

Asian  
American  
MEDICAL GROUP  
annual report

14

Dedicated to healing.

Powered by Innovation.

A close-up photograph of three medical professionals, likely surgeons, wearing blue scrubs, white surgical caps, and white surgical masks. They are wearing head-mounted surgical lights and glasses. They are focused on a procedure, with one surgeon's hands visible at the bottom right holding surgical instruments. The background is a blurred operating room environment. A small, semi-transparent dark box is positioned in the lower right area of the image, containing the company's name and other information.

# Asian American Medical Group Limited

ABN NUMBER 42 091 559 125

Annual report for the year ended  
31 August 2014

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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)

**COMPANY SECRETARY**

Dario Nazzari

**REGISTERED OFFICE**

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Adelaide SA 5000  
Tel: +61 8 8110 0999  
Fax: +61 8 8110 0900  
Website: [www.aamg.co](http://www.aamg.co)

**AUDITORS**

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

**BANKER**

Westpac Banking Corporation  
114 William Street  
Melbourne VIC 3000

**SHARE REGISTRY**

Computershare Investor Services Pty Ltd  
Level 5, 115 Grenfell Street  
Adelaide SA 5000  
Tel: +61 8 8236 2300  
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**STOCK EXCHANGE LISTING**

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 financial year ended 31 August 2014 ("FY2014") was marked by challenges in the operating environment as well as our continued efforts to offer a wider range of medical specialisation as well as geographical expansion.

Despite the high healthcare costs in Singapore and the impact of competing medical tourism centres in the region, the Asian American Medical Group Limited ("AAMG") remains committed to move up the value chain in two core medical specialties currently – liver and bone marrow.

Increased competition from neighbouring medical tourism centres and a decrease in transplantation cases and patients were the main factors which led to a decline in revenue to S\$16.2 million in FY2014 compared to S\$19.4 million in FY2013. Rising associated healthcare costs in Singapore – especially, rentals, manpower and overall dollar value of many third-party ancillary services – have been a cause of patients diverting to lower-cost locations. At the same time, our operating expenses have also risen.

Despite these challenges, the Group continued to improve service quality with a view to achieving our mission of improving medical outcomes. At the same time, we are exploring opportunities to collaborate with potential partners in the region, in areas where we can leverage on our medical expertise. These activities have resulted in travel and related professional costs. The combination of these factors led to a net loss of S\$2.5 million for FY2014 compared to S\$0.2 million profit in FY2013.

Despite the loss for the year under review, our financial position remains healthy. Our cash and cash equivalents stood at S\$5.3 million as at 31 August 2014, even after paying FY2013 final dividends of S\$0.2 million. Net Asset Value per share as at 31 August 2014 declined by 1.2 Singapore cents to 2.6 Singapore cents.

AAMG's leadership had anticipated the changes in the operating environment. Rather than step back and wait for the storm clouds to pass over, we took the deliberate decision to move up the value chain, enlarge our competencies and expand to the region.

Towards this end, our strategy has been greatly enhanced by our ongoing collaboration with UPMC, the renowned U.S. healthcare group, whom we have partnered with to develop a Comprehensive Transplant Centre ("CTC"). This CTC gained traction with the opening of the Asian American Blood & Bone Marrow Transplant Centre Pte Ltd ("AABMTC") in February 2013, complementing our earlier single core specialisation of liver transplantation offered through the Asian American Liver Centre ("AALC").

I am pleased to report that AABMTC has performed much better in the year under review compared to FY2013 when the practice was just starting. Patient transactions quadrupled to 1,810 in FY2014 from 456 in FY2013 (when it recorded only seven months of operations), while the number of bone marrow transplants performed increased to seven from one over the comparative periods. In less than two years, the blood and bone marrow practice has grown significantly and now contributes 24.1% of the total Group's revenue. We are yet to see its full potential and will continue to dedicate resources to this practice so as to raise AAMG's profile as a global healthcare brand deeply committed to achieving an outstanding record of clinical outcomes.

Apart from widening our field of medical expertise, another major objective of our collaboration with University of Pittsburgh Medical Centre (“UPMC”) was to use the CTC in Singapore as a springboard for regional expansion. In this regard I am pleased to report several positive developments.

First, as part of the Group’s geographical expansion plans, AALC’s doctors have commenced surgical procedures at iHeal Medical Centre in Malaysia’s capital city Kuala Lumpur in early 2014. In FY2014 alone, patient numbers for our clinic in Malaysia rose sharply by 82.1%. The steady growth in patient flow underscores the importance of our Malaysian operations, which we will build upon by increasing marketing awareness.

Second, I want to share with you what we are doing in Russia, a vast country with great potential. On our own we would not have seriously considered penetrating this market due to distance and cultural differences. However, leveraging on our collaboration with UPMC we have been working with RusSing Med Holdings Pte Ltd (“RusSing”), our third largest shareholder, to create a network of outpatient medical imaging centres in Russia. RusSing, a private holding company, primarily focuses on business opportunities between Singapore and Russia.

Such projects underscore our close working relationship between AAMG and UPMC and we are excited to pursue more of such opportunities as we continue charting growth beyond Asia.

Third, we have also made inroads into Myanmar – a country of 51 million people with rising incidence of liver disease. Through a partnership with Pinlon Hospital and 30th Street Clinic we will establish Myanmar’s first holistic liver centre. To be completed by the first quarter of 2015, the Pinlon Liver Centre is significant for AAMG in addressing the high costs of associated medical care in Singapore. Through this partnership, AAMG surgeons, under the banner of collaboration with UPMC, can now conduct liver operations or transplants overseas. AAMG will be able to offer high-quality liver surgery but with patient benefits due to savings in associated healthcare costs such as hospitalisation. The partnership will leverage on AAMG’s medical expertise to provide management and consultancy services to the Myanmar partners, including training of medical staff, research collaboration and telemedicine.

This move is also in line with our intention to move up the value-chain by expanding our consultancy and management services. These services tap into our extensive experience and networks in the medical field. We continue to explore related opportunities in other regional markets.

While there has been a general slowdown in number of foreign patients to Singapore, one positive trend is the strong revival of patient referrals from the United Arab Emirates (“UAE”) Health Office in Singapore since June 2014. This followed a series of meetings with our medical colleagues in the Middle East. The revival affirms our clinical track record and we have since resumed liver transplants for UAE patients in August. We are confident that this will reflect positively in our financial performance next year.

We remain committed to building a strong brand – coupled with our strong partnership with UPMC – as we continue to pursue geographical expansion, build up our core capabilities and move up the value chain by offering consultancy and management services. With a dedicated management team, we look forward to improving our performance in FY2015.

I am also pleased to announce the re-election of Ms. Pamela Jenkins, Mr. Wing Kwan Teh, Mr. Paul Lee Vui Yung and Mr. Evgeny Tungolukov as Directors of the Company during the financial year under review.

On behalf of the Board of Directors, I would like to extend my appreciation to our shareholders for your unwavering support this year and to the management team and staff for their commitment and hard work during this challenging period. We look forward to your continued support in the year ahead.



Dato' Dr Kai Chah Tan  
Executive Chairman

Chairman’s  
message  
cont’d

## Pamela Anne Jenkins

RGN, B Sc (Hons), MBA  
Executive Director

This has been a challenging year for AAMG as the headwinds – mainly from rising costs and increased competition from the region – are not only being felt by AAMG but also by all healthcare providers in Singapore. In view of this, AAMG continues to evolve from a specialist medical centre in Singapore into a global healthcare brand through its strategy of expansion into target markets focusing on our two core capabilities in liver and bone marrow, and widening of service offerings to include medical project consultancy and advisory work.

### Working with UPMC

AAMG continues to strengthen its relationship with UPMC by working with their International and Commercial Services Division on projects across Asia. During the year, we are very excited to have commenced two projects with UPMC in Myanmar and Russia respectively, which we hope are a prelude to many more in the future.

In Myanmar, UPMC and AAMG were engaged by Pinlon Hospital to evaluate its existing radiation oncology programme, implement state-of-the-art radiation oncology technology, train its health care professionals and to put in place a long-term treatment planning support. The engagement is expected to take up to five years.

UPMC and AAMG have entered into collaboration with RusSing Med to develop a strategy for the design and operation of the Imaging Centre Initiative in the Russian Federation. RusSing Med aims to develop a chain of Imaging Centres to meet the strong demand for such services by private providers in Russia. The main scope of this engagement is to assist RusSing Med with medical equipment selection and service line definition, and the development of an information technology configuration.

### Joint venture in Yangon, Myanmar

Much has been said about the economic boom and prospects of Myanmar, widely referred to by investors as Asia's "last frontier". Myanmar, with a population of 51 million people, is the size of France and shares a border with Bangladesh, China, India, Laos and Thailand. Its geographic proximity to India and China alone makes Myanmar an intriguing economic and geopolitical partner.



This makes it a market of huge potential to AAMG if we are able to make inroads into the country early, despite Myanmar only representing approximately 3%-4% of AAMG's current patients. Currently, affluent Myanmar citizens are travelling mostly to Thailand and India for treatment and medical check-ups and we hope to gain market share by offering similar or better quality health-care services in Myanmar.

Since early 2014, AAMG has been actively looking for suitable partners to work with to set up a presence in Myanmar, following our exit from Vietnam with the closure of our Ho Chi Minh City clinic and the mutual termination of our Services Agreement with Vinmec International Hospital JSC ("Vinmec") in Hanoi.

In late August, AAMG formalised a Joint Venture Agreement to team up with Pinlon Hospital ("Pinlon") and 30th Street Clinic ("30th Street") to establish the first holistic international liver centre in Myanmar - Pinlon Liver Center. The new liver centre will be situated in privately held Pinlon Hospital, in the city of Yangon, and will provide the most advanced treatment for a whole spectrum of liver diseases.

30th Street, which is headed by one of Myanmar's foremost hepatologists and academics, Professor Khin Maung Win, will work closely with AAMG and Pinlon Hospital on the clinical and patient care aspect of the clinic. AAMG's main role will be to provide guidance and expertise on the development of a quality clinical management and surgical programme.

### **Bone Marrow segment**

Since the start of our blood and bone marrow clinic's operations in February 2013, the number of patient transactions in FY2014 quadrupled compared to the seven months of the last financial year ("FY2013"). Patient transactions in the second half of FY2014 increased 25% from the first half, underlying the steady growth of this segment. We also performed a total of seven stem cell transplants during the year compared to only one in the FY2013.

The blood and bone marrow segment is becoming an important contributor to the performance of the Group. In FY2014, this segment represented a quarter of the Group's turnover and 16% of the overall patient transaction of the Group. We expect this upward momentum to continue as we invest more in our marketing initiatives to increase awareness for AABMTC and its services.

### **Expanding our consultancy and management arm**

We believe that there is also huge potential in the business of providing consultancy and management services, an area that we have been focusing on. With extensive years of experience and knowledge in the healthcare industry, our team, led by Dr Tan, will be able to provide advice, management and leadership to parties who require specialised medical expertise in their healthcare related projects. Currently, we are exploring such opportunities in China, Russia and Indonesia.

### **Conclusion**

We have been experiencing some positive results as we continue to build a new global and diversified brand of AAMG. We remain committed to build on our core strengths of clinical success and strong reputation to drive growth.

Whilst we acknowledge that the financial performance for this financial year has been disappointing due to certain macroeconomic pressures, we would like to reassure our shareholders and partners that we have put in place strategic plans to grow and diversify AAMG's business to be less vulnerable to specific business risks, thus making us more robust. We are confident we will see an improvement in the next financial year.

Lastly, I would also like to acknowledge the hard work, dedication and contribution of every staff member during the year. We look forward to an exciting year ahead as we continue to chart new growth.



Pamela Anne Jenkins  
Executive Director

Executive  
Director's  
message  
cont'd



**Dato' Dr Kai Chah Tan**  
Executive Chairman  
D.P.M.P., MBBS (MAL), FRCS (EDIN)

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

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

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

Dr Tan returned to South-East Asia in 1994 to set up private practice, the AALC, in Gleneagles Hospital, Singapore and the then Subang Jaya Medical Centre ("SJMC"), in Kuala Lumpur, Malaysia. He started a paediatric Living Donor Liver Transplantation ("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.

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**Ms Pamela Anne Jenkins** is the Executive Director of AAMG. She is also the Managing Director of AALC and the director of AAMG Inc, AABMTC 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 AALC with Dr Tan, assuming the role of director of AALC. 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 Evgeny Tugolukov**  
Non-Executive Director  
B Econ

**Mr Wing Kwan Teh** specializes in corporate restructuring, corporate finance and merger & acquisition.

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 Singapore eDevelopment Ltd (listed on Catalist of the SGX-ST and previously known as CCM Group Limited), an appointed Adviser to the Board of Koda Ltd (listed on the Main Board of SGX-ST), a sophisticated investor and a director of BMI Capital Partners Limited (Hong Kong). He was a non-executive and non-independent director of Heng Fai Enterprises Limited (listed on the Hong Kong Stock Exchange) and he also served as appointed Audit Committee Chairman and Independent Director of other public companies listed on the SGX-ST. Mr 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.

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**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 19 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.

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



**Mr Paul Vui Yung Lee**

Independent  
Non-Executive Director  
B Bus (MIS)

**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 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 40 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 four companies listed on the SGX-ST, which are Colex Holdings Limited, Pteris Global Limited, CapitaRetail China Trust Management Limited and Sapphire Corporation Limited.

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**Mr Paul Lee Vui Yung** has over 18 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 Nomination and Remuneration Committee and is also a member of the Audit Committee.

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**Ms Jeslyn Jacques Wee Kian Leong** is a Fellow of the Association of Chartered Certified Accountants (United Kingdom) with 23 years of extensive experience in the field of corporate finance, which included tenure as a Financial Accountant of Teys Australia Pty Ltd, Australia's leading beef processor and exporter.

Ms Leong joined AAMG as an Independent Non-Executive Director on 1 January 2012. She is currently an Accountant with Orrcon Steel, a wholly-owned subsidiary of BlueScope Steel Limited (listed in Australian Securities Exchange, "ASX"), a leading Australian distributor and manufacturer of steel, tube and pipe. In this role she has obtained extensive experience in manufacturing management.



### Dr Kang Hoe Lee

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

### Dr Yee Lee Cheah

Surgeon  
(Liver Transplant/  
Hepatopancreatobiliary Surgery)  
MBBCh BAO (IREL), AFRCSI (IREL),  
American Board of Surgery (USA)

**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 AALC and AAMG since then. He has established close contacts with the King's College Liver Unit, UK, as part of the development of AALC as a leading liver transplant centre. He is currently responsible for managing all the acute liver failure patients and liver transplant patients treated at AALC and bone marrow patients from AABMTC. He is also responsible for all liver dialysis treatments and has brought several machines to AALC, making it one of the premier liver dialysis centres in the world.

A Board Certified surgeon of the American Board of Surgery, **Dr Cheah Yee Lee** specialises in liver transplantation and hepatopancreatobiliary surgery (surgery of the liver, pancreas and bile ducts).

Dr Cheah began her surgical career in 2000 with a medical degree from the Royal College of Surgeons, Ireland, and obtained her Associate Fellowship of the Royal College of Surgeons, Ireland, in 2003. From 2003 to 2008, she completed her general surgery training at the prestigious Ivy League General Surgery Residency Program at Brown University in Rhode Island, USA, where she was appointed Executive Chief Resident of General Surgery in 2008. Dr Cheah also received the Dean's Teaching Award in 2007 and the Haffenreffer Outstanding Resident of the Year Award in 2008 at Brown University.

Dr Cheah underwent advanced training in liver transplantation and hepatopancreatobiliary surgery under the mentorship of Professors Elizabeth Pomfret and Roger Jenkins at the Lahey Clinic in Massachusetts, USA. She completed her American Society of Transplant Surgeons ("ASTS") accredited fellowship in 2010. Dr Cheah returned to Asia and joined Khoo Teck Puat Hospital ("KTPH"), Singapore, as Consultant Surgeon and was instrumental in developing its hepatopancreatobiliary surgery programme until 2014, when she left KTPH to join AALC.

Dr Cheah's clinical interests are in living donor liver transplantation, surgery of the liver, pancreas and bile ducts for benign and malignant disorders, and nutrition support and therapy of surgical patients. Her main research interests are in the areas of living donor safety, and disorders of the liver, pancreas and bile ducts.

Dr Cheah was appointed Clinical Instructor at Brown University and Tufts University, USA, from 2003 to 2010. She is currently an Adjunct Assistant Professor at National University Singapore, as well as a founding member of the Hepatopancreatobiliary Association of Singapore. In addition, she has served in the Vanguard and Membership Committees of the International Liver Transplant Society ("ILTS") since 2011. Dr Cheah has given presentations at local national and international surgical, transplant and nutrition meetings and conferences.



### 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 Singapore General Hospital ("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 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. She remains a visiting consultant in the Department of Haematology in SGH. In the time since joining AABMTC in 2013, Dr Loh has overseen the setting up of the stem cell transplant program that has successfully treated several patients. She continues to remain active in education, giving talks locally and in the region.



**Mr Cherinjit Kumar Shori**

Group Chief Operating Officer  
B Acc, PGDip Marketing  
& Healthcare

**Mr Meng Yau Yeoh**

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

**Mr Cherinjit Kumar Shori** has been with AAMG as the Group Chief Operating Officer since November 2009. Since his joining, the Group has entered into a strategic relationship with the UPMC and expanded into the treatment of blood related disorders in addition to its already successful liver diseases and transplantation program.

He has more than 20 years' experience in the healthcare and hospitality industries covering business development and marketing. Prior to joining AAMG, he was the Group Vice President/Deputy Chief Marketing Officer for Parkway Pantai Limited ("PPL"), part of the IHH Healthcare Berhad Group, one of Asia's largest healthcare providers. During his tenure there, he was responsible for strategic marketing, clinical programs marketing, business development and regional expansion to increase the market share for its group of hospitals in Singapore.

Mr Shori had also held senior management positions with various companies including Sun Cruises and Sembawang Leisure (a subsidiary of Sembawang Corporation) doing business development activities.

Mr Shori holds a Bachelor of Accountancy Degree from Nanyang Technological University in Singapore.

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

Mr Shori has also been invited to speak at international conferences including being nominated by Singapore Tourism Board to speak at the Internationale Tourismus-Börse Berlin ("ITB Berlin") Conference where he shared his experience in the future of global medical tourism.

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**Mr Meng Yau Yeoh** obtained his professional accounting qualification from the Association of Chartered Certified Accountants (United Kingdom) 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.

## FINANCIAL REVIEW

Year ended 31 August	2014 S\$'000	2013 S\$'000	Decrease %
Revenue	16,202	19,399	(16.5)
Earnings before interest, taxation, depreciation and amortisation ("EBITDA")	(2,355)	479	n.a.
(Loss)/Profit after income tax attributable to members	(2,493)	231	n.a.
Total share capital and reserves	5,279	7,899	(33.2)
	2014 S Cents	2013 S Cents	
Basic (loss)/earnings per share	(1.19)	0.12	
Net asset value per share	2.52	3.77	
Net tangible asset value per share	2.39	3.64	

The overall Group's revenue declined 16.5% or S\$3.2 million to S\$16.2 million in FY2014 from S\$19.4 million in FY2013. The overall number of patient transaction (for the liver segment, in particular) declined by 3.5% from 11,930 in FY2013 to 11,508 in FY2014. In general, the healthcare related costs in Singapore continue to rise and the industry has since become increasingly competitive. More recently, we have seen increased competition from neighbouring medical tourism centres.

### Liver segment

Revenue for the liver segment declined significantly by 34.5% or S\$6.5 million to S\$12.3 million as a result of a fall in patient transactions by 15.5% from 11,474 in FY2013 to 9,698 in FY2014. The number of living donor liver transplants also fell by 58.3% to five compared to 12 last year.

In line with our overseas expansion plans, we widened our services offered to include surgical procedures in Kuala Lumpur, Malaysia in early 2014. As a result, patient numbers for our clinic in Malaysia rose sharply by 82.1% for FY2014 accounting for some 3% of the Group's patient numbers.

### Bone marrow segment

The bone marrow segment recorded its first full year results in FY2014 compared to a seven-month reporting in FY2013. Revenue rose more than six times to S\$3.9 million in FY2014 from S\$0.6 million in FY2013. Patient transactions for the bone marrow clinic quadrupled to 1,810 from 456 in FY2013. A total of seven bone marrow transplants were performed in FY2014, compared to just one in FY2013.

The bone marrow segment revenue now forms almost a quarter or 24.1% of the total Group's revenue, up from 3.2% in FY2013, underlying the growing significance of the bone marrow segment as an important component in our Comprehensive Transplant Centre ("CTC").

### Direct costs and operating expenses

Cost of sales declined by 25.0% or S\$2.7 million to S\$8.1 million in FY2014 from S\$10.8 million in FY2013 due to improved efficiency and lower revenue.

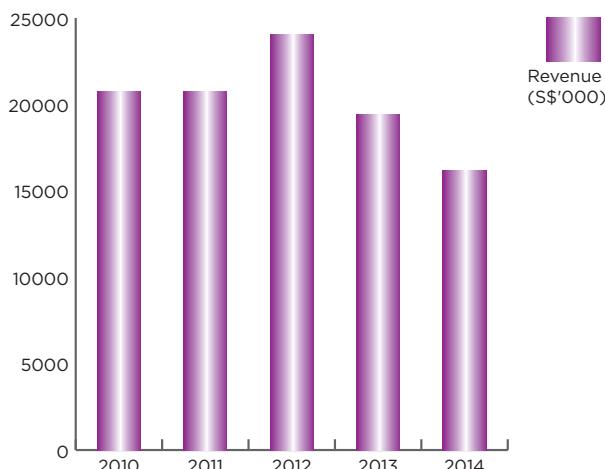
Operating expenses increased by 28.9% or S\$2.5 million to S\$10.8 million in FY2014 from S\$8.3 million in FY2013 due mainly to:

- Higher staff cost of S\$0.7 million - we recruited an additional doctor for Asian American Liver Centre Pte Ltd ("AALC");
- Higher staff cost of S\$0.6 million for Asian American Bone and Marrow Transplant Centre Pte Ltd ("AABMTC") - we recorded full-year staff cost for AABMTC;
- A write-off of S\$0.3 million of related party loan to Asian Liver Centre Co., Ltd Vietnam, which is non-recurring;
- Higher other expenses of S\$0.6 million - we incurred additional overhead and recorded full-year operating expenses for AABMTC and we also increased our marketing activities;
- Unrealised foreign exchange loss on translation of foreign currency denominated balances in FY2014 instead of unrealised foreign exchange gain in FY2013; and
- Higher office lease of S\$0.1 million - we recorded full-year lease expense for AABMTC.

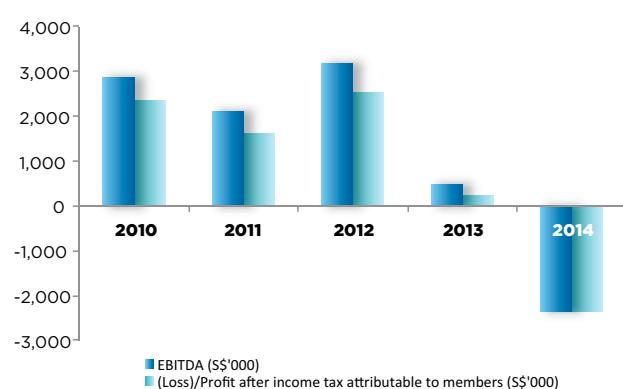
There was a tax credit of S\$0.05 million in FY2014 compared to a tax expense of S\$0.1 million in FY2013 due mainly to over provision for prior year tax and reversal of deferred tax liability.

As a result of the above-mentioned, the Group incurred Net Loss (being Net Loss After Taxation attributable to the members of the parent entity) of S\$2.5 million. Excluding the one-time write-off of the related party loan, our Net Loss would have been S\$2.2 million for FY2014.

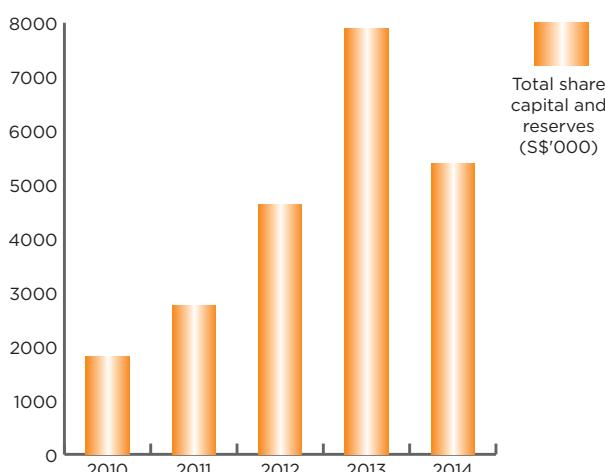
#### Revenue



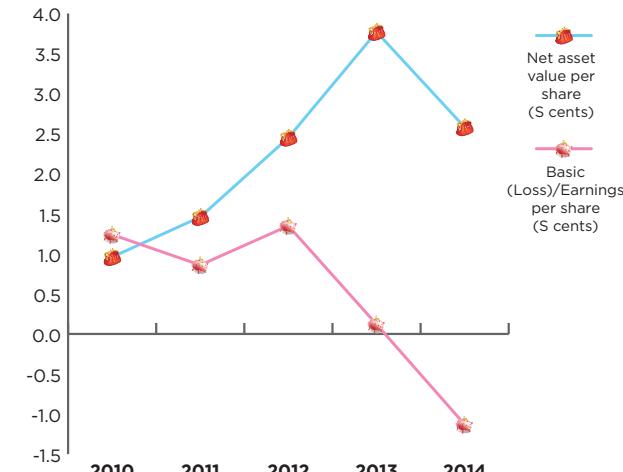
#### EBITDA and (Loss)/Profits



#### Share capital and reserves



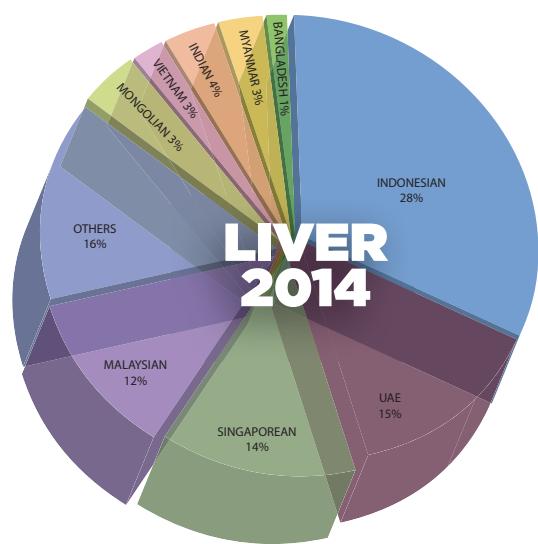
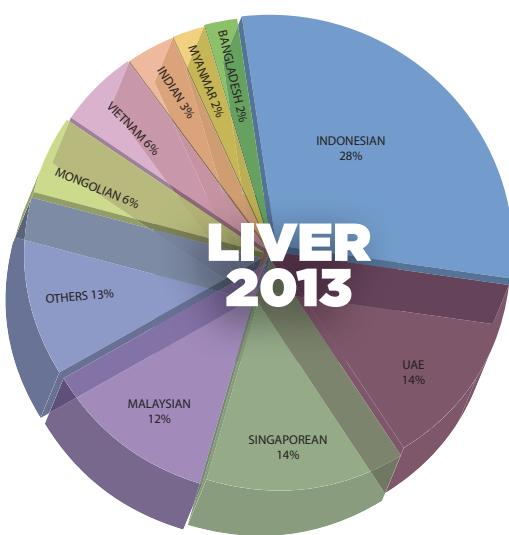
#### EPS and NAV



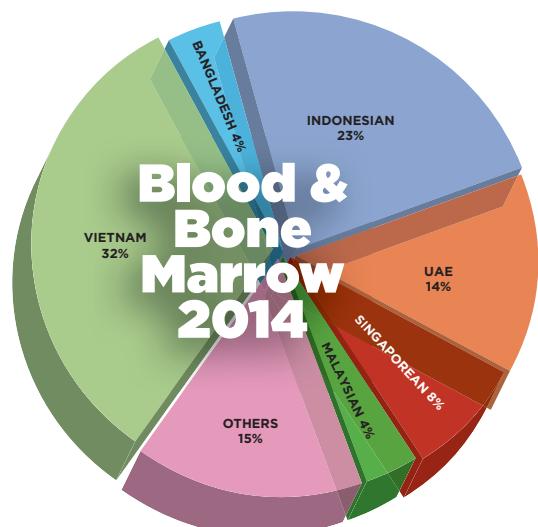
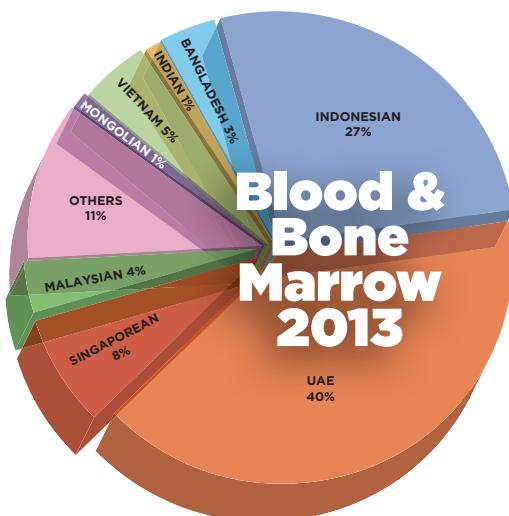
Net assets for the Group declined by S\$2.6 million to S\$5.3 million. Significant changes during the year under review were:

- Lower cash and cash equivalents, which fell by S\$2.0 million to S\$0.2 million as a result of current year loss and payment of final dividend of S\$0.2 million (declared in FY2013);
- Lower trade and other receivables, which fell by S\$1.7 million to S\$1.8 million on the back of lower revenues. Receivables turnaround time however improved from 61 days to 38 days; and
- Trade and other payables balance decrease correspondingly by S\$1.3 million to S\$2.9 million due mainly to lower purchases of materials and consumables in line with lower revenue. There was an improvement in creditors' turnover from 116 days to 80 days.

Given the above, Shareholders' Equity or Net Assets decreased by S\$2.6 million from S\$7.9 million to S\$5.3 million as at 31 August 2014. Correspondingly, Net Asset Value ("NAV") per share declined by S 1.3 cents to S 2.5 cents.



There was an overall decline in the number of patients across the board for the liver segment but there was a notable increase in patients from Myanmar. Patients from Indonesia, UAE, Singapore and Malaysia continue to form the majority of our liver segment's core patients.

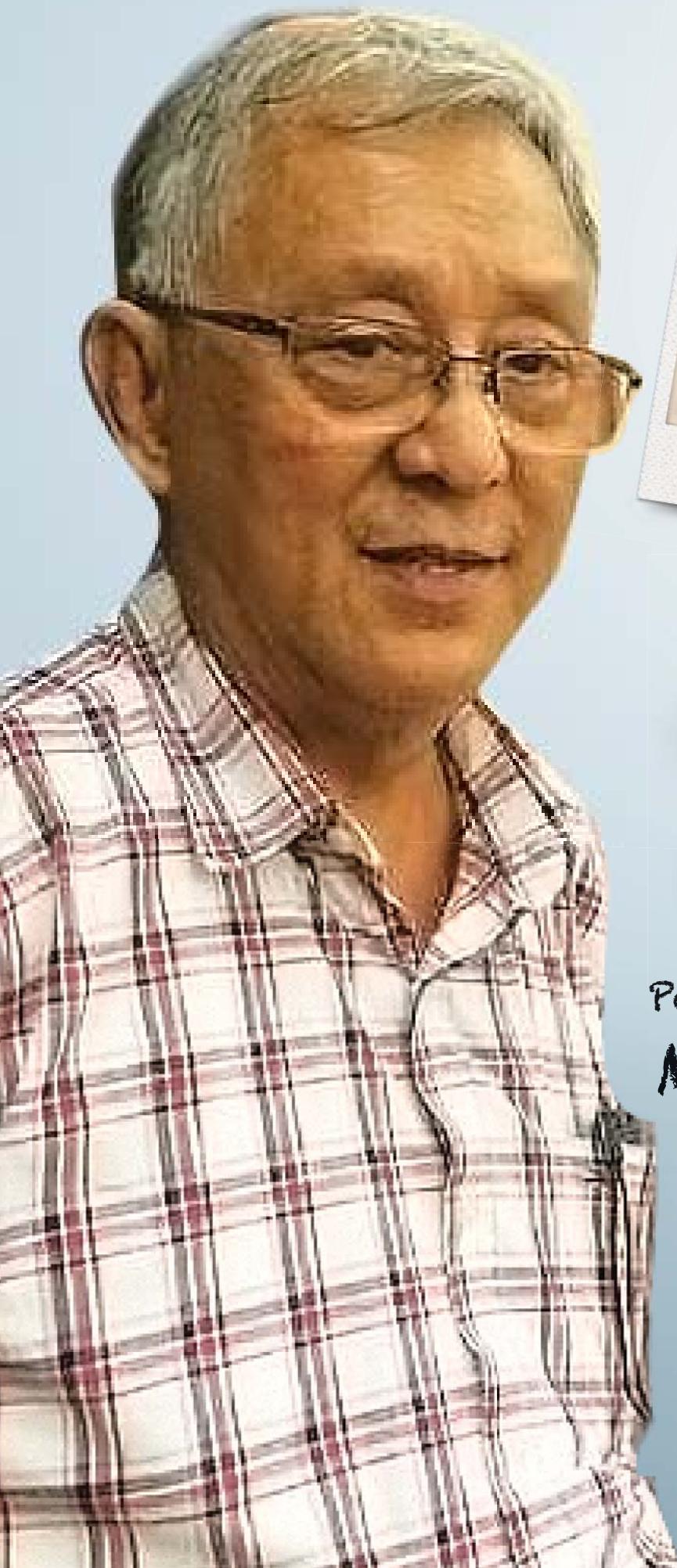


Patients from the Vietnam, Indonesia and UAE represent about 69% of the patients in the Group's bone marrow segment during current financial year. This was a direct result of our marketing efforts which were targeted at these markets where we see the most potential. Local Singaporeans, patients from Malaysia and South Asia forms the remaining number of patients.



★MICHAEL TOH★

*I lived my life*  
-----  
**MY OWN WAY**



★MICHAEL TOH★

*I lived my life*  
MY OWN WAY

Patient's testimonial -  
Michael Toh:

"Devil may care" was the attitude I lived my life even after multiple trips to the hospital due to liver problems.

However moving on to forty, my health deteriorated further. Warning signs included the drastic decline in alcohol tolerance such that I would pass out after my second drink and also drifting off at the wheel while driving. Thus, I began to change for the better. I stopped smoking, drinking and almost all my vices.

However, the damage done was irreversible. A blood test conducted at a routine medical check-up in my fifties showed issues with my liver and I was sent for an ultrasound. This did not shake me up as I had liver problems for more than 10 years, until the ultrasound revealed the presence of two hepatomas. After a thorough MRI, I was diagnosed with liver cancer.

Surgery was merely the start of a long and arduous journey involving chemotherapy that lasted another five years. Unlike regular chemotherapy that most cancer patients go through, mine was done with a catheter being inserted through the groin straight into the portal vein that led to the liver. I did this treatment for ten times over the five years, yet the cancer cannot be halted. By this time, my cancer reached Stage 3C.

I was left with no choice but to undergo a liver transplant. I was fortunate, as during these five years, the cancer did not spread to other parts of the body. Dr K C Tan, a renowned liver surgeon and hepatobiliary expert from Asian American Liver Centre in Singapore, and his team of doctors, nurses and staff quickly got down to work. After a series of tests to assess the suitability of my family members as donors, my son, Toh Bu Keat, was found to be a suitable donor, and he responded to the call.

The recovery process was not an easy one but the unwavering support and love of my family members were my pillar of strength, especially my wife who stayed beside me through thick and thin over the years and my son who gave part of his liver to save my life.

I am also thankful to my employer back then, Tractors Malaysia Holdings, for being so understanding.

Ten years on after the successful transplant, I feel better than ever. Both Bu Keat and I did not experience any side effects and have been doing well since. It is indeed a great feeling to be able to walk away from cancer and to be healthy again. A small word of advice to anyone who is suffering or diagnosed with liver cancer, do seek treatment and get the best medical advice as soon as possible. It is not a death sentence.

I would like to express my sincere gratitude to Dr Tan and his dedicated team of doctors, nurses and staff whose professionalism was my biggest source of confidence and support.

Michael Toh



## CORPORATE GOVERNANCE STATEMENT

The Board of Asian American Medical Group Limited (“AAMG”) seeks to practise 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](http://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](http://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 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.

Number of women employees in the whole organisation  
 Number of women in senior executive positions  
 Number of women on the Board

	Objective		Actual	
	Number	%	Number	%
Number of women employees in the whole organisation	22	75	24	83
Number of women in senior executive positions	3	43	3	43
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](http://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

### Nomination and Remuneration Committee

The Nomination and Remuneration Committee is comprised of two non-executive directors. The role of the 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 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 2014.

### **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)  
**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)

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

### **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"). There has been no change in the principal activity of the Group during the financial year.

### **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 17 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 16 and 18, 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, five (5) Board meetings, four (4) Audit Committee meetings and two (2) 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
Dato' Dr Kai Chah Tan	5	5	-	-	-
Ms Pamela Anne Jenkins	5	5	-	-	-
Mr Wing Kwan Teh	5	5	-	-	-
Mr Evgeny Tugolukov	5	5	-	-	-
Mr Heng Boo Fong	5	5	4	4	2
Mr Paul Vui Yung Lee	5	5	4	4	2
Ms Jeslyn Jacques Wee Kian Leong	5	5	-	-	-

## 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	-

<sup>^</sup> Indirect interest through RusSing Med Holdings Pte Ltd.

None of the directors have share options in the Company.

## **Dividends paid or recommended**

A final dividend in respect of the year ended 31 August 2013 of S\$235,842 (representing a dividend of A\$0.001 per ordinary share) was paid on 12 December 2013.

No interim or final dividend has been paid or recommended by the Directors for the financial year ended 31 August 2014.

## **Significant changes in state of affairs**

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

## **Events subsequent to balance date**

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

## **Likely developments**

Likely developments, future prospects and business strategies of the operations of the Group and the expected results of those operations in future years are detailed in the Chairman's and Executive Director's message on pages 6 to 9. These are mainly in line with the Group's growth strategies as follows:

- 1) Continue with the Group's geographical expansion plans and build on existing presence overseas such as in Malaysia and Myanmar;
- 2) Continue to widen AAMG's service offerings to include project consultancy and other medical disciplines; and
- 3) Strengthen our position by increasing our marketing efforts on our core markets for liver and bone marrow such as UAE, Indonesia and Malaysia.

## **Options**

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

<b>Grant Date</b>	<b>Exercise Price</b>	<b>Options outstanding at 1.9.2013</b>	<b>Options granted</b>	<b>Options exercised/ cancelled/ lapsed</b>	<b>Options outstanding at 31.8.2014</b>	<b>Exercise period</b>
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 key management personnel 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, Malaysia and Vietnam during the financial year.

## REMUNERATION REPORT (Audited)

The Directors of Asian American Medical Group Limited (“AAMG” or ‘the Group’) present the Remuneration Report for Non-Executive Directors, Executive Directors and other Key Management Personnel, prepared in accordance with the *Corporations Act 2001* and the *Corporations Regulations 2001*.

### Details of Members of Key Management Personnel

The key management personnel of the Group during the financial year ended 31 August 2014 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  
 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

*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 Remuneration Report is set out under the following main headings:

- a. principles used to determine the nature and amount of remuneration;
- b. details of remuneration;
- c. service agreements;
- d. share-based remuneration; and
- e. other information.

#### a. Principles used to determine the nature and amount of remuneration

The principles of the Group’s executive strategy and supporting incentive programs and frameworks are:

- to align rewards to business outcomes that deliver value to shareholders;
- to drive a high performance culture by setting challenging objectives and rewarding high performing individuals; and
- to ensure remuneration is competitive in the relevant employment market place to support the attraction, motivation and retention of executive talent.

AAMG has structured a remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The Board has established a Nomination and Remuneration Committee which operates in accordance with its charter as approved by the Board and is responsible for determining and reviewing compensation arrangements for the Directors and the Executive Team.

The 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 (2013 : A\$15,000 - A\$25,000).

The remuneration structure that has been adopted by the Group consists of the following components:

- fixed remuneration being annual salary; and
- short term incentives, being employee share schemes and bonuses.

The Nomination and Remuneration Committee assess the appropriateness of the nature and amount of remuneration on a periodic basis by reference to recent employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and Executive Team.

The payment of bonuses, share options and other incentive payments are reviewed by the Nomination and Remuneration Committee annually as part of the review of executive remuneration and a recommendation is put to the Board for approval. All bonuses, options and incentives must be linked to pre-determined performance criteria.

### **Short Term Incentive (“STI”)**

AAMG performance measures involve the use of annual performance objectives, metrics, performance appraisals and continuing emphasis on living the Company values.

The performance measures are set annually after consultation with the Directors and executives and are specifically tailored to the areas where each executive has a level of control. The measures target areas the Board believes hold the greatest potential for expansion and profit and cover financial and non-financial measures.

The Key Performance Indicators (“KPI’s”) for the Executive Team are summarised as follows:

Performance area:

- financial - operating profit and earnings per share; and
- non-financial - strategic goals set by each individual business unit based on job descriptions.

The STI Program incorporates both cash and share-based components for the Executive Team and other employees. The Board may, at its discretion, award bonuses for exceptional performance in relation to each person’s pre-agreed KPIs

### **Voting and comments made at the Company’s last Annual General Meeting**

AAMG received more than 99% of ‘yes’ votes on its Remuneration Report for the financial year ended 31 August 2013. The Company received no specific feedback on its Remuneration Report at the Annual General Meeting.

### **Consequences of performance on shareholder wealth**

In considering the Group’s performance and benefits for shareholder wealth, the Board have regard to the following indices in respect of the current financial year and the previous four financial years:

<b>Item</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
EPS (S cents)	(1.19)	0.12	1.35	0.86	1.24
Dividends (S cents per share)	-	0.20	0.50	0.40	0.90
Net (loss)/profit (S\$000)	(2,493)	231	2,506	1,541	2,340
Share price (A\$)	0.08	0.14	0.09	0.09	0.07

### **Used of Remuneration in Consultants**

AAMG did not make use of Remuneration Consultants during the financial year.

**b. Details of remuneration**

Details of the nature and amount of each element of the remuneration of each Key Management Personnel (“KMP”) of AAMG are shown in the table below:

	Short Term Employee Benefit			Post-employment benefit	Share based Payments	Termination benefits	Total	Performance based percentage of remuneration
	Cash salary and fees	Cash bonus	Non-monetary Benefits					
<b>31 August 2014</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>%</b>
<i>Executive Director</i>								
Dato' Dr Kai Chah Tan	2,400,000	50,533	-	6,300	-	-	2,456,833	2%
Ms Pamela Anne Jenkins	480,000	50,533	-	8,400	-	-	538,933	9%
<i>Non-Executive Directors</i>								
Mr Wing Kwan Teh	25,568	-	-	-	-	-	25,568	-
Mr Evgeny Tugolukov	4,275	-	-	-	-	-	4,275	-
Mr Heng Boo Fong	25,568	-	-	-	-	-	25,568	-
Mr Paul Vui Yung Lee	10,072	-	-	-	-	-	10,072	-
Ms Jeslyn Jacques Wee Kian Leong	17,340	-	-	-	-	-	17,340	-
<i>Other Key Management Personnel</i>								
Mr Cherinjit Kumar Shori	252,000	59,500	-	13,600	5,296	-	330,396	18%
Mr Meng Yau Yeoh	168,666	49,872	-	13,601	2,874	-	235,013	21%
	<b>3,383,489</b>	<b>210,438</b>	<b>-</b>	<b>41,901</b>	<b>8,170</b>	<b>-</b>	<b>3,643,998</b>	<b>-</b>

The cash bonus relates to bonus that was vested during the year and is subject to approval by the Nomination and Remuneration Committee. The cash bonus is paid between November and December every year and no part of the bonus is payable in the future years. There was no bonus that was forfeited during the year.

	Short Term Employee Benefit			Post-employment benefit	Share based Payments	Termination benefits	Total	Performance based percentage of remuneration
	Cash salary and fees	Cash bonus	Non-monetary Benefits					
<b>31 August 2013</b>	<b>\$\$</b>	<b>\$\$</b>	<b>\$\$</b>	<b>\$\$</b>	<b>\$\$</b>	<b>\$\$</b>	<b>\$\$</b>	<b>%</b>
<i>Executive Director</i>								
Dato' Dr Kai Chah Tan	2,400,000	65,000	-	8,925	-	-	2,473,925	3%
Ms Pamela Anne Jenkins	474,000	65,000	-	15,400	-	-	554,400	12%
<i>Non-Executive Directors</i>								
Mr Wing Kwan Teh	27,586	-	-	-	-	-	27,586	-
Mr Evgeny Tugolukov (2)	-	-	-	-	-	-	-	-
Mr Heng Boo Fong	27,586	-	-	-	-	-	27,586	-
Mr Paul Vui Yung Lee (2)	-	-	-	-	-	-	-	-
Mr Harry Vui Khiun Lee (1)	18,568	-	-	-	-	-	18,568	-
Ms Jeslyn Jacques Wee Kian Leong	12,379	-	-	-	-	-	12,379	-
<i>Other Key Management Personnel</i>								
Mr Cherinjit Kumar Shori	252,000	73,500	-	10,240	15,054	-	350,794	21%
Mr Meng Yau Yeoh	154,200	53,040	-	13,600	8,171	-	229,011	23%
	<b>3,366,319</b>	<b>256,540</b>	<b>-</b>	<b>48,165</b>	<b>23,225</b>	<b>-</b>	<b>3,694,249</b>	<b>-</b>

(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 end 31 August 2013.

The cash bonus relates to bonus that was vested during the year and is subject to approval by the Nomination and Remuneration Committee. The cash bonus is paid between November and December every year and no part of the bonus is payable in the future years. There was no bonus that was forfeited during the year.

### c. Service agreements

Remuneration and other terms of employment for the Executive Directors and other Key Management Personnel are formalised in a service agreement. The major provisions of the agreements relating to remuneration are set out below:

Name	Base salary per month (S\$)	Term of agreement	Notice period
Dato' Dr Kai Chah Tan	200,000	No fixed term	2 months
Ms Pamela Anne Jenkins	40,000	No fixed term	2 months
Mr Cherinjit Kumar Shori	21,000	No fixed term	1 month
Mr Meng Yau Yeoh	14,166	No fixed term	1 month

### d. Share-based remuneration

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.

Group Key Management Personnel	For the financial year ended 31 August 2014							Overall				
	Date	No.	Value \$ (Note 1)	Exercised no.	Exercised \$	Lapsed no.	Lapsed \$	Vested no.	Vested %	Unvested %	Lapsed %	Percentage Remuneration that are options
Mr Cherinjit Kumar Shori	17.1.2011	842,000	46,858	-	-	-	-	842,000	100%	-	-	2%
Mr Meng Yau Yeoh	17.1.2011	457,000	25,433	-	-	-	-	457,000	100%	-	-	1%
											1,299,000	

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.

**e. Other Information**

**KMP Options and Right Holdings**

All KMP 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:

<b>31 August 2014</b>	<b>Balance at beginning of year</b>	<b>Granted as remuneration during the year</b>	<b>Exercised during the year</b>	<b>Lapsed/cancelled</b>	<b>Balance at end of year</b>	<b>Balance vested as end of year</b>	<b>Vested during the year</b>
Dato' Dr Kai Chah Tan	-	-	-	-	-	-	-
Ms Pamela Anne Jenkins	-	-	-	-	-	-	-
Mr Wing Kwan Teh	-	-	-	-	-	-	-
Mr Evgeny Tugolukov	-	-	-	-	-	-	-
Mr Heng Boo Fong	-	-	-	-	-	-	-
Mr Paul Vui Yung Lee	-	-	-	-	-	-	-
Ms Jeslyn Jacques Wee Kian Leong	-	-	-	-	-	-	-
Mr Cherinjit Kumar Shori	842,000	-	-	-	842,000	842,000	281,000
Mr Meng Yau Yeoh	457,000	-	-	-	457,000	457,000	153,000
	1,299,000	-	-	-	1,299,000	1,299,000	434,000

<b>31 August 2013</b>	<b>Balance at beginning of year</b>	<b>Granted as remuneration during the year</b>	<b>Exercised during the year</b>	<b>Lapsed/cancelled</b>	<b>Balance at end of year</b>	<b>Balance vested as end of year</b>	<b>Vested during the year</b>
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:

<b>31 August 2014</b>	<b>Balance at beginning of year</b>	<b>Issued during the year</b>	<b>Issued on exercise of options during the year</b>	<b>Other changes during the year</b>	<b>Balance at end of year</b>
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 Paul Vui Yung Lee	-	-	-	-	-
Ms Jeslyn Jacques Wee Kian Leong	-	-	-	-	-
Mr Cherinjit Kumar Shori	-	-	-	-	-
Mr Meng Yau Yeoh	-	-	-	-	-
	<b>148,706,940</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>148,706,940</b>

<b>31 August 2013</b>	<b>Balance at beginning of year</b>	<b>Issued during the year</b>	<b>Issued on exercise of options during the year</b>	<b>Other changes during the year</b>	<b>Balance at end of year</b>
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)^	-
Ms Jeslyn Jacques Wee Kian Leong	-	-	-	-	-
Mr Cherinjit Kumar Shori	-	-	-	-	-
Mr Meng Yau Yeoh	-	-	-	-	-
	<b>128,268,855</b>			<b>20,438,085</b>	<b>148,706,940</b>

\* at date of appointment

^ resigned on 31 January 2013

**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 27: Related Parties.

End of audited remuneration report.

### **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 8 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 2014 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**

3 November 2014



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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 2014, 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

A blue ink signature of the name 'S J Gray'.

S J Gray  
Director - Audit & Assurance

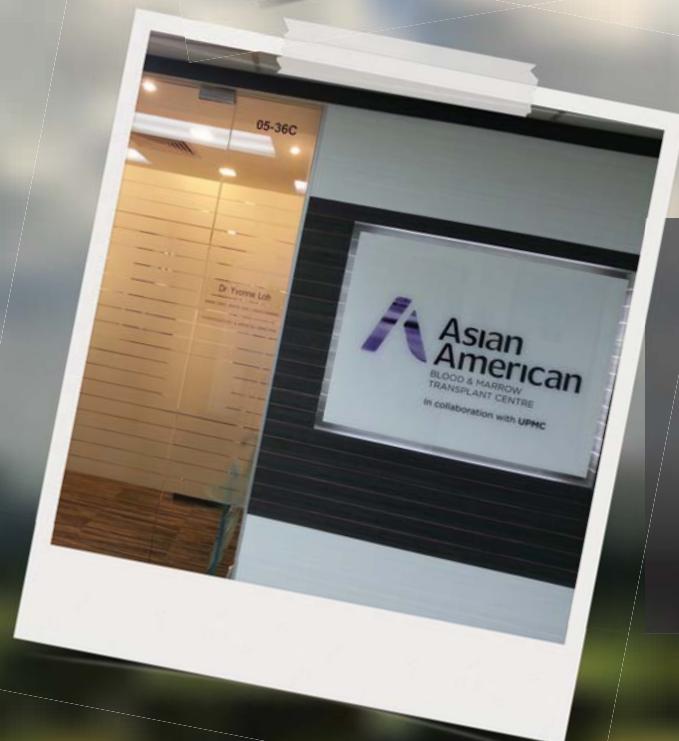
Adelaide, 3 November 2014

Grant Thornton Audit Pty Ltd ACN 130 913 594  
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## Asian American Medical Group Limited

ABN NUMBER 42 091 559 125

Annual report for the year ended  
31 August 2014

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 August 2014

Note	Consolidated Group	
	Year ended 31 August 2014	Year ended 31 August 2013
	S\$	S\$
Revenue	3	16,201,710
Other operating income	3	101,398
Changes in inventories		30,622
Inventories		(2,703,528)
Purchase services		(5,420,798)
Employment benefits expense		(7,905,271)
Operating lease expense		(670,631)
Depreciation and amortisation expenses		(185,350)
Directors' fees		(186,365)
Related party loan written off	27	(267,027)
Finance expense	4	(3,943)
Other expenses		(1,535,458)
Profit before income tax	5	(2,544,641)
Income tax benefit/(expense)	6	51,509
<b>(Loss)/Profit for the year</b>		<b>(2,493,132)</b>
<b>Other comprehensive income:</b> <i>Items that may be reclassified subsequently to profit or loss</i>		
Net effect of foreign currency translation		100,023
<b>Total comprehensive (loss)/income for the year</b>		<b>(2,393,109)</b>
<b>(Loss)/Profit attributable to :</b>		
Members of the parent entity		(2,493,132)
<b>Total comprehensive (loss)/income attributable to :</b>		<b>(2,493,132)</b>
Members of the parent entity		(2,393,109)
<b>Earnings per share</b>		
From continuing operations:		
Basic (loss)/earnings per share (S cents)	10	(1.19)
Diluted (loss)/earnings per share (S cents)	10	(1.19)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 August 2014

	Note	Consolidated Group	
		2014	2013
		\$\$	\$\$
<b>Current assets</b>			
Cash and cash equivalents	11	5,292,123	7,317,924
Trade and other receivables	12	1,786,481	3,472,770
Inventories	14	403,641	373,019
Income tax refundable	18	17,000	-
Total current assets		<u>7,499,245</u>	<u>11,163,713</u>
<b>Non-current assets</b>			
Plant and equipment	15	468,349	594,063
Intangible assets	16	266,123	266,123
Balance with related party	13	-	320,765
Total non-current assets		<u>734,472</u>	<u>1,180,951</u>
Total assets		<u>8,233,717</u>	<u>12,344,664</u>
<b>Current liabilities</b>			
Trade and other payables	17	2,925,484	4,207,918
Finance lease liabilities	19	29,580	49,059
Current tax liabilities	18	-	141,028
Total current liabilities		<u>2,955,064</u>	<u>4,398,005</u>
<b>Non-current liabilities</b>			
Finance lease liabilities	19	-	29,580
Deferred tax liabilities	18	-	17,645
Total non-current liabilities		<u>-</u>	<u>47,225</u>
Total liabilities		<u>2,955,064</u>	<u>4,445,230</u>
<b>Net assets</b>		<b><u>5,278,653</u></b>	<b><u>7,899,434</u></b>
<b>Equity</b>			
Issued capital	20	4,267,495	4,267,495
Reserves	21	178,185	69,992
Retained earnings		<u>832,973</u>	<u>3,561,947</u>
<b>Total equity</b>		<b><u>5,278,653</u></b>	<b><u>7,899,434</u></b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For year ended 31 August 2014

	<b>Issued Capital</b>	<b>Retained Earnings</b>	<b>Foreign Currency Translation Reserve</b>	<b>Employee share option reserve</b>	<b>Total</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
<b>Balance at 1.9.2012</b>	266,133	4,288,487	26,679	40,896	4,622,195
Profit for the year	-	231,423	-	-	231,423
Other comprehensive loss	-	-	(20,696)	-	(20,696)
Employee share option	-	-	-	23,113	23,113
Shares issued during the year	4,001,362	-	-	-	4,001,362
Dividend paid (note 9)	-	(957,963)	-	-	(957,963)
<b>Balance at 31.8.2013</b>	4,267,495	3,561,947	5,983	64,009	7,899,434
<b>Balance at 1.9.2013</b>	4,267,495	3,561,947	5,983	64,009	7,899,434
Loss for the year	-	(2,493,132)	-	-	(2,493,132)
Other comprehensive income	-	-	100,023	-	100,023
Employee share option	-	-	-	8,170	8,170
Dividend paid (note 9)	-	(235,842)	-	-	(235,842)
<b>Balance at 31.8.2014</b>	4,267,495	832,973	106,006	72,179	5,278,653

## CONSOLIDATED STATEMENT OF CASH FLOWS

For year ended 31 August 2014

<b>Consolidated Group</b>			
	<b>Note</b>	<b>Year ended 31 August 2014</b>	<b>Year ended 31 August 2013</b>
		<b>\$\$</b>	<b>\$\$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers		18,157,786	20,214,587
Payments to suppliers and employees		(19,850,854)	(19,343,474)
Income tax paid		(124,164)	(507,649)
Net cash (used in)/provided by operating activities	25a	<u>(1,817,232)</u>	<u>363,464</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	15a	(65,918)	(452,718)
Fixed deposit		(252,132)	(1,500,000)
Interest received		76,187	33,980
Net cash used in investing activities		<u>(241,863)</u>	<u>(1,918,738)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of new shares		-	4,001,362
Repayment of finance lease liabilities		(49,058)	(47,025)
Dividends paid	9	(235,842)	(957,963)
Finance cost	4	(3,943)	(4,326)
Net cash (used in)/generated from financing activities		<u>(288,843)</u>	<u>2,992,048</u>
Net change in cash and cash equivalents held		(2,347,938)	1,436,774
Cash and cash equivalents at beginning of financial year		5,696,038	4,271,067
Effect of exchange rate change on cash held in foreign currencies		70,005	(11,803)
Cash and cash equivalents at end of financial year	11	<u>3,418,105</u>	<u>5,696,038</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2014

## 1. Statement of significant accounting policies

Asian American Medical Group Limited ("AAMG" or "Company") is a company domiciled in Australia. The consolidated financial report of the Company as at and for year ended 31 August 2014 comprises the Company and its subsidiaries. The principal activity of AAMG 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"). AAMG is a for profit entity for the purpose of preparing financial statements.

## 2. Statement of significant accounting policies

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

### (a) Basis of preparation

The consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the Corporation Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

AAMG is a company domiciled in Australia.

The consolidated final report is presented in Singapore Dollars (SGD or S\$) 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 3 November 2014.

### (b) Principles of consolidation

The Group financial statements consolidate those of the Parent company and all of its subsidiaries as of 31 August 2014. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 31 August.

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

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

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

**(c) Business combinations**

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

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

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

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

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

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

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

**(d) Income tax**

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 which 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.

**(e) Inventories**

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

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

**(f) Plant & equipment**

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

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

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

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

### **(g) Leases**

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

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

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

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

## (h) 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 price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where available, quoted prices in an active market are used to determine fair value.

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

#### (i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market 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.

## (i) Impairment of assets

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

Impairment testing is performed annually for goodwill.

**(j) Intangibles**

**Goodwill**

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

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

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

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

**(k) 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 are charged or credited to other comprehensive income and recognised in the foreign currency translation reserve in equity.

**(l) Employee benefits**

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

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

**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.

**(m) Provisions**

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

**(n) 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.

**(o) Revenue and other income**

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

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

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

**(p) 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.

**(q) 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.

**(r) 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.

**(s) Transaction costs on the issue of equity instruments**

Transaction costs arising from the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

**(t) Comparative figures**

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

**(u) Standards and Interpretations issued but not yet effective**

Certain new accounting standards and interpretations have been published that are not mandatory for 31 August 2014 reporting periods. The Group has elected not to early adopt these new standards or amendments in the financial statements. The Group has yet to fully assess the impact the following accounting standards and amendments to accounting standards will have on the financial statements, when applied in future periods:

- AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities;
- AASB 9 Financial Instruments;
- Annual Improvements 2010-2012 Cycle;
- Annual Improvements 2011-2013 Cycle;
- AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments (Part B and Part C);
- AASB 1031 Materiality; and
- IFRS 15 Revenue from Contracts with Customers.

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

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

A number of new and revised standards are effective for annual periods beginning on or after 1 September 2013. Information on these new standards is presented below:

*AASB 10 Consolidated Financial Statements*

AASB 10 supersedes AASB 127 Consolidated and Separate Financial Statements (AASB 127) and AASB Interpretation 112 Consolidation - Special Purpose Entities. AASB 10 revises the definition of control and provides extensive new guidance on its application. These new requirements have the potential to affect which of the Group's investees are considered to be subsidiaries and therefore to change the scope of consolidation. The requirements on consolidation procedures, accounting for changes in non-controlling interests and accounting for loss of control of a subsidiary are unchanged.

Management has reviewed its control assessments in accordance with AASB 10 and has concluded that there is no effect on the classification (as subsidiaries or otherwise) of any of the Group's investees held during the period or comparative periods covered by these financial statements.

*AASB 11 Joint Arrangements*

AASB 11 supersedes AASB 131 Interests in Joint Ventures (AAS 131) and AASB Interpretation 113 Jointly Controlled Entities- Non-Monetary-Contributions by Venturers. AASB 11 revises the categories of joint arrangement, and the criteria for classification into the categories, with the objective of more closely aligning the accounting with the investor's rights and obligations relating to the arrangement. In addition, AASB 131's option of using proportionate consolidation for arrangements classified as jointly controlled entities under that Standard has been eliminated. AASB 11 now requires the use of the equity method for arrangements classified as joint ventures (as for investments in associates).

The Group does not maintain any joint venture arrangement within the scope of AASB 11. The effect of the new standard in the Group's financial statements will continue to be assessed.

*AASB 12 Disclosure of interests in Other Entities*

AASB 12 integrates and makes consistent the disclosure requirements for various types of investments, including unconsolidated structured entities. It introduces new disclosure requirements about the risks to which an entity is exposed from its involvement with structured entities. The Group has applied AASB 12 from 1 September 2013 and Notes 23 illustrate the application of AASB 12 in the current year. The effect of the new standard in the Group's financial statements will continue to be assessed.

Consequential amendments to AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures

AASB 127 now only addresses separate financial statements. AASB 128 brings investments in joint ventures into its scope. However, AASB 128's equity accounting methodology remains unchanged.

*AASB 13 Fair Value Measurement*

AASB 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. The scope of AASB 13 is broad and it applies for both financial and non-financial items for which other Australian Accounting Standards require or permit fair value measurements or disclosures about fair value measurements, except in certain circumstances.

AASB 13 applies prospectively for annual periods beginning on or after 1 January 2013. Its disclosure requirements need not be applied to comparative information in the first year of application. The Group has however included as comparative information the AASB 13 disclosures that were required previously by AASB 7 Financial Instruments: Disclosures.

The standard did not have a material effect on the Group's financial statements.

**(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.

Please refer to note 16 with respect to Management's consideration of impairment of goodwill as at 31 August 2014.

**3 Revenue**

	<b>Consolidated Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>S\$</b>	<b>S\$</b>
<b>Operating activities</b>		
Provision of services	11,236,790	15,889,095
Sale of medication	4,688,086	3,443,852
Management fee	276,834	66,431
Total revenue from operating activities	<u>16,201,710</u>	<u>19,399,378</u>
<b>Other revenue</b>		
Interest received	76,187	33,980
Other income	25,211	33,053
Total other revenue	<u>101,398</u>	<u>67,033</u>
<b>4 Finance expense</b>		
Interest expense on obligation under finance lease	<u>3,943</u>	<u>4,326</u>

**5 (Loss)/Profit for the year**

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

<b>a. Expenses</b>	<b>Consolidated Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>S\$</b>	<b>S\$</b>
Cost of sales	(8,093,704)	(10,790,233)
Foreign currency translation (loss)/gain	(39,235)	105,759
Administrative expenses include rental expense on operating leases as follows:		
- premises	(670,631)	(586,095)
Depreciation and amortisation is reflected in the statement of profit or loss and other comprehensive income as follows:		
- depreciation	(185,350)	(143,220)
Professional fees	(313,373)	(179,220)
Management fee	(251,293)	(214,020)
Credit card charges	(101,306)	(98,541)
Central Provident Fund	(262,127)	(221,784)
Share option expense (Note 21 (b) (i))	(8,170)	(23,225)

## 6 Income Tax Expense

	Note	Consolidated Group	
		2014	2013
		\$\$	\$\$
<b>a. The components of tax expense comprise:</b>			
Current tax		(17,000)	141,028
Deferred tax	18	(17,645)	(20,847)
Over provision in respect of prior years		(16,864)	(20,316)
		<hr/>	<hr/>
		(51,509)	99,865
<b>b. The prima facie tax on profit before income tax is reconciled to the income tax as follows:</b>			
Prima facie tax payable on profit before income tax at Australian tax rate of 30% (2013 : 30%)		(763,392)	99,386
Add:			
Effect of tax rates in foreign jurisdiction		271,292	(43,067)
Tax effect of:			
- over provision for income tax in prior years		(16,864)	(20,316)
- partial income tax exemption		(19,719)	(25,925)
- current year losses for which no deferred tax asset was recognised		477,174	89,787
Income tax (benefit)/expense		<hr/>	<hr/>
		(51,509)	99,865

The value of tax losses not recognised is S\$2,552,000 (2013 : S\$781,000).

## 7 Key Management Personnel Compensation

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

	2014	2013
	\$\$	\$\$
Short-term benefits	3,593,927	3,622,859
Post employment benefit	41,901	48,165
Share based payments	8,170	23,225
Total compensation	<hr/>	<hr/>
	3,643,998	3,694,249

Detailed remuneration disclosures are provided in the remuneration report.

**8 Auditor's Remuneration**

	<b>Consolidation Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>SS</b>	<b>SS</b>
Remuneration of the parent entity auditor, Grant Thornton Audit Pty Ltd:		
- auditing or reviewing the financial report	32,367	35,897
- taxation services	9,537	3,837
Remuneration of related practices of Grant Thornton Audit Pty Ltd:		
- auditing or reviewing the financial report of subsidiaries	77,600	68,500
- taxation services	4,150	-

**9 Dividends**

	<b>Consolidation Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>SS</b>	<b>SS</b>
Final unfranked dividend of 0.1 S cents per share in respect of financial year ended 2013 (2013 : 0.4 S cents per share)		
	235,842	728,088
Interim unfranked dividends Nil S cents per share (2013 : 0.1 S cents per share)	-	229,875
	235,842	957,963

Following the completion of accounts the Directors propose no final dividend for the financial year ended 31 August 2014 (2013 : 0.1 S cents).

## 10 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:

	<b>Consolidation Group</b>	
	<b>2014</b>	<b>2013</b>
(Loss)/Profit for the year	(S\$2,493,132)	S\$231,423
Weighted average number of ordinary shares during the year used in calculating basic EPS	Number of shares 209,453,754	Number of shares 196,011,692
Effect of dilution:		
Share option	1,299,000	812,121
Weighted average number of ordinary shares during the year used in calculating diluted EPS	210,752,754	196,823,813
Basic (loss)/earnings per share (S cents)	(1.19)	0.12
Diluted (loss)/earnings per share (S cents)	(1.19)	0.12

## 11 Cash and Cash Equivalents

### Consolidation Group

	<b>2014</b>	<b>2013</b>
	<b>S\$</b>	<b>S\$</b>
Cash and bank balances	3,418,105	5,696,038
Fixed deposit	1,874,018	1,621,886
	<hr/>	<hr/>
	5,292,123	7,317,924

The effective interest rate on short-term bank deposits was 0.13% - 3.15% (2013 : 0.13% - 1.15%) per annum; these deposits have a maturity of between 4 - 12 months (2013 : 18 months).

Fixed deposit amounting to S\$121,886 (2013 : S\$121,886) is pledged to a bank for performance guarantee relating to the operating lease. In 2013, fixed deposit amounting to S\$500,000 was pledged to a bank for a standby credit facility of S\$1,000,000 and this standby credit facility was subsequently terminated in July 2014.

### 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	5,292,123	7,317,924
Less: Fixed deposit	(1,874,018)	(1,621,886)
Cash and cash equivalents in the consolidated statement of cash flows	<hr/>	<hr/>
	3,418,105	5,696,038

## 12 Trade and Other Receivables

	<b>Consolidation Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>S\$</b>	<b>S\$</b>
<b>Current</b>		
Trade receivables	1,695,825	3,227,588
Other receivables	23,206	177,732
Deposits	67,450	67,450
Total current trade and other receivables	<hr/> 1,786,481	<hr/> 3,472,770

### 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.

	<b>Consolidation Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>S\$</b>	<b>S\$</b>
<b>Current</b>		
Due 1 - 30 days	173,554	1,211,596
Due 31- 60 days	371,617	508,233
Due over 60 days	87,076	89,428
	<hr/> 1,695,825	<hr/> 3,227,588

**13 Loan to related party**

	<b>Consolidation Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>S\$</b>	<b>S\$</b>
<b>Non-current</b>		
Non-trade amount due from associate company	-	320,765

The non-trade amount due from associate company was unsecured, interest-free and had no fixed repayment terms. During the year, the amount of S\$320,765 was written off to the Profit or Loss but subsequently S\$53,738 was recovered, resulting in a net write-off of S\$267,027.

**14 Inventories**

	<b>Consolidated Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>S\$</b>	<b>S\$</b>
<b>Current</b>		
- Medical Supplies at cost	403,641	373,019
Total inventories	403,641	373,019

**15 Plant and Equipment**

	<b>Consolidated Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>S\$</b>	<b>S\$</b>
<b>Office equipment</b>		
At Cost	12,627	12,792
Accumulated depreciation	(8,088)	(10,824)
Total office equipment	<u>4,539</u>	<u>1,968</u>
<b>Medical equipment</b>		
At Cost	389,887	383,824
Accumulated depreciation	(253,359)	(185,988)
Total medical equipment	<u>136,528</u>	<u>197,836</u>
<b>Computers</b>		
At Cost	150,999	132,068
Accumulated depreciation	(69,787)	(69,027)
Total computers	<u>81,212</u>	<u>63,041</u>
<b>Furniture and fittings</b>		
At cost	13,294	13,294
Accumulated depreciation	(13,294)	(13,056)
Total furniture and fittings	<u>-</u>	<u>238</u>
<b>Renovations</b>		
At cost	480,288	480,288
Accumulated depreciation	(234,218)	(149,308)
Total Renovations	<u>246,070</u>	<u>330,980</u>
Total plant and equipment	<u>468,349</u>	<u>594,063</u>

	Office equipment	Medical equipment	Computers	Furniture and fittings	Renovations	Total
	S\$	S\$	S\$	S\$	S\$	S\$
<b>a. Movements in Carrying Amounts</b>						
Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year.						
<b>Consolidated Group</b>						
Balance at 31 August 2013	1,968	197,836	63,041	238	330,980	594,063
Additions	3,660	6,063	56,195	-	-	65,918
Disposals	-	-	(6,282)	-	-	(6,282)
Depreciation expense	(1,089)	(67,371)	(31,742)	(238)	(84,910)	(185,350)
Carrying amount at 31 August 2014	4,539	136,528	81,212	-	246,070	468,349

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\$66,867 (2013 : S\$114,067).

Finance lease liabilities (see note 19) are secured by the related assets held under finance leases.

## 16 Intangible Assets

	<b>Consolidated Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>S\$</b>	<b>S\$</b>
<b>Total Intangible Assets</b>		
<b>Goodwill</b>		
Cost	266,123	266,123
Accumulated impairment losses	-	-
Closing carrying value at the end of the year	266,123	266,123
<b>Reconciliation of Goodwill</b>		
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 period and prior year. In the prior financial years, AAMG had one cash generating unit which is the liver segment. However, in the current financial year, the liver segment incurred a loss. The Management is of the view that the quantum of the loss for the current financial year is irregular and expects to see an improvement in the revenue in the next financial year which will in turn improve the segment's profitability going forward. The recoverable amount of a CGU is based on value-in-use calculations. These calculations are based on projected cash flows approved by management covering a period not exceeding five years. Management's determination of cash flow projections and gross margins are based on past performance and its expectation for the future. The present value of future cash flows has been calculated using a discount rate of 10% (2013 : 7%) and a growth rate of 5% (2013 : 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.

### 17 Trade and Other Payables

	<b>Consolidated Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>S\$</b>	<b>S\$</b>
<b>Current</b>		
Trade payables	1,701,622	3,431,120
Patients' deposits	393,880	70,159
Provision for employee benefits	213,504	258,723
Sundry payables and accrued expenses	616,478	447,916
Total current trade and other payables	<u>2,925,484</u>	<u>4,207,918</u>

The provision for employee benefits relates to the provision for cash bonus to employees for the period from January to August 2014 (2013 : January to August 2013) and is payable by December 2014 (2013 : December 2013).

### 18 Taxation

	<b>Consolidated Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>S\$</b>	<b>S\$</b>
<b>Current assets</b>		
Income tax refundable	17,000	-
<b>Current liabilities</b>		
Income tax payable	-	141,028

### Non-current

	<b>1 September 2013</b>	<b>Recognised in profit or loss</b>	<b>31 August 2014</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
<b>Deferred tax assets/(liabilities):</b>			
Tax allowances relating to plant & equipment	(17,645)	17,645	-
Net deferred tax asset/(liability)	<u>(17,645)</u>	<u>17,645</u>	-
<b>1 September 2012</b>			
<b>Recognised in profit or loss</b>			
<b>31 August 2013</b>			
<b>Deferred tax liabilities:</b>			
Tax allowances relating to plant & equipment	(38,492)	20,847	(17,645)
Net deferred tax liability	<u>(38,492)</u>	<u>20,847</u>	(17,645)

## 19 Finance Lease

	<b>Consolidated Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>\$\$</b>	<b>\$\$</b>
Current	29,580	49,059
Non-current	-	29,580
	<hr/>	<hr/>
	29,580	78,639

## 20 Issued Capital

	<b>Consolidated Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>\$\$</b>	<b>\$\$</b>
Opening share balance	4,267,495	266,133
Shares issued during the year	-	4,063,745
Transaction cost	-	(62,383)
	<hr/>	<hr/>
Total capital	4,267,495	4,267,495

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.

	<b>Consolidated Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>Number of shares</b>	<b>Number of shares</b>
<b>a. Ordinary Shares</b>		
At the beginning of reporting year	209,453,754	188,453,754
Shares issued during year	-	21,000,000
At reporting date	<hr/>	<hr/>
	209,453,754	209,453,754

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 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.

## 21 Reserves

### a. Nature and purpose of reserve

#### (i) 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) Foreign currency translation

Exchange difference arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in note 2(k) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

### b. Movements in reserves

	<b>Consolidated Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>S\$</b>	<b>S\$</b>
<b>(i) Employee Share option reserve</b>		
Beginning of financial year	64,009	40,896
Employee share option - value of employee services (Note 5)	8,170	23,113
End of financial year	<hr/> 72,179	<hr/> 64,009
<b>(ii) Foreign Currency Translation reserve</b>		
Beginning of financial year	5,983	26,679
Net currency translation difference of financial statements of foreign subsidiaries	100,023	(20,696)
End of financial year	<hr/> 106,006	<hr/> 5,983
Total as at the end of financial year	<hr/> 178,185	<hr/> 69,992

## 22 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:

<b>Grant Date</b>	<b>Number</b>
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, 434,000 options were vested with key management personnel (2013 : 433,000).

- 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 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 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:

	<b>Number</b>	<b>Weighted average exercise price</b>
<b>Options outstanding as at 31 August 2013</b>	1,299,000	A\$0.088
Granted	-	-
Forfeited	-	-
Exercised	-	-
Expired	-	-
<b>Options outstanding as at 31 August 2014</b>	1,299,000	A\$0.088
Options exercisable as at 31 August 2014:	1,299,000	A\$0.088
Options exercisable as at 31 August 2013:	865,000	A\$0.088

The weighted average remaining contractual life of options outstanding at year end was 1.4 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.

## 23 Controlled Entities

### a. Controlled entities consolidated

	Country of incorporation	Principle activities	Percentage owned (%)	
			2014	2013
Asian American Medical Group Limited	Australia	Investment holding	100	100
<i>Subsidiary of Asian American Medical Group Limited:</i>				
Asian American Medical Group Inc.	British Virgin Islands	Investment holding	100	100
<i>Subsidiary of Asian American Medical Group Inc.</i>				
Asian American Liver Centre Pte. Ltd. (formerly known as Asian Centre for Liver Diseases & Transplantation Pte. Ltd.)	Singapore	Liver specialist clinic	100	100
Asian American Blood & Marrow Transplant Centre Pte. Ltd. (formerly known as Asian Centre for Blood & Bone Marrow Transplantation Pte. Ltd.)	Singapore	Blood diseases specialist clinic	100	100
Asian American Medical Group Pte. Ltd.	Singapore	Management and consultancy	100	100
<i>Associate of Asian American Liver Centre Pte. Ltd.:</i>				
Asian Liver Centre Co. Ltd	Vietnam	Liver specialist clinic	-	30
PT. Asian Liver Center Indonesia	Indonesia	Dormant	50	50

### b. Acquisition of controlled entities

On 1 March 2013, Asian American Medical Group Inc., a subsidiary of Asian American Medical Group Ltd, 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 associate

On 1 July 2014, Asian American Liver Centre Pte. Ltd. ("AALC") disposed of its entire 30% interest in Asian Liver Centre Co. Limited ("ALCVN"). As a result of this ALCVN has ceased to be an associate of the Group.

## 24 Commitments

### Operating leases

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

	<b>Consolidated Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>S\$</b>	<b>S\$</b>
<b>Payable – minimum lease payments</b>		
Not longer than 1 year	213,000	587,423
Longer than 1 year but not longer than 5 years	106,500	319,501
	<hr/>	<hr/>
	319,500	906,924

One of the leases for the Group's office premises at Gleneagles Hospital expired in June 2014 and there have been no subsequent renewal as of the release of these financial statements. The other clinic space lease will expire in February 2016.

### Finance leases

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

	<b>Minimum lease payments due</b>			
	<b>Within 1 year S\$</b>	<b>1 to 5 years S\$</b>	<b>After 5 years S\$</b>	<b>Total S\$</b>
<b>31 August 2014</b>				
Lease payments	29,975	-	-	29,975
Finance charges	(395)	-	-	(395)
Net present values	<hr/>	29,580	-	29,580
<b>31 August 2013</b>				
Lease payments	51,348	29,975	-	81,323
Finance charges	(2,289)	(395)	-	(2,684)
Net present values	<hr/>	49,059	29,580	-
				78,639

### Capital Commitments

Capital expenditures contracted for at the reporting date but not recognised in the financial statements amounting to S\$25,006 (US\$20,000) is in respect of investment of 20% shares in a joint venture company in Myanmar. The Myanmar joint venture company is in the process of incorporation subsequent to year end and upon completion of the incorporation; the investment commitment will be payable.

There is no other capital commitment as at reporting date.

**25 Cash Flow Information**

	<b>Consolidated Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>S\$</b>	<b>S\$</b>
<b>a Reconciliation of cash flow from operations with (loss)/profit after income tax</b>		
(Loss)/Profit after income tax	(2,493,132)	231,423
Non cash flows in (loss)/profit:		
Depreciation and amortisation	185,350	143,220
Foreign currency translation	30,018	(8,893)
Employee share option cost	8,170	23,113
Finance income	(76,187)	(33,980)
Finance cost	3,943	4,326
Loss from disposal of fixed assets	6,281	-
Related party loan written off	300,765	-
<i>Changes in assets and liabilities:</i>		
Decrease in trade and other receivables	1,706,289	816,137
Increase in inventories	(30,622)	(56,216)
Decrease in trade and other payables	(1,282,434)	(347,882)
Decrease in deferred and current tax liabilities	(175,673)	(407,784)
Net cash (used in)/provided by operating activities	<hr style="border-top: 1px solid black; border-bottom: none; border-left: none; border-right: none; margin-bottom: 5px;"/> (1,817,232)	<hr style="border-top: 1px solid black; border-bottom: none; border-left: none; border-right: none; margin-bottom: 5px;"/> 363,464

**26 Events After the Balance Date**

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

## 27 Related Party

The Group's related parties include its associates and joint venture, KMP and post-employment benefit plans for the Group's employees.

Balances and transactions between the Company and its subsidiaries, which are related to the Company and set out in note 23, have been eliminated on consolidation and are not disclosed in this note.

Disclosures relating to KMP are set out in the Remuneration Report.

Related party balances	2014 S\$	2013 S\$
Non-current assets:		
Balance with related party	-	320,765

The balance due from related party represents non-trade amount due from Asian Liver Centre Co. Ltd ("ALCVN") and is unsecured, interest-free and has no fixed repayment terms as disclosed in note 13. During the year, the amount of S\$320,765 was written off to the Profit or Loss but subsequently S\$53,738 was recovered, resulting in a net write-off of S\$267,027. The write off was due to the sale of the Group's entire stake in ALCVN to a third party during the year.

The amount due from ALCVN was a result of loans to and payments made of behalf of ALCVN for initial working capital, purchase of assets and construction cost.

## 28 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; and
- (ii) Provision of medical consultation and services in the haematology and related fields.

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 two businesses, namely the provision of medical consultation and services in the hepatology and haematology and their related field.

Details of the performance of each of these operating segments for the financial years ended 31 August 2014 and 31 August 2013 are set out below:

### (i) Segment Performance

31 August 2014	Liver	Blood & Bone Marrow	Total
	\$\$	\$\$	\$\$
External sales revenue	12,305,073	3,896,637	16,201,710
Inter segment sales	38,538	-	38,538
Total segment revenue	12,343,611	3,896,637	16,240,248
Unallocated items			(38,538)
Total Group revenue			16,201,710
Segment net loss before tax	(1,905,263)	(221,651)	(2,126,914)
Unallocated items			(417,727)
Total Group net loss before tax			(2,544,641)
31 August 2013	Liver	Blood & Bone Marrow	Total
	\$\$	\$\$	\$\$
External sales revenue	18,786,215	613,163	19,399,378
Inter segment sales	110,897	-	110,897
Total segment revenue	18,897,112	613,163	19,510,275
Unallocated items			(110,897)
Total Group revenue			19,399,378
Segment net profit/(loss) before tax	1,086,045	(366,511)	719,534
Unallocated items			(388,246)
Total Group net loss before tax			331,288

**(ii) Segment assets**

<b>31 August 2014</b>	<b>Liver</b>	<b>Blood &amp; Bone Marrow</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Segment assets</b>	3,799,605	1,761,511	5,561,116
<i>Reconciliation of segment assets to Group assets:</i>			
Unallocated assets			2,672,601
Total Group assets			8,233,717

**Segment asset increases in the year**

Capital expenditure	59,365	6,553	65,918
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<b>31 August 2013</b>	<b>Liver</b>	<b>Blood &amp; Bone Marrow</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Segment assets</b>	10,035,347	1,159,315	11,194,662

*Reconciliation of segment assets to Group assets:*

Unallocated assets		1,150,002
Total Group assets		12,344,664

**Segment asset increases in the year**

Capital expenditure	56,282	396,436	452,718
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Unallocated assets are mainly goodwill and cash balances in the holding company.

**(iii) Segment liabilities**

<b>31 August 2014</b>	<b>Liver</b>	<b>Blood &amp; Bone Marrow</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Segment liabilities	(2,104,018)	(2,352,680)	(4,456,698)
<i>Reconciliation of segment liabilities to Group liabilities:</i>			
Unallocated liabilities			1,501,634
Total Group liabilities			(2,955,064)

<b>31 August 2013</b>	<b>Liver</b>	<b>Blood &amp; Bone Marrow</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Segment liabilities	(4,476,056)	(1,528,834)	(6,004,890)
<i>Reconciliation of segment liabilities to Group liabilities:</i>			
Unallocated liabilities			1,559,660
Total Group liabilities			(4,445,230)

**(iv) Revenue by geographical location**

	<b>Consolidated Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>S\$</b>	<b>S\$</b>
Revenue attributable to external customers is disclosed below, based on the location of where the revenue was derived:		
Singapore	15,983,876	19,382,947
Outside Singapore	217,834	16,431
Total revenue	16,201,710	19,399,378

**(v) Assets by geographical location**

	<b>Consolidated Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>S\$</b>	<b>S\$</b>
Assets by geographical location		
Australia	4,191,066	4,119,618
Singapore	4,042,651	8,225,046
Total assets	8,233,717	12,344,664

**(vi) Major Customers**

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

## 29 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 139 as detailed in the accounting policies to the financial statements, are as follows.

	<b>Consolidated Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>S\$</b>	<b>S\$</b>
<b>Financial assets</b>		
Cash and cash equivalents	5,292,123	7,317,924
Trade and other receivables	1,786,481	3,793,535
Total financial assets	<hr/> 7,078,604	<hr/> 11,111,459
<b>Financial liabilities</b>		
Trade and other payables	(2,925,484)	(4,207,918)
Finance lease	(29,580)	(78,639)
Total financial liabilities	<hr/> (2,955,064)	<hr/> (4,286,557)
Total net financial assets	<hr/> 4,123,540	<hr/> 6,824,902

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

#### (ii) Sensitivity analysis

##### Foreign exchange risk

A 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 2014 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) Fair values of financial assets and liabilities**  
 Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date.  
 The carrying values of financial instruments approximate their fair values.

### 30 Parent Company Information

	2014	2013
	S\$	S\$
<b>Parent entity</b>		
<b>Assets</b>		
Current assets	4,191,066	4,119,618
Non-current assets	1,154,029	2,803,557
<b>Total assets</b>	<u>5,345,095</u>	<u>6,923,175</u>
<b>Liabilities</b>		
Current liabilities	(66,442)	(160,422)
Non-current liabilities	-	-
<b>Total liabilities</b>	<u>(66,442)</u>	<u>(160,422)</u>
<b>Total net assets</b>	<u>5,278,653</u>	<u>6,762,753</u>
<b>Equity</b>		
Issued capital	17,354,262	17,354,262
Retained earnings	(12,162,267)	(10,596,287)
Employee share option reserve	72,180	64,010
Foreign currency revaluation reserve	14,478	(59,232)
<b>Total equity</b>	<u>5,278,653</u>	<u>6,762,753</u>
<b>Financial performance</b>		
(Loss)/Profit for the year	(1,330,137)	975,774
Other comprehensive income	73,710	124
<b>Total comprehensive (loss)/income</b>	<u>(1,256,427)</u>	<u>975,898</u>

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

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

### **31 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

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 41 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 2014 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 2 to the financial statements;

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



**Dato' Dr Kai Chah Tan**

Director

3 November 2014



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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASIAN AMERICAN 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 consolidated statement of financial position as at 31 August 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated 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 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 Directors' 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.

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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 consolidated entity's financial position as at 31 August 2014 and of its 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 2014. 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 2014, complies with section 300A of the Corporations Act 2001.

*Grant Thornton*

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

A blue ink signature of the name 'S J Gray'.

S J Gray  
Director – Audit & Assurance

Adelaide, 3 November 2014

## SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 24 October 2014.

### **A. Distribution of holders of equity securities**

			Ordinary Shares	Employee Options
1-1,000			156	-
1,001	-	5,000	59	-
5,001	-	10,000	52	-
10,001	-	100,000	79	-
100,001 and over			38	2
			384	2

There were 223 holders of less than marketable parcel of ordinary shares.

The percentage of the total holdings of the twenty largest holders of ordinary shares was 97.03 per cent.

**B. Equity security holders**

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

Name	Number held	Percentage
Dato' Dr Kai Chah Tan	102,298,250	48.84
HSBC Custody Nominees (Australia) Limited	25,301,094	12.08
Ms Pamela Anne Jenkins	21,324,600	10.18
Citicorp Nominees Pty Limited	21,314,948	10.18
Russing Med Holdings Pte Ltd	21,000,000	10.03
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
Mrs Anjana Nandha	700,000	0.33
Mr Ravindran Govindan	699,483	0.33
Mr Harry Vui Khiun Lee	561,915	0.27
UOB Kay Hian Private Limited (Client A/C)	412,391	0.20
DBS Vickers Securities (Singapore) Pte Ltd (Client A/C)	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
Mr Boon Hwa Koh	220,000	0.11
Arabesque Unit Trust Pty Ltd	217,400	0.10
Mr Mohan Singh Nandha	215,000	0.10
Mr Amitoze Nandha	213,500	0.10
Mr Peter Roy Boettcher & Mrs Madonna Mary Boettcher (Boettcher Superfund A/C)	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
HSBC Custody Nominees (Australia) Limited	25,301,094	12.08
Ms Pamela Anne Jenkins	21,324,600	10.18
Citicorp Nominees Pty Limited	21,314,948	10.18
Russing Med Holdings Pte Ltd	21,000,000	10.03

**D. Voting rights**

Please refer note 20.

**E. On-market buy back**

There are no current on-market buy back.



**Asian American Medical Group Limited**

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