights or dividends of the Group but have been listed. The number available to be granted is determined by the joint Nomination and Remuneration Committee and is based on performance measures including growth in shareholder return, return on equity, cash earnings, and group EPS growth.

Options are forfeited 30 days after the holder ceases to be employed by the Group, unless the Board determines otherwise (this is usually only in the case of retirement, redundancy, death or disablement).

The options are issued with an exercise price determined by the joint Nomination and Remuneration Committee to be either:

(a) a price equal to the Market Price or such higher price as may be determined by the Committee in its absolute discretion; or

(b) a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Committee in its absolute discretion, provided that the maximum discount which may be given in respect of any Option shall not exceed twenty (20) per cent of the Market Price in respect of the that Option.

The Market Price is defined as the weighted average closing sale price of the shares recorded on the Australian Securities Exchange ("ASX") over the last 5 trading days on which sales of the shares were recorded preceding the day on which the Committee resolves to invite the application for an Option.

A summary of the movements of all Company options issues is as follows:

	Number	Weighted average exercise price
Options outstanding as at 31 August 2012	1,299,000	A$0.088
Granted	-	-
Forfeited	-	-
Exercised	-	-
Expired	-	-
Options outstanding as at 31 August 2013	1,299,000	A$0.088
Options exercisable as at 31 August 2013:	865,000	A$0.088
Options exercisable as at 31 August 2012:	432,000	A$0.088

The weighted average remaining contractual life of options outstanding at year end was 2.4 years. The exercise price of outstanding shares at the end of the reporting year was A$0.088.

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

Grant date	17 January 2011
Vesting period ends	17 January 2014
Share price at date of grant	A$0.12
Volatility	69%
Option life	5 years
Dividend yield	5.830%
Risk free investment rate	2.875%
Fair value at grant date	A$0.04
Exercise price at date of grant	A$0.088
Exercisable from / to	17 January 2012 - 17 January 2016

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future movements. The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

22 Controlled Entities

Controlled entities consolidated

	Country of incorporation	Percentage owned (%)	
		2013	**2012**
Asian American Medical Group Limited (formerly known as Asian Centre for Liver Diseases and Transplantation Limited)	Australia	100	100
Subsidiary of Asian American Medical Group Limited:			
Asian American Medical Group Inc. (formerly known as Asian Centre for Liver Diseases and Transplantation Inc.)	British Virgin Islands	100	100
Subsidiary of Asian American Medical Group Inc.			
Asian Centre for Liver Diseases & Transplantation Pte. Ltd.	Singapore	100	100
Asian Centre for Blood & Bone Marrow Transplantation Pte. Ltd. (formerly known as Asian Liver Center Management Consultancy Pte. Ltd.)	Singapore	100	100
Asian American Medical Group Pte. Ltd.	Singapore	100	-
Associate of Asian Centre for Liver Diseases & Transplantation Pte. Ltd. :			
Asian Liver Centre Co. Ltd	Vietnam	30	30
PT. Asian Liver Center Indonesia	Indonesia	50	50

b. Acquisition of controlled entities

Asian American Medical Group Inc., a subsidiary of Asian American Medical Group Ltd, on 1 March 2013, incorporated a fully owned subsidiary called Asian American Medical Group Pte Ltd, a limited liability company in Singapore with an intended activity of providing management and consultancy services in the healthcare industry.

c. Disposal of subsidiary

On 3 January 2012, Asian Liver Centre Co. Limited ("ALCVN") issued new shares to Hoa Lam Consultant Investment Ltd for cash which raised its shareholding in ALCVN from 25% to 67.86%. As a result of this capital enlargement, Asian Centre for Liver Diseases and Transplantation Pte Ltd's shareholding, a subsidiary of Asian Centre for Liver Diseases and Transplantation Ltd, was diluted from 70% to 30%. ALCVN has ceased to be a subsidiary of the Group.

The fair value of assets and liabilities disposed are as follows:-

	S$
Cash and cash equivalents	6,273
Property, plant and equipment	488,561
Deposits and other receivables	2,983
Trade and other payables	(117,981)
Current borrowings	(504,096)
Net liabilities disposed	(124,260)
Non-controlling interest	48,408
Transfer from foreign currency translation reserve	16,379
Gain on disposal of subsidiary	(59,473)

Revenue and loss of ALCVN included in last year's consolidated results of the Group prior to the dilution amounted to S$8,339 and S$105,183 respectively.

23 Leasing Commitments

	Consolidated Group	
	2013	**2012**
	S$	**S$**
Operating leases		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable – minimum lease payments		
Not longer than 1 year	587,423	568,725
Longer than 1 year but not longer than 5 years	319,501	374,422
	906,924	943,147

The leases on the Group's office premises at Gleneagles Hospital expire in June 2014 and February 2016.

Finance leases

Future minimum finance lease payments at the end of each reporting period under review were as follows:

	Minimum lease payments due			
	Within 1 year S$	**1 to 5 years S$**	**After 5 years S$**	**Total S$**
31 August 2013				
Lease payments	51,348	29,975	-	81,323
Finance charges	(2,289)	(395)	-	(2,684)
Net present values	49,059	29,580	-	78,639
31 August 2012				
Lease payments	51,348	81,323	-	132,671
Finance charges	(4,323)	(2,684)	-	(7,007)
Net present values	47,025	78,639	-	125,664

24 Cash Flow Information

	Consolidated Group	
	2013	2012
	S$	S$
a Reconciliation of cash flow from operations with profit after income tax		
Profit after income tax	231,423	2,506,216
Non cash flows in profit:		
Depreciation and amortisation	143,220	146,604
Foreign currency translation	(8,893)	(67,077)
Employee share option cost	23,113	25,427
Finance income	(33,980)	(9,161)
Finance cost	4,326	6,358
Gain on disposal of subsidiary	-	(59,473)
Changes in assets and liabilities:		
Decrease/(increase) in trade and other receivables	816,137	(3,561,687)
Increase in inventories	(56,216)	(55,128)
(Decrease)/increase in trade and other payables	(347,882)	838,341
(Decrease)/increase in deferred and current tax liabilities	(407,784)	205,423
Net cash provided by operating activities	363,464	(24,157)

25 Events After the Balance Date

The Group received approval from the Accounting and Corporate Regulatory Authority ("ACRA") in Singapore to change the names of its subsidiaries Asian Centre for Liver Diseases & Transplantation Pte Ltd and Asian Centre for Blood and Bone Marrow Transplantation Pte Ltd to Asian American Liver Centre Pte Ltd and Asian American Blood & Marrow Transplant Centre Pte Ltd on 10th and 11th October 2013, respectively.

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

26 Related Party

A number of directors of the Group, or their director-related entities, held positions in other entities during the financial year that result in them having control or significant influence over the financial or operating policies of those entities.

The terms and conditions of the transactions with directors and their director related entities were no more favourable to the directors and their director related entities than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

There were no transactions recognised during the year (excluding re-imbursement of expenses incurred on behalf of the Company) relating to directors and their director-related entities

Disclosures relating to key management personnel are set out in note 6.

Related party balances	**2013 S$**	**2012 S$**
Current assets:		
Balance with related party	-	360,817
Non-current assets:		
Balance with related party	320,765	-

The balance due from related party represents non-trade amount due from ALCVN and is unsecured, interest-free and has no fixed repayment terms as disclosed in note 12.

27 Operating Segments

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

(i) Provision of medical consultation and services in the hepatology and related fields;
(ii) Provision of medical consultation and services in the haematology and related fields: and
(ii) Corporate activities.

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 Consolidated Group operates primarily in three businesses, namely the provision of medical consultation and services in the hepatology and haematology and their related fields and corporate activities.

Details of the performance of each of these operating segments for the financial years ended 31 August 2013 and 31 August 2012 are set out below:

(i) Segment Performance

31 August 2013	Corporate	Liver	Blood & Bone Marrow	Total
	S$	S$	S$	S$
External sales revenue	-	18,786,215	613,163	19,399,378
Inter segment sales	2,300,000	110,897	-	2,410,897
Total segment revenue	2,300,000	18,897,112	613,163	21,810,275
Inter-segment eliminations				(2,410,897)
Total Group revenue				19,399,378
Segment net profit/(loss) before tax	(388,246)	1,086,045	(366,511)	331,288

31 August 2012	Corporate	Liver	Blood & Bone Marrow	Total
	S$	S$	S$	S$
External sales revenue	-	24,049,814	-	24,049,814
Inter segment sales	1,700,000	-	-	1,700,000
Total segment revenue	1,700,000	24,049,814	-	25,749,814
Inter-segment eliminations				(1,700,000)
Total Group revenue				24,049,814
Segment net profit/(loss) before tax	(126,246)	3,152,994	-	3,026,748

(ii) Segment assets

31 August 2013	Corporate	Liver	Blood & Bone Marrow	Total
	S$	S$	S$	S$
Segment assets	9,004,046	10,035,347	1,159,315	20,198,708
Reconciliation of segment assets to Group assets:				
Inter-segment eliminations				(8,120,167)
Unallocated assets intangibles				266,123
Total Group assets				12,344,664
Segment asset increases in the year				
Capital expenditure	-	56,282	396,436	452,718

31 August 2012	Corporate	Liver	Blood & Bone Marrow	Total
	S$	S$	S$	S$
Segment assets	4,987,665	11,225,704	-	16,213,369
Reconciliation of segment assets to Group assets:				
Inter-segment eliminations				(6,609,376)
Unallocated assets intangibles				266,123
Total Group assets				9,870,116
Segment asset increases in the year				
Capital expenditure	-	5,710	-	5,710
Disposal	-	(497,817)	-	(497,817)
	-	(492,107)	-	(492,107)

(iii) Segment liabilities

31 August 2013	Corporate	Liver	Blood & Bone Marrow	Total
	S$	S$	S$	S$
Segment liabilities	(1,655,344)	(4,476,056)	(1,528,834)	(7,660,234)
Reconciliation of segment liabilities to Group liabilities:				
Inter-segment eliminations				3,215,004
Total Group liabilities				(4,445,230)

31 August 2012	Corporate	Liver	Blood & Bone Marrow	Total
	S$	S$	S$	S$
Segment liabilities	(1,443,066)	(5,222,264)	-	(6,665,330)
Reconciliation of segment liabilities to Group liabilities:				
Inter-segment eliminations				1,417,409
Total Group liabilities				(5,247,921)

(iv) Revenue by geographical location

	Consolidated Group 2013 S$	Consolidated Group 2012 S$
Revenue attributable to external customers is disclosed below, based on the location of where the revenue was derived:		
Singapore	19,382,947	24,041,475
Outside Singapore	16,431	8,339
Total revenue	19,399,378	24,049,814

(v) Assets by geographical location

	Consolidated Group 2013 S$	Consolidated Group 2012 S$
Assets by geographical location		
Australia	4,119,618	103,237
Singapore	8,225,046	9,766,879
Total assets	12,344,664	9,870,116

(vi) Major Customers
The Group is not reliant on any one major customer to whom it provides its products or services.

28 Financial risk management policies

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

The totals for each category of financial instruments, measured in accordance with AASB 119 as detailed in the accounting policies to the financial statements, are as follows.

	Consolidated Group 2013 S$	Consolidated Group 2012 S$
Financial assets		
Cash and cash equivalents	7,317,924	4,392,953
Trade and other receivables	3,793,535	4,609,672
Total financial assets	11,111,459	9,002,625
Financial liabilities		
Trade and other payables	(4,207,918)	(4,555,800)
Finance lease	(78,639)	(125,664)
Total financial liabilities	(4,286,557)	(4,681,464)
Total net financial assets	6,824,902	4,321,161

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

Specific financial risk exposures and management

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

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

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

(ii) Sensitivity analysis
Foreign exchange risk
A sensitivity analysis of the impact of foreign exchange risk is not shown as it is not considered material to the Group at the reporting date.

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

The credit risk on financial assets of the entity which have been recognised in the statement of financial position, is the carrying amount, net of any provision of doubtful debts.

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

No receivables are considered past due or impaired.

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

All financial assets and liabilities as disclosed above have maturities within one year for the 31 August 2013 financial year with the exception of the non-current other payables and non-current portion of the finance lease.

The Group manages liquidity risk by monitoring forecast cash flows.

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

(e) Net fair values of financial assets and liabilities
Fair values are amounts at which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction.

The carrying values of financial instruments approximate their fair values.

29 Parent Company Information

Parent entity	2013 S$	2012 S$
Assets		
Current assets	4,119,618	103,237
Non-current assets	2,803,557	2,803,557
Total assets	6,923,175	2,906,794
Liabilities		
Current liabilities	(160,422)	(186,453)
Non-current liabilities	-	-
Total liabilities	(160,422)	(186,453)
Total net assets	6,762,753	2,720,341
Equity		
Issued capital	17,354,262	13,352,900
Reserves	(10,532,277)	(10,573,204)
Foreign currency revaluation reserve	(59,232)	(59,355)
Total equity	6,762,753	2,720,341
Financial performance		
Profit for the year	975,774	664,281
Other comprehensive income	124	2,026
Total comprehensive income	975,898	666,307

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

30 Company Details

The registered office of the Company is:
25 Peel Street
Adelaide SA 5000

The principal place of business is:
Asian American Medical Group
6A Napier Road,
Gleneagles Hospital Annexe Block #02-37,
Singapore 258500

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

Asian American Blood & Marrow Transplant Centre
6A Napier Road,
Gleneagles Hospital Annexe Block #05-36,
Singapore 258500

Vietnam centre:
201 Nguyen Thi Minh Khai Street,
Nguyen Cu Trinh Ward,
District 1, Ho Chi Minh City,
Vietnam

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

Directors' declaration

The Directors of Company declare that:

(a) the financial statements and notes, as set out on pages 40 to 77, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the financial position as at 31 August 2013 and of the performance for the year ended on that date of the Consolidated Group; and

(ii) complying with Accounting Standards.

(b) the Executive Director and Group Chief Financial Officer have declared that:

(i) the financial records of the Company for the financial year have been properly maintained in accordance with s286 of the Corporations Act 2001;

(ii) The financial statements and notes for the financial year comply with the Accounting Standards; and

(iii) The financial statements and notes for the financial year give a true and fair view.

(c) 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.

(d) complying with International Financial Reporting Standards as disclosed in Note 1 to the financial statements;

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

Dato' Dr Kai Chah Tan
Director

1 November 2013

Grant Thornton

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

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of Asian American Medical Group Limited (the "Company"), which comprises the statement of financial position as at 31 August 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Director' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

Auditor's opinion
In our opinion:

a the financial report of Asian American Medical Group Limited is in accordance with the Corporations Act 2001, including:

i giving a true and fair view of the Company's and consolidated entity's financial position as at 31 August 2013 and of their performance for the year ended on that date; and

ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report
We have audited the remuneration report included in the directors' report for the year ended 31 August 2013. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Asian American Medical Group Limited for the year ended 31 August 2013, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

S J Gray
Director – Audit & Assurance

Adelaide, 1 November 2013

Shareholder Information

The shareholder information set out below was applicable as at 24 October 2013.

A. Distribution of holders of equity securities

	Ordinary Shares	Employee Options
1 - 1,000	166	-
1,001 - 5,000	61	-
5,001 - 10,000	54	-
10,001 - 100,000	93	-
100,001 and over	39	2
	413	2

There were 221 holders of less than marketable parcel of ordinary shares.
The percentage of the total holdings of the twenty largest holders of ordinary shares was 96.64 per cent.

B. Equity security holders

The names of the twenty largest holders of quoted equity securities are listed below:

	Ordinary shares	
Name	Number held	Percentage
Dato' Dr Kai Chah Tan	102,298,250	48.84
Ms Pamela Anne Jenkins	21,324,600	10.18
Russing Med Holdings Pte Ltd	21,000,000	10.03
Citicorp Nominees Pty Limited	20,844,448	9.95
HSBC Custody Nominees (Australia) Limited	20,132,019	9.61
National Nominees Limited	5,695,148	2.72
Mr Wing Kwan Teh	4,084,090	1.95
Dr Kang Hoe Lee	2,500,040	1.19
Mr Robert John Wood & Mrs Stella Agnes Wood (Bob & Stella Wood S/F A/C)	1,140,415	0.54
Mr Ravindran Govindan	699,483	0.33
Mr Harry Vui Khiun Lee	561,915	0.27
DBS Vickers Securities (Singapore) Pte Ltd	354,599	0.17
Mr John Philip Joshua	245,000	0.12
Mr Barry William Quaill & Mrs Pamela Louise Quaill (BW&PLQUAILL Investment A/C)	236,800	0.11
Phillip Securities Pte Ltd (Client Account)	226,282	0.11
Boon Hwa Koh	220,000	0.11
Nefco Nominees Pty Ltd	220,000	0.11
UOB Kay Hian Private Limited	220,000	0.11
JP Morgan Nominees Australia Limited	213,001	0.10
Mr Ian Jobbins	200,000	0.10

C. Substantial holders

Substantial holders in the company are set out below:

Ordinary shareholders	Number held	Percentage
Dato' Dr Kai Chah Tan	102,298,250	48.84
Ms Pamela Anne Jenkins	21,324,600	10.18
Russing Med Holdings Pte Ltd	21,000,000	10.03
Citicorp Nominees Pty Limited	20,844,448	9.95
HSBC Custody Nominees (Australia) Limited	20,132,019	9.61

D. Voting rights

Please refer note 19.

E. On-market buy back

There are no current on-market buy back.

Asian American
MEDICAL GROUP

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