



# FORGING AHEAD

Annual Report 2017

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Dedicated to healing  
Powered by Innovation

**Asian American Medical Group Limited**

ABN NUMBER 42 091 559 125

Annual report for the year ended 31 August 2017

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# CORPORATE DIRECTORY

## BOARD OF DIRECTORS

Dato' Dr Kai Chah Tan (Executive Chairman)  
Mr Evgeny Tugolukov (Non-Executive Director)  
Mr Kong Meng Ang (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)

## AUDIT COMMITTEE

Mr Heng Boo Fong (Chairman)  
Mr Paul Vui Yung Lee  
Ms Jeslyn Jacques Wee Kian Leong

## NOMINATION AND REMUNERATION COMMITTEE

Mr Heng Boo Fong (Chairman)  
Mr Paul Vui Yung Lee  
Mr Evgeny Tugolukov

## COMPANY SECRETARY

Dario Nazzari

## REGISTERED OFFICE

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

## AUDITORS

Grant Thornton Audit Pty Ltd  
Level 3, 170 Frome Street  
Adelaide SA 5000  
Tel: +61 8 8372 6666  
Fax: +61 8 8372 6677

## BANKERS

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

Westpac Banking Corporation  
114 William Street  
Melbourne VIC 3000

## SHARE REGISTRY

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

## STOCK EXCHANGE LISTING

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

Ring, Bell, Ring  
Loud And Clear!  
My Treatment Is Over  
And I'm Outta Here!

## CORPORATE PROFILE

Asian American Medical Group Limited ("AAMG" or the "Group"), based in Singapore, has been listed on the Australian Securities Exchange ("ASX") since September 2009. The Group's operations include the Asian American Liver Centre Pte Ltd ("AALC"), established 1994 in Singapore, and Asian American Radiation & Oncology Pte Ltd ("AARO"), established in 2015.

The Group entered into a strategic collaboration in October 2012 with US-based US\$13-billion integrated global health enterprise University of Pittsburgh Medical Centre ("UPMC"). UPMC ranked No. 12 in the U.S. News & World Report Honor Roll of American's Best Hospitals, is affiliated with the University of Pittsburgh Schools of the Health Sciences and is a pioneer in the field of transplantation. This collaboration has enhanced AAMG's clinical capabilities through shared protocols, rigorous quality standards and technology and also created a platform for AAMG to expand into other countries in Asia such as Malaysia and Myanmar.

AALC, one of Asia's foremost liver centres, is led by renowned hepatobiliary expert and liver transplant surgeon, Dato' Dr. Kai Chah Tan ("Dr. KC Tan"), who helped start the Liver Transplant Programme at King's College Hospital in London, U.K., and pioneered the highly successful Living Donor Liver Transplantation ("LDLT") Programme in Singapore. In 2014, AALC began conducting surgical procedures at iHEAL Medical Centre in Kuala Lumpur, Malaysia.

AARO offers radiation oncology clinical, consultancy and management services and is spearheaded by Dr Daniel Yat Harn Tan. Based in Singapore, AARO will drive expansion into the growing radiotherapy and oncology segment in the overseas market, at a time where there is a shortage of modern radiotherapy treatment centres.

## OUR VISION

To develop AAMG into an international healthcare brand through organic growth and geographical expansion.

## OUR MISSION

To deliver excellent multi-disciplinary medical care through clinical excellence, technological innovation and patient-centric care.

## OUR VALUES

<b>Excellence</b>	We always strive to excel and take pride in all that we do.
<b>Innovation</b>	We practise the most up-to-date clinical techniques, employ the latest technology and keep abreast of advancements in medical treatment.
<b>Integrity</b>	Honesty and integrity are fundamental to our organisation. We take pride in our ethical conduct and comply strictly with legal requirements.
<b>Transparency</b>	We carefully communicate to our patients what their care will entail so that they clearly understand the medical process.  We regularly publish and present our clinical outcomes.
<b>Compassion</b>	Patients are our top priority, and we work hard to meet their diverse needs. Empathy and compassion are integral to our mission to provide the best quality care.

## KEY BUSINESS SEGMENTS



### LIVER

AAMG's liver segment operates under AALC and is headquartered at Gleneagles Hospital in Singapore. Today, AALC is one of Asia's foremost liver centres dedicated to the treatment of all liver, pancreas and bile duct diseases in adults and children, and has expanded to Malaysia and Myanmar.



### RADIATION ONCOLOGY

AARO is a sub-specialised radiation oncology division of AAMG. AARO provides radiation therapy treatment as well as management and advisory services to radiation oncology units in Asia. It is currently focused on expanding across Singapore, Myanmar and has a collaboration agreements in Russia.



### HEALTHCARE MANAGEMENT AND CONSULTANCY

Leveraging on the rich pool of experience, knowledge and network of AAMG's key management team, the Group's healthcare management and consultancy segment aims to source and identify potential healthcare-related projects that AAMG can participate in.



# KEY MILESTONES

## 1990 - 1997

- 1990 The **world's first** heart-and-liver transplant performed by Dr KC Tan and Professor Sir Magdi Yacoub.
- 1991 **First** split-liver transplant **in the United Kingdom ("UK")** by Dr KC Tan.
- 1992 **First** auxiliary liver transplant for liver failure **in the UK** by Dr KC Tan.
- 1993 **First** paediatric living donor liver transplant ("LDLT") in the U.K. and Second auxiliary liver transplant for metabolic disease in the world by Dr KC Tan.
- 1994 **AALC**, formerly known as **Asian Centre for Liver Diseases & Transplantation ("ACLDT")**, is established.
- 1995 **First** paediatric LDLT **in Southeast Asia**.
- 1997 **Second** split-liver transplant **in Asia**.

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## 2002 - 2013

- 2002 **First** successful adult LDLT **in Southeast Asia**.
- 2004 - 2006 **Performed first liver** transplants for patients **from Pakistan, Sri Lanka, Myanmar, Bangladesh** and **The United Arab Emirates** in our centre.
- 2007 Successfully performed the **100th** LDLT.
- 2009 **Listed on the Australian Securities Exchange ("ASX")**, stock code **AJJ**.
- 2010 **First** healthcare company in **Singapore** to use remote patient monitoring devices for the Intensive Care Unit.
- Established its first** satellite clinic, which incorporated **telemedicine** services, in **Ho Chi Minh City, Vietnam**.
- 2011 **Entered into a Management Services Agreement with Parkway Hospitals** to co-manage Gleneagles Hospital's liver diseases clinical program.
- 2012 **Signed Service Agreement with UPMC**, a top Global Healthcare Enterprise based in Pittsburgh, U.S.
- Successfully performed the **200th** LDLT.
- Signed Consultancy Agreement with **iHEAL Medical Services** to practise at iHEAL Medical Centre in **Kuala Lumpur, Malaysia**.
- 2013 Established **Haematopoietic Stem Cell Transplant centre** which offers treatment for other blood related diseases.
- Signed Service Agreement with **Vinmec International Hospital** to set up a liver clinic in **Hanoi, Vietnam**.
- Successful placement of 21,000,000 new shares to **RusSing Med Holdings**.
- Creation of new brand and corporate identity, renamed **Asian American Medical Group ("AAMG")**.



## 2014

- 2014 **Signed a Joint Venture agreement with Pinlon Hospital and 30th Street Clinic in Yangon, Myanmar** to establish the **first** premier liver centre based in Pinlon Hospital to provide treatment for liver diseases.



## 2015 - 2017

- 2015 Successful placement of 30,000,000 new shares to a group of sophisticated investors.  
Set up a Radiation Oncology division, **Asian American Radiation Oncology Pte Ltd ("AARO")**, led by Dr Daniel Yat Harn Tan.  
Entered into Agreement with **Rich Tree Land** to provide Consultancy Services as Project Lead Manager for proposed **Zhuhai-Singapore Life Science Park** in Zhuhai, China.  
Entered into a **Conditional Sale and Purchase agreement** to acquire **60% of Rich Tree Land for S\$19.6 million**.  
Signed a **Memorandum of Understanding ("MOU") between AARO and Hwa Koon Engineering**, a specialist contractor in the healthcare industry, focusing on turnkey project design and building services with expertise in radiation shielding and bunker construction to explore collaborations in Asia.
- 2016 Successful placement of 57,000,000 new shares to a group of sophisticated investors.  
Opened the **Pinlon Gastrointestinal & Liver Centre ("PGLC")** in Yangon, Myanmar.  
Signed a Services Agreement between AARO and Japan's Jisenkai Medical Corporation Aizawa Hospital, following an earlier MOU.  
Signed a **Collaboration Agreement** with the **Tunku Laksamana Johor Cancer Foundation** to jointly assess the feasibility of setting up a cancer research and treatment centre in Johor, Malaysia.
- 2017 Partnered Golden Land United Health Group Company Limited to explore healthcare opportunities in Myanmar through **Gold Bell Asia American Healthcare Ventures Co., Ltd**.  
**Signed a joint venture agreement with Grand Hantha Company Limited** through Gold Bell Asia American Healthcare Ventures Co., Ltd to provide clinical services to Grand Hantha International Hospital.  
Entered into a Services Agreement with **Hippocrates Development Sdn Bhd ("HDSB")**, to provide advice and project leadership for HDSB's development of a premium cancer treatment centre in Johor, Malaysia.  
Entered into a **conditional agreement** to subscribe for 19,408,163 new shares or 95.1% in **HDSB**, subject to shareholders' approval at the annual general meeting.

# CHAIRMAN'S MESSAGE

Dear Shareholders,

On behalf of the Board of Directors of Asian American Medical Group ("AAMG" or the "Group"), I am pleased to present our annual report for the year ended 31 August 2017 ("FY2017").

## BUSINESS REVIEW

Over the past few years, I have shared with you the challenges of the healthcare sector, especially in the context of AAMG. These include rising costs and competition from emerging healthcare operations in the region. Coupled with the relative weakness of some regional currencies (compared to the Singapore dollar) this has meant slower traffic in our main medical specialisation – that of world-class liver treatment at our centre located at Gleneagles Hospital in Singapore. Our strategic response in the last few years has been to increase our areas of specialisation – starting with radiation oncology – and establish more collaboration to widen our footprint. I am pleased to report that this strategy gained significant momentum in the year under review.

### Radiation Oncology

The Group's subsidiary AARO, established in 2015, has grown steadily under the leadership of Dr. Daniel Yat Harn Tan. Shareholders will recall that this division, a significant pillar of our expansion strategy, was established in partnership with UPMC (ranked among the top 12 U.S. hospital groups). During the year AARO provided radiation oncology-related clinical services to 373 patients (FY2016: 173). Beyond Singapore, the AARO team also provides management and advisory services in Myanmar and Russia. AARO's revenue grew 84.1% or S\$0.9 million to S\$2.0 million (FY2016: S\$1.1 million). Net Profit rose to S\$0.2 million in FY2017 (FY2016: S\$4,000). During the year, Dr. Jonathan Yi Hui Teh joined AARO as Consultant, after a decade's experience with the National Cancer Centre Singapore.

## FINANCIAL PERFORMANCE

### Liver Segment

The Group's wholly owned AALC – the major revenue driver – successfully carried out six LDLTs, seven fewer than a year earlier. Nevertheless, cases of liver dialysis performed increased by 63.9% from FY2016. This suggests that while the overall cost of LDLT – including associated healthcare – in Singapore is proving to be a challenge for patients, AALC has a strong brand for dialysis treatment and potential for further growth.

Patient flow for AALC declined 15.6% to 6,530 in FY2017 from 7,733 in FY2016. Sales of medication and professional consultation fees decreased by 29.3% and 16.7%, respectively. Accordingly, AALC's revenue declined 15.9% or S\$2.5 million from S\$15.7 million to S\$13.2 million for the year. AALC accounted for 86.9% (2016: 91.6%) of the Group's overall revenue.

During the year we re-allocated S\$1.3 million payroll cost to the Management and Consultancy Segment to better reflect our accounting of human capital resources. As a result, employment expense for this segment reduced by S\$1.7 million. We also recorded S\$0.4 million savings by reducing the number of doctors to two from three previously. Net Loss Before Tax for this segment narrowed to S\$0.6 million in FY2017 (FY2016: S\$1.0 million). The Net Loss After Tax (including an income tax expense of \$0.2 million due to the reversal of deferred tax benefit in FY2016) was S\$0.8 million, unchanged from FY2016.

**Dato' Dr Kai Chah Tan**  
Executive Chairman





### Management and Consultancy Segment

Over the past few years – to address the challenges outlined above and to leverage on our key management team's network and experience – we have been building up this segment. The resulting partnership agreement in Myanmar was concluded at the end of FY2016, which contributed to our regional expansion (as I will elaborate later) in the year under review. In the absence of new major consulting engagements, this segment recorded revenue of S\$30,000 compared S\$0.4 million the previous year. As discussed above, a cost of S\$1.3 million was re-allocated to this division from the Liver Segment. As a result, Other Operating Expenses under this arm increased to S\$1.6 million (FY2016: S\$0.8 million). This segment reported Net Loss of S\$1.5 million in FY2017 (FY2016: Net Profit of S\$0.7 million).

The Group recorded a Net Loss of S\$3.0 million in FY2017 (FY2016: Net loss of S\$2.1 million) which included a goodwill impairment of S\$0.3 million. Group turnover declined 11.2% to S\$15.2 million (FY2016: S\$17.0 million). Due to the loss, intangible and deferred tax assets written-off, our shareholders' funds declined to S\$9.6 million from S\$12.1 million over the comparative periods.

### **EXPANSION STRATEGY**

To overcome the challenges outlined above, beyond growing AARO, we also accelerated our regional expansion in the year under review.

#### Myanmar

AAMG's 51%-owned Gold Bell Healthcare Ventures Company Limited (in partnership with a subsidiary of the Lat War Group) formed a 50:50 joint venture with Grand Hantha Company Limited during the year under review. The latter is a Myanmar business group which operates the Grand Hantha International Hospital, one of the largest in the former capital city of Yangon.

AAMG's role is to provide services in areas such as licensing, marketing, advice on equipment procurement and personnel recruitment and training, to establish a dedicated liver centre, and improve the oncology department within the hospital.

This expansion to Myanmar and partnership with this leading healthcare provider in the country of 55 million people is a significant step in our regionalisation strategy. We look forward to more of such opportunities – for our Management and Consultancy division as well as for our two primary medical disciplines.

#### Malaysia

During the year under review, AAMG's wholly owned Asian American Medical Group Pte. Ltd. ("AAMGPL") entered into a Services Agreement with Hippocrates Development Sdn. Bhd. ("HDSB"). The services involve strategic planning, design and consultancy to develop the first premium cancer treatment centre in Iskandar, in the southern Malaysian state of Johor.

Under the Services Agreement, AAMGPL will receive fees of RM3.0 million based on milestone achievements over 12 months from 26 September 2017, and costs plus a 20% service fee on expenses and fees incurred by AAMGPL or third parties appointed for the project.

In relation to the cancer treatment center, we announced the Subscription Agreement on 20 October 2017 under which Million Health Ventures Pte. Ltd., a wholly-owned AAMG subsidiary, has agreed to subscribe for 19,408,163 new RM1.00 ordinary shares in HDSB, representing 95.1% of the HDSB's enlarged share capital. The payment will be satisfied by cash payment of RM5,606,963 and issue of 40 million new AAMG shares at AUD0.105 (approximately RM13,801,200). This development is highly significant and will require approval from shareholders at our upcoming Annual General Meeting. After you approve, we intend to engage with property developers and explore fundraising options to develop this project. For shareholders, the significance is that the cancer centre will open up a major new dimension of growth for AAMG. The potential is significant as this project is very close to Singapore, will involve renowned international partners such as UPMC, and is conceived to be a world-class institution serving Johoreans, Malaysians as well as patients from the region.

I am indeed proud of the speed and dedication of our team in concluding these highly significant agreements within a single year. I believe these projects will lead to more exciting regional expansion opportunities in the years to come.

On behalf of the Board, I wish to express my heartfelt appreciation to so many people who have made FY2017 a significant year – our patients, partners, and the management and staff who have been kept busy. Most of all I want to thank you, our valued shareholders, for your patience and support. Our transformation has begun on a sound footing; let us all look forward to a better tomorrow.



**Dato' Dr Kai Chah Tan**  
Executive Chairman

## PROFILE OF BOARD OF DIRECTORS



**Dato' Dr Kai Chah Tan**

Executive Chairman

D.P.M.P., MBBS (MAL), FRCS (EDIN), FAMS

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 Radiation & Oncology Pte Ltd ("AARO") Asian American Medical Group Pte Ltd ("AAMGPL"), Million Health Ventures Pte Ltd ("MHV") and Asian American Oncology Management Sdn Bhd ("AAOM"), all of which are subsidiaries of AAMG. Dr Tan is the Lead Surgeon (Hepatobiliary/Transplant) of AALC.

Dr Tan graduated from the University of Malaya in 1978 before obtaining his Surgical Fellowship from the Royal College of Surgeons, Edinburgh in 1982. From 1984 to 1987, he received advanced training in paediatric surgery in Manchester and Southampton, 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.

Pioneering various liver transplant procedures in the U.K. for both adults and paediatric patients from the first 'split-liver' transplant and the first auxiliary liver graft to five liver-kidney and two heart-liver transplants. Dr Tan has received many accolades from his peers, patients and their families alike.

Having completed more than 400 liver transplant procedures in the UK under his belt, Dr Tan set up his practice, the Asian Centre for Liver Diseases & Transplantation ("ACLDT"), in Gleneagles Hospital, Singapore in 1994. Dr Tan was also appointed the Director of the Liver Transplant Programme, National University Hospital ("NUH"), Singapore from 1995 to 2002.

In April 2002, the first successful adult-adult LDLT in Southeast Asia was performed in Gleneagles Hospital, Singapore. Dr Tan and his team have successfully performed more than 200 LDLTs - the only private centre in Southeast Asia to reach this historic 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.



**Mr Evgeny Tugolukov**

Non-Executive Director

B Econ

Mr Evgeny Tugolukov holds a degree in Economics and Enterprise Management from the Ural State Technical University ("USTU") in Russia. He is the President and Founder of Strongbow Investments Pte Ltd ("Strongbow") which was founded to create more linkages between Russia and Singapore/Southeast Asia to create new business visions and ideas as well as strengthen bilateral cultural communications.

Mr Tugolukov has over 20 years of rich entrepreneurial background in various businesses. 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 and is also a member of the Nomination and Remuneration Committee.



**Mr Kong Meng Ang**

Non-Executive Director  
FCA (S'pore), FCCA (UK)

Mr Kong Meng Ang is the founder and Partner at Ang & Co. PAC, an independent accounting and business advisory firm established in 1980 and has 40 years of experience in finance and accounting.

Mr Ang graduated from the University of Singapore (now known as the National University of Singapore, "NUS") with a Bachelor of Accountancy in 1976. Mr Ang is a fellow and practising member of the Institute of Singapore Chartered Accountants ("ISCA") and a fellow member of the Association of Chartered Certified Accountants (United Kingdom) ("ACCA"). Mr Ang is also an accredited tax advisor (Income Tax, GST) from the Singapore Institute of Accredited Tax Professionals.

Mr Ang Kong Meng was appointed as Non-Executive Director of AAMG on 22 February 2016.



**Mr Heng Boo Fong**

Independent Non-Executive Director  
B Acc (Hons)

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

Mr Fong studied at the University of Singapore (now known as the National University of Singapore, "NUS") and graduated in 1973 with an Honours Degree in Accountancy. He has over 43 years of working experience in auditing, finance, business development and corporate governance.

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 includes membership of Audit Committees of Statutory Boards and Advisory Committees of the School of Accountancy of Nanyang Technological University, Singapore and Ngee Ann Polytechnic, Singapore. Mr Fong was 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 the Institute of Singapore Chartered Accountants ("ISCA")), and ICPAS awarded him a silver medal in 1999.

Mr Fong is also presently an Independent Director of three companies listed on the SGX-ST, namely, Colex Holdings Limited, CapitaRetail China Trust Management Limited and Sapphire Corporation Limited.



## PROFILE OF BOARD OF DIRECTORS



**Mr Paul Vui Yung Lee**

Independent Non-Executive Director  
B Bus (MIS)

Mr Paul Vui Yung Lee has over 20 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 diverse experience across a broad range of industries and international businesses that includes 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 is a member of the Nomination and Remuneration Committee and Audit Committee.



**Ms Jeslyn Jacques Wee Kian Leong**

Independent Non-Executive Director  
FCCA (UK)

Ms Jeslyn Leong is a Fellow of the Association of Chartered Certified Accountants (United Kingdom) with 25 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 on Australian Securities Exchange, "ASX"), a leading Australian distributor and manufacturer of steel, tubes and pipes. In this role, she obtained extensive experience in manufacturing management.

Ms Leong is a member of the Audit Committee.

## PROFILE OF DOCTORS AND KEY MANAGEMENT



### **Dr Kang Hoe Lee**

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

Dr Kang Hoe Lee graduated from University of Cambridge, UK. He was a scholar at Jesus College, Cambridge and a recipient of the Duckworth Prize. He also received support from Kuok Foundation, Malaysia for his medical studies. Dr Lee interned with Professor Sir Roy Calne at Addenbrooke's Hospital and finished his general medicine training at Cambridge before coming to Singapore. In 1990, he joined the Department of Medicine at the National University Hospital ("NUH"), Singapore. Dr Lee completed his Fellowship in Critical Care Medicine at the UPMC in the USA from 1993 to 1995, and was awarded Fellow of the Year in 1994. From 1994 to 1995, Dr Lee performed research with Professor Michael Pinsky at UPMC on acute lung injury.

On his return to Singapore, Dr Lee joined NUS as a Lecturer in Medicine and was promoted to Associate Professor. He was also the Medical Director of the ICU at NUH, where he started the liver dialysis programme in 2000.

Dr Lee was with NUS until 2005 when he joined Gleneagles Hospital, Singapore as Director of the ICU. Since then, he has been working together with AALC. Dr Lee has expanded the liver dialysis programme to include other devices and also helped set up the dedicated liver ICU where he has been active in the management of liver failure and liver transplant patients.

Dr Lee was one of the founding members of the Society of Intensive Care Medicine and was also a previous member of the Specialist Training Committee for Intensive Care Medicine and Respiratory Medicine.

He has published extensively in the areas of critical care and liver transplant, and has also been involved in various research protocols together with scientists at NUS and A\*STAR in Singapore.



### **Dr Daniel Yat Harn Tan**

Radiation Oncologist & Medical Director  
(Stereotactic Radiosurgery (SRS/SBRT),  
Brain and Spine, Breast and Prostate Cancers  
MBBS (SIN), FRCR (Clinical Oncology, UK),  
FAMS (Radiation Oncology)

Dr Daniel Yat Harn Tan is consultant radiation oncologist and medical director of AARO, the radiotherapy and oncology division of AAMG. Before joining AARO, he was consultant radiation oncologist at the National Cancer Centre Singapore ("NCCS") and clinical lecturer at the Yong Loo Lin School of Medicine at NUS. His clinical interest is in stereotactic radiosurgery ("SRS") and stereotactic body radiation therapy ("SBRT"), and he specialises in the management of the central nervous system, prostate and breast cancers.

After completing his MBBS at the NUS in 2002, he went on to obtain the FRCR in Clinical Oncology in 2011 at the Royal College of Radiologists, U.K. He then underwent training with a focus on neuro-oncology at international premier centres, which included Proton Therapy at University of Pennsylvania's Roberts Proton Therapy Center, USA, Spine Radiosurgery at Princess Margaret Hospital and Sunnybrook's Odette Cancer Centre, Toronto, and Advanced Radiation Technologies at Tokyo Metropolitan Komagome Hospital in Japan.

Together with his mentors, he was instrumental in the development of the Novalis Brain Stereotactic Radiosurgery Program at NCCS and subsequently developed the Novalis Spine Stereotactic Radiosurgery Program after his return from his Health Manpower Development Programme ("HMDP") Award training.

His research involves the application of SRS and SBRT in benign and malignant tumours of the brain and spine, as well as in oligometastatic and prostate cancers. His research have been presented at major international conferences, and he is frequently invited to lecture on these subjects in regional meetings. He has written and published on the topics of neuro-oncology, SRS and SBRT.

## PROFILE OF DOCTORS AND KEY MANAGEMENT



### **Dr Jonathan Yi Hui Teh**

Radiation Oncologist  
MBBS (SIN), FRCR (Clinical Oncology, UK),  
FAMS (Radiation Oncology)

Dr Jonathan Yi Hui Teh is a consultant radiation oncologist at AARO, the radiotherapy and oncology division of AAMG. Before joining AARO, he was a consultant at NCCS, where he had served in various roles since 2006. He specialises in genitourinary and gastrointestinal cancers, as well as bone and soft tissue sarcomas and paediatric cancers.

After completing his MBBS at NUS in 2002, Dr Teh commenced a Radiation Oncology residency at NCCS in 2007. He received the Singhealth HMDP Award for Advanced Training in Clinical Oncology in 2009 and was an Honorary Clinical Fellow in the University College Hospital London Oncology department from 2009 to 2011. He was also active in the London Sarcoma Service, providing patient care and participating in clinical trials. In 2011, he received the Fellowship of the Royal College of Radiologists ("FRCR UK") in Clinical Oncology.

Upon returning to Singapore, Dr Teh was admitted as a Fellow of the Academy of Medicine of Singapore's ("FAMS") Chapter of Radiation Oncology and commenced work as a Consultant Radiation Oncologist at NCCS. In 2012, he joined the NCCS Blood Transfusion Committee until July 2017 and also received the Singhealth Doctor's Long Service Award.

Dr Teh's research interests include advanced radiotherapy for prostate cancer treatment. He was the Principal Investigator of a Phase II Trial in Stereotactic Ablative Body Radiotherapy for Low-Intermediate Risk Prostate Cancer from 2013 to 2017, which was Southeast Asia's first trial of this non-invasive technique.

Dr Teh's research has been presented at international conferences, and he has also been invited to speak on these subjects in regional meetings. He has written and published extensively on the subject of sarcoma treatment.



### **Mr Cherinjit Kumar Shori**

Group Chief Operating Officer  
B Acc, PGDip Marketing & Healthcare

Mr Cherinjit Kumar Shori has held the position of Group Chief Operating Officer at AAMG since 2009. He is responsible for the company's marketing, business development and operations.

Before joining AAMG, Mr Shori was the Group Vice President/Deputy Chief Marketing Officer for Parkway Pantai where he served for 10 years' in strategic marketing, business development and regional expansion to increase the market share for its group of hospitals in Singapore.

In total, Mr Shori has more than 20 years' experience in the healthcare and hospitality industries covering business development and marketing in various companies including Sun Cruises and Sembawang Leisure (a subsidiary of Sembawang Corporation).

He holds a Bachelor of Accountancy degree from the Nanyang Technological University in Singapore as well as an Graduate Diploma in Marketing from the Singapore Institute of Management and a Certificate in Healthcare Management from Georgetown University, U.S.

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





**Mr Meng Yau Yeoh**

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

Mr Meng Yau Yeoh obtained his professional accounting qualification from the Association of Chartered Certified Accountants (United Kingdom) ("ACCA") in 1994 and has over 21 years' experience in auditing, finance and business development.

He started his career at the then, KPMG Peat Marwick in 1995 and left as an Audit Senior in 1998. After spending four years in the Big 4 audit firm, Mr Yeoh spent the decade spanning 1999 to 2009 working in senior positions in several listed and privately-owned companies involved in a wide range of industries ranging from property development, construction, information technology and investment holdings to service and hospitality in Singapore, Malaysia and Australia. During that period, he was involved in two successful main board Initial Public Offerings in Singapore as well as listing exercises and trade sales in Germany and U.K.

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



**Angela Choong**

Chief Commercial Officer  
CA (S'pore), FCMA (UK)

Ms Angela Choong joined AAMG as Chief Commercial Officer in August 2015 to head the Commercial Division, responsible for the project and commercial management.

Before joining AAMG, Ms Choong held the positions of finance director and regional financial controller with a European MNC in manufacturing. She has over 25 years' of regional business partnering experience with a strong track record of finance, risk management, management of new factory construction projects, and implementation of business improvement projects across China, Taiwan, Hong Kong and Southeast Asia.

Ms Choong is a fellow member of Chartered Institute of Management Accountants United Kingdom ("CIMA") and member of the Institute of Singapore Chartered Accountants ("ISCA").

## FINANCIAL REVIEW

Year ended 31 August	2017 S\$'000	2016 S\$'000	Changes %
Revenue	15,167	17,083	(11.2)
Other income	207	171	21.1
Direct costs and operating expenses	(18,255)	(19,465)	(6.2)
Loss from continuing operations	(2,881)	(2,211)	30.3
Taxation	(150)	150	n.m
Loss after taxation	(3,031)	(2,061)	47.1
<b>Loss attributable to:</b>			
Members of the parent entity	(3,093)	(2,062)	50.0
Non-controlling interest	62	1	n.m
	(3,031)	(2,061)	47.1
Total share capital and reserves	9,605	12,111	(20.1)

	2017 S Cents	2016 S Cents
Basic loss per share	(1.04)	(0.74)
Net asset value per share	3.23	4.07
Net tangible asset value per share	3.23	3.98

*n.m - not meaningful*

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

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

### LIVER SEGMENT

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

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

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

## RADIATION ONCOLOGY SEGMENT

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

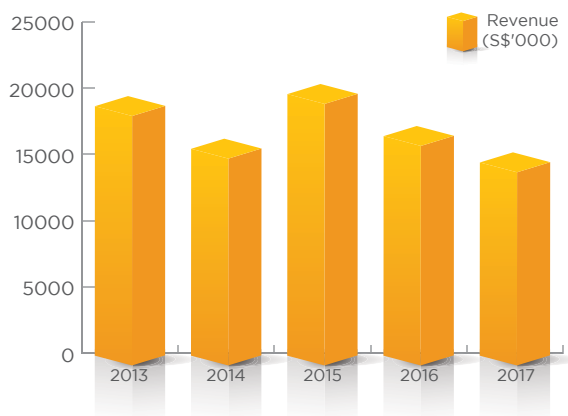
Direct and other operating expenses was S\$1.8 million in FY2017 (FY2016: S\$1.1 million), with S\$1.2 million being direct cost of sales and S\$0.6 million being mostly personnel related expenses, representing increases of 76.3% and 47.2%, respectively, from FY2016. As a result, AARO recorded a Net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

## MANAGEMENT AND CONSULTANCY SEGMENT

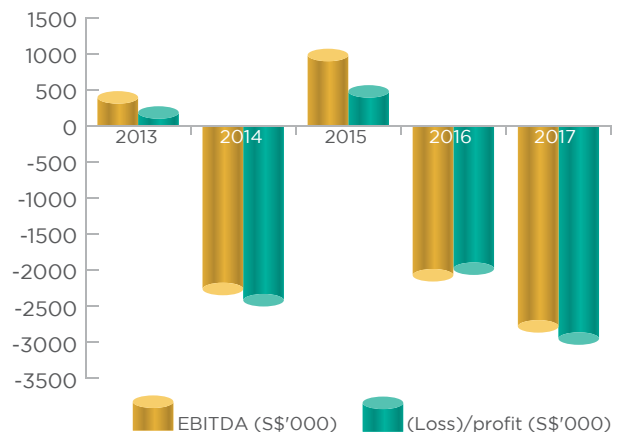
Revenue for the Management and Consultancy segment declined from S\$0.4 million in FY2016 to S\$30,000 in FY2017. Apart from partnership agreements in Myanmar concluded close to the end of the financial year, there were no other major projects. Total direct expenses decreased from S\$0.3 million to S\$4,000,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

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

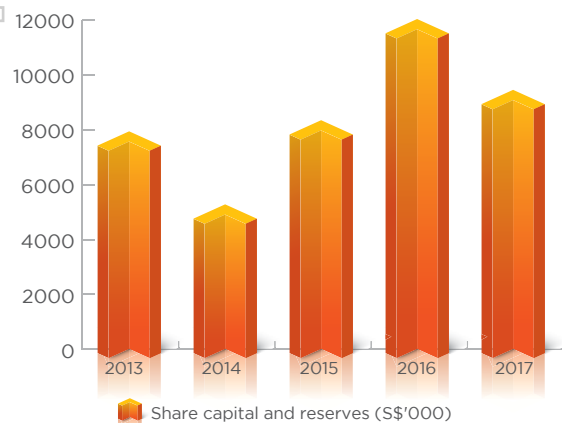
### REVENUE



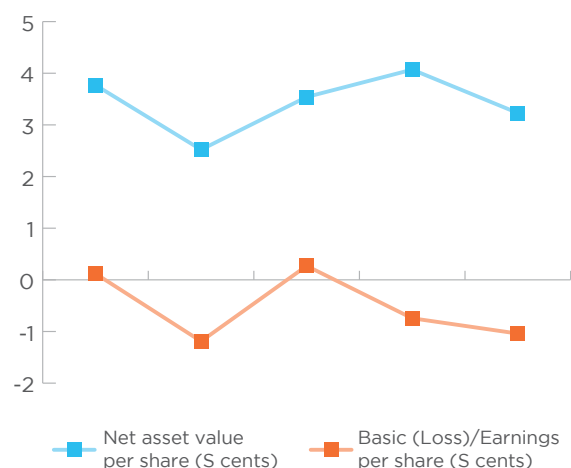
### EBITDA AND PROFIT/(LOSS) AFTER TAX



### SHARE CAPITAL AND RESERVES



### EPS AND NAV



# FINANCIAL REVIEW

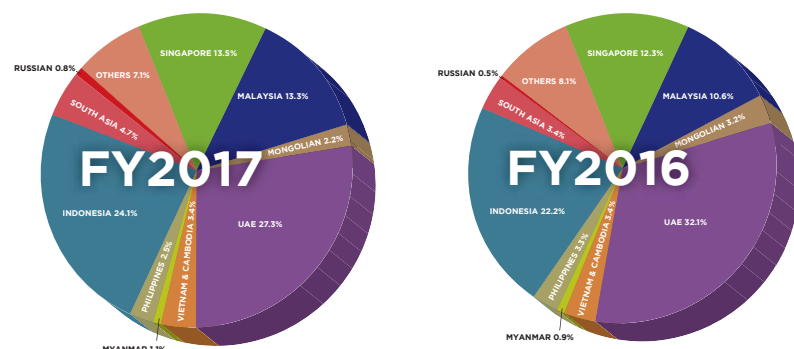
## REVIEW OF FINANCIAL POSITION

Net assets for the Group decreased by S\$2.5 million to S\$9.6 million (FY2016: S\$12.1 million) due to the Net Loss for the year of S\$3.0 million, partially off-set by the increase in foreign currency translation reserve of S\$0.5 million due to the strengthening of the AUD against the SGD.

Significant changes during the year under review were:

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

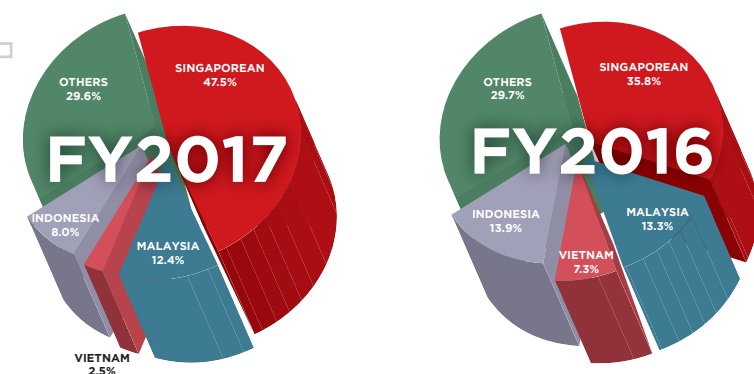
As a result, Net Asset Value per share decreased by S 0.9 cents to S 3.2 cents from S 4.1 cents last year.



## PATIENT NATIONALITY MIX FOR LIVER SEGMENT

Patients from the UAE continues to be significant revenue generator for AALC in FY2017, accounting for 27% of all patients, compared to 32% of all patients in FY2016. The revenue contribution from UAE patients made up an even higher proportion and, contributing more than two-third or 71% of AALC's overall revenue, a significant increase from 59% in financial year 2016. This is due to the fact that UAE patients made up all of AALC's transplanted patients for the current financial year.

Besides UAE, our liver segment's other core patients comprise mainly of patients from Indonesia, Singapore and Malaysia which form 24.1%, 13.5% and 13.3% respectively, with a combined total of 50.9%.



## PATIENT NATIONALITY MIX FOR RADIATION ONCOLOGY SEGMENT

AARO's patients are mostly made up of Singaporeans, Indonesians and Malaysians. Cumulatively, they made up 67.9% and 63.0% of the total patient transactions for the current and previous financial years respectively. As the number of patient transactions for the year increased from 173 last year to 373 in FY2017, the number of local Singaporean patients also increase and made up almost half of the total number of patient transactions now, up from 35.8% previously.



## WHAT IS LIVING DONOR LIVER TRANSPLANTATION?



Living donor liver transplantation ("LDLT") is a procedure that involves a living donor giving a portion of his or her liver to a family member or close friend in need of a liver transplant.

The LDLT procedure at AALC is performed by an experienced team of liver transplant surgeons, supported by the most up-to-date facilities and seamless post-surgery care to ensure the best liver clinical outcome for the patients.

At AALC, the LDLT Journey is specially designed for the best possible clinical outcomes. Our experienced Transplant coordinators work alongside doctors to educate and guide patients, donors and their families through every step of the journey.

## THE RADIOTHERAPY JOURNEY



The radiotherapy process involves a number of complex steps and a patient may be recommended different procedures or sequences. At AARO, our radiation oncologist leads a clinical team of physicists and dosimetrists in providing the best possible treatment and aftercare for the patient.

# 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 Corporate Governance Principles and Recommendations (3<sup>rd</sup> edition) 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 senior management.

The Board is responsible for:

- Setting the strategic direction of the Company and establishing goals to ensure these strategic objectives are met;
- Appointing the senior management, setting objectives for the senior management 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.

# CORPORATE GOVERNANCE STATEMENT

## EVALUATION OF SENIOR EXECUTIVES

Senior executives, including the Group Chief Operating Officer, Group Chief Financial Officer or Chief Commercial 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.

	Objective		Actual	
	Number	%	Number	%
Number of women employees in the whole organisation	18	67	19	70
Number of women in senior executive positions	2	33	1	17
Number of women on the Board	2	33	1	17

## 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 (“AC”) comprised of the three 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 AC are:

- Mr Heng Boo Fong (Chairman)
- Mr Paul Vui Yung Lee
- Ms Jeslyn Jacques Wee Kian Leong

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 AC 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 AC 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 AC 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.

# CORPORATE GOVERNANCE STATEMENT

## 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 AC.

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 (“NRC”) is comprised of three non-executive directors. The members of the NRC are:

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

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 NRC 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, Chief Commercial Officer and senior executives; and
- Responsible for considering general remuneration policies and practices, recruitment and termination policies and superannuation requirements.

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 ("AAMG" or the "Group") for the year ended 31 August 2017.

## 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)  
Mr Evgeny Tugolukov (Non-Executive Director)  
Mr Kong Meng Ang (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 AAMG and its controlled entities are that of provision of specialised medical services for liver diseases and transplantation, radiation oncology and healthcare project management and consultancy services.

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 20 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's message found on pages 8 and 9 and Financial Review section on pages 16 to 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, two (2) Audit Committee meetings and one (1) Nomination and Remuneration Committee meetings were held.

	Directors' Meetings		Audit Committee Meetings		Nomination and Remuneration Committee Meetings	
	Number Eligible to attend	Number Attended	Number Eligible to attend	Number Attended	Number Eligible to attend	Number Attended
Dato' Dr Kai Chah Tan	5	5	-	-	-	-
Mr Evgeny Tugolukov	5	5	-	-	1	1
Mr Kong Meng Ang	5	5	-	-	-	-
Mr Heng Boo Fong	5	5	2	2	1	1
Mr Paul Vui Yung Lee	5	5	2	2	1	1
Ms Jeslyn Jacques Wee Kian Leong	5	5	2	2	-	-



## 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	115,798,180
Mr Evgeny Tugolukov	<sup>^</sup> 21,000,000
Mr Kong Meng Ang	46,062,300
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

No interim or final dividend has been paid or recommended by the Directors for the financial year ended 31 August 2017 (2016 : Nil).

## 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 REPORT DATE

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

On 20 October 2017, Million Health Ventures Pte. Ltd. ("MHV") entered into a conditional agreement to subscribe for 19,408,163 new shares in Hippocrates Development Sdn. Bhd. ("HDSB"), an investment holding company incorporated in Malaysia, representing 95.1% of HDSB's enlarged share capital. MHV's subscription for 19,408,163 Ordinary Shares of HDSB at an issue price of RM1.00 each will be satisfied by payment of RM5,606,963 in cash and the remaining RM13,801,200 by the issuance of 40,000,000 new AAMG shares at AUD0.105 each. The Group will seek shareholders' approval for the acquisition at the upcoming annual general meeting.

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 message on pages 8 and 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, Russia and Myanmar, in the area of specialised clinical services and project management;
2. Enhance AARO's comprehensive suite of capabilities as a regional provider of one-stop solutions in radiology and oncology and to leverage on these capabilities to expand;
3. Strengthen our position in our core markets for liver services; and
4. Explore investment opportunities in the region in the healthcare sector.

## OPTIONS

At the date of this report, there are no unissued ordinary shares of AAMG.

Option holders do not have any rights to participate in any issues of shares or other interests in the company or any other entity.

There have been no unissued shares or interests under option of any controlled entity within the Group during or since reporting date.

# DIRECTORS' REPORT

## 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 Myanmar 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 KMP, 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 2017 are listed below.

### *Directors:*

Dato' Dr Kai Chah Tan - Executive Director and Chairman  
Mr Evgeny Tugolukov - Non-Executive Director  
Mr Kong Meng Ang - 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  
Ms Angela Choong Chiew Foong - Chief Commercial Officer

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

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

- principles used to determine the nature and amount of remuneration;
- details of remuneration;
- service agreements;
- share-based remuneration; and
- 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 ("NRC") 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 NRC, 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 A\$15,450-A\$25,750 (2016: A\$15,450-A\$25,750).

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 NRC 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 NRC 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 97% of 'yes' votes on its Remuneration Report for the financial year ended 31 August 2016. 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:

Item	2017	2016	2015	2014	2013
EPS (S cents)*	(1.04)	(0.74)	0.49	(1.09)	0.12
Dividends (S cents per share)	-	-	-	-	0.20
Net (loss)/profit (S\$000)	(3,031)	(2,061)	559	(2,493)	231
Share price (A\$)	0.11	0.12	0.08	0.08	0.14

*\*continued operations*

### USE OF REMUNERATION CONSULTANTS

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

# DIRECTORS' REPORT

## B. DETAILS OF REMUNERATION

Details of the nature and amount of each element of the remuneration of each KMP of AAMG are shown in the table below:

	Short term employee benefit			Post-employment benefit	Total	Performance based percentage of remuneration
	Cash salary and fees	Cash bonus	Non-monetary benefits	Central Provident Fund		
31 August 2017	S\$	S\$	S\$	S\$	S\$	%
<b>Executive Director</b>						
Dato' Dr Kai Chah Tan	2,400,000	4,467	-	8,280	2,412,747	0.2%
<b>Non-Executive Directors</b>						
Mr Wing Kwan Teh <sup>(1)</sup>	5,976	-	-	-	5,976	-
Mr Evgeny Tugolukov	16,400	-	-	-	16,400	-
Mr Kong Meng Ang	10,020	-	-	-	10,020	-
Mr Heng Boo Fong	23,700	-	-	-	23,700	-
Mr Paul Vui Yung Lee	16,400	-	-	-	16,400	-
Ms Jeslyn Jacques Wee Kian Leong	16,400	-	-	-	16,400	-
<b>Other Key Management Personnel</b>						
Mr Cherinjit Kumar Shori	259,560	43,260	-	17,340	320,160	14%
Mr Meng Yau Yeoh	190,500	32,667	-	17,340	240,507	14%
Ms Angela Chiew Foong Choong	192,000	21,333	-	9,420	222,753	10%
	3,130,956	101,727	-	52,380	3,285,063	-

(1) Mr Wing Kwan Teh resigned on 11 January 2016.

n.m. = not meaningful

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	Short term employee benefit			Post-employment benefit	Total	Performance based percentage of remuneration
	Cash salary and fees	Cash bonus	Non-monetary benefits	Central Provident Fund		
<b>31 August 2016</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>%</b>
<b>Executive Director</b>						
Dato' Dr Kai Chah Tan	2,400,000	65,000	-	8,145	2,473,145	3%
<b>Non-Executive Directors</b>						
Mr Wing Kwan Teh	22,323	-	-	-	22,323	-
Mr Evgeny Tugolukov	15,663	-	-	-	15,663	-
Mr Kong Meng Ang <sup>(2)</sup>	-	-	-	-	-	-
Mr Heng Boo Fong	22,323	-	-	-	22,323	-
Mr Paul Vui Yung Lee	15,663	-	-	-	15,663	-
Ms Jeslyn Jacques Wee Kian Leong	15,663	-	-	-	15,663	-
<b>Other Key Management Personnel</b>						
Mr Cherinjit Kumar Shori	258,300	65,730	-	15,810	339,840	19%
Mr Meng Yau Yeoh	181,998	48,279	-	15,810	246,087	20%
Ms Angela Chiew Foong Choong	191,000	28,000	-	9,441	228,441	12%
	3,122,933	207,009	-	49,206	3,379,148	

(2) Mr Kong Meng Ang was appointed on 22 January 2016.

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 KMP 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	Unspecified	3 months
Mr Cherinjit Kumar Shori	21,630	Unspecified	3 months
Mr Meng Yau Yeoh	16,000	Unspecified	3 months
Ms Angela Chiew Foong Choong	16,000	Unspecified	3 months

# DIRECTORS' REPORT

## 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.

## 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:

	Balance at beginning of year	Granted as remuneration during the year	Exercised during the year	Lapsed/cancelled	Balance at end of year	Balance vested as end of year	Vested during the year
<b>31 August 2017</b>							
Dato' Dr Kai Chah Tan	-	-	-	-	-	-	-
Mr Evgeny Tugolukov	-	-	-	-	-	-	-
Mr Kong Meng Ang	-	-	-	-	-	-	-
Mr Heng Boo Fong	-	-	-	-	-	-	-
Mr Paul Vui Yung Lee	-	-	-	-	-	-	-
Ms Jeslyn Jacques Wee Kian Leong	-	-	-	-	-	-	-
Mr Cherinjit Kumar Shori	-	-	-	-	-	-	-
Mr Meng Yau Yeoh	-	-	-	-	-	-	-
Ms Angela Chiew Foong Choong	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	Balance at beginning of year	Granted as remuneration during the year	Exercised during the year	Lapsed/cancelled	Balance at end of year	Balance vested as end of year	Vested during the year
<b>31 August 2016</b>							
Dato' Dr Kai Chah Tan	-	-	-	-	-	-	-
Ms Pamela Anne Jenkins <sup>(1)</sup>	-	-	-	-	-	-	-
Mr Wing Kwan Teh <sup>(2)</sup>	-	-	-	-	-	-	-
Mr Evgeny Tugolukov	-	-	-	-	-	-	-
Mr Kong Meng Ang <sup>(3)</sup>	-	-	-	-	-	-	-
Mr Heng Boo Fong	-	-	-	-	-	-	-
Mr Paul Vui Yung Lee	-	-	-	-	-	-	-
Ms Jeslyn Jacques Wee Kian Leong	-	-	-	-	-	-	-
Mr Cherinjit Kumar Shori	842,000	-	(842,000)	-	-	-	-
Mr Meng Yau Yeoh	457,000	-	(457,000)	-	-	-	-
Ms Angela Chiew Foong Choong <sup>(2)</sup>	-	-	-	-	-	-	-
	1,299,000	-	(1,299,000)	-	-	-	-

(1) Ms Pamela Anne Jenkins resigned on 30 September 2015

(2) Mr Wing Kwan Teh resigned on 11 January 2016

(3) Mr Kong Meng Ang appointed on 22 January 2016

## KMP Shareholdings

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

31 August 2017	Balance at beginning of year	Issued during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
Dato' Dr Kai Chah Tan	107,298,250	-	-	8,499,930	115,798,180
Mr Evgeny Tugolukov	21,000,000	-	-	-	21,000,000
Mr Kong Meng Ang	34,000,000	-	-	12,062,300	46,062,300
Mr Heng Boo Fong	-	-	-	-	-
Mr Paul Vui Yung Lee	-	-	-	-	-
Ms Jeslyn Jacques Wee Kian Leong	-	-	-	-	-
Mr Cherinjit Kumar Shori	842,000	-	-	-	842,000
Mr Meng Yau Yeoh	457,000	-	-	-	457,000
Ms Angela Chiew Foong Choong	-	-	-	-	-
	163,597,250	-	-	20,562,230	184,159,480

31 August 2016	Balance at beginning of year	Issued during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
Dato' Dr Kai Chah Tan	102,298,250	5,000,000	-	-	107,298,250
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 Kong Meng Ang	-	-	-	#34,000,000	34,000,000
Mr Heng Boo Fong	-	-	-	-	-
Mr Paul Vui Yung Lee	-	-	-	-	-
Ms Jeslyn Jacques Wee Kian Leong	-	-	-	-	-
Mr Cherinjit Kumar Shori	-	-	842,000	-	842,000
Mr Meng Yau Yeoh	-	-	457,000	-	457,000
Ms Angela Chiew Foong Choong	-	-	-	-	-
	148,706,940	5,000,000	1,299,000	8,591,310	163,597,250

^ Ms Pamela Anne Jenkins resigned on 30 September 2015

\* Mr Wing Kwan Teh resigned on 11 January 2016

#Mr Kong Meng Ang appointed on 22 January 2016

## Other KMP Transactions

There have been no other transactions involving equity instruments other than those described in the tables above. There have been no other related party transactions in the current financial year.

End of audited remuneration report.

# DIRECTORS' REPORT

## INDEMNIFICATION AND INSURANCE OF OFFICERS

During the year, AAMG paid a premium to insure officers of the Group. The officers of the Group covered by the insurance policy include all Directors.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group.

Details of the amount of the premium paid in respect of insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer of the Group against a liability incurred as such by an officer.

## PROCEEDINGS ON BEHALF OF THE COMPANY

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

## NON-AUDIT SERVICES

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

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

- All non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Audit Committee to ensure they do not impact upon the impartiality and objectivity of the auditor; and
- The non-audit services do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

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

## AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required by section 307C of the Corporations Act 2001 for the year ended 31 August 2017 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 2017



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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 2017, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

*Grant Thornton*

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



S K Edwards  
Partner – Audit & Assurance

Adelaide, 3 November 2017

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## Asian American Medical Group Limited

ABN NUMBER 42 091 559 125

Annual report for the year ended  
31 August 2017

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 August 2017

	Note	Consolidated Group	
		Year ended 31 August 2017	Year ended 31 August 2016
		S\$	S\$
Revenue	3	15,166,882	17,082,845
Other operating income	3	207,412	170,992
Changes in inventories		(25,110)	27,061
Inventories		(1,122,839)	(1,781,511)
Purchase services		(8,592,330)	(8,865,759)
Employment benefits expense		(6,201,273)	(6,268,352)
Operating lease expense		(492,993)	(492,391)
Depreciation		(53,551)	(75,301)
Directors' fees		(81,596)	(190,315)
Recovery of doubtful debts	11	150,078	-
Provision for doubtful debts	11	-	(224,087)
Write-off of goodwill	14	(266,123)	-
Other expenses		(1,569,988)	(1,594,305)
Loss before income tax		(2,881,431)	(2,211,123)
Income tax (expense)/benefit	5	(149,379)	150,000
<b>Loss for the year</b>	<b>4</b>	<b>(3,030,810)</b>	<b>(2,061,123)</b>
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net effect of foreign currency translation		525,350	220,956
<b>Total comprehensive loss for the year</b>		<b>(2,505,460)</b>	<b>(1,840,167)</b>
<b>Loss attributable to:</b>			
Members of the parent entity		(3,093,383)	(2,062,338)
Non-controlling interest		62,573	1,215
		<b>(3,030,810)</b>	<b>(2,061,123)</b>
<b>Total comprehensive loss attributable to:</b>			
Members of the parent entity		(2,568,033)	(1,841,382)
Non-controlling interest		62,573	1,215
		<b>(2,505,460)</b>	<b>(1,840,167)</b>
<b>Loss per share</b>			
Basic loss per share (S cents)	9	(1.04)	(0.74)
Diluted loss per share (S cents)	9	(1.04)	(0.74)

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

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 August 2017

	Note	Consolidated Group	
		2017	2016
		S\$	S\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	10	9,174,730	11,307,905
Trade and other receivables	11	6,127,377	4,598,694
Inventories	12	165,618	190,728
Income tax refundable	16	8,334	8,334
Total current assets		15,476,059	16,105,661
<b>Non-current assets</b>			
Plant and equipment	13	69,934	118,636
Intangible assets	14	-	266,123
Deferred tax benefit	16	-	150,000
Total non-current assets		69,934	534,759
Total assets		15,545,993	16,640,420
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	15	5,940,733	4,529,700
Total current liabilities		5,940,733	4,529,700
Total liabilities		5,940,733	4,529,700
<b>Net assets</b>		<b>9,605,260</b>	<b>12,110,720</b>
<b>EQUITY</b>			
<b>Equity attributable to members of the parent entity:</b>			
Issued capital	17	12,932,538	12,932,538
Reserves	18	150,793	(374,557)
Accumulated losses		(3,652,505)	(559,122)
		9,430,826	11,998,859
Non-controlling interest		174,434	111,861
<b>Total equity</b>		<b>9,605,260</b>	<b>12,110,720</b>

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For year ended 31 August 2017

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



# CONSOLIDATED STATEMENT OF CASH FLOWS

For year ended 31 August 2017

	Note	Consolidated Group	
		Year ended	Year ended
		31 August 2017	31 August 2016
		S\$	S\$
<b>Cash flows from operating activities</b>			
Receipts from customers		14,103,279	20,534,206
Payments to suppliers and employees		(16,607,227)	(21,082,572)
Income tax refunded/(paid)		621	(21,493)
Net cash used in operating activities	22	(2,503,327)	(569,859)
<b>Cash flows from investing activities</b>			
Interest income		100,617	79,019
Purchase of plant and equipment		(4,849)	(4,150)
Net cash generated from investing activities		95,768	74,869
<b>Cash flows from financing activities</b>			
Fixed deposits release		-	121,886
Proceeds from issue of new shares	17	-	5,838,220
Share issues expenses	17	-	(363,772)
Net cash generated from financing activities		-	5,596,334
Net change in cash and cash equivalents held		(2,407,559)	5,101,344
Cash and cash equivalents at beginning of financial year		11,307,905	6,127,480
Effect of exchange rate change on cash held in foreign currencies		274,384	79,081
<b>Cash and cash equivalents at end of financial year</b>	<b>10</b>	<b>9,174,730</b>	<b>11,307,905</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2017

## 1. Principle activities

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 2017 comprises the Company and its controlled entities. The principal activity of AAMG is that of provision of specialised medical services for liver diseases and transplantation, radiation oncology and healthcare project management and consultancy services.

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

## 2. Statement of significant accounting policies

This financial report includes the consolidated financial statements and notes of 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 2017.

### (b) Principles of consolidation

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## (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:

<i>Class of fixed asset</i>	<i>Depreciation Rate</i>
Office equipment	5 years
Medical equipment	5 years
Computers	5 years
Furniture and fittings	5 years
Renovations	5 years

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

## (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.

# NOTES TO THE FINANCIAL STATEMENTS

## 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 report 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 high quality corporate 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.

Management service fees are recognised upon the rendering of management and consultancy services to and accepted by the customer.

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

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**(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.

# NOTES TO THE FINANCIAL STATEMENTS

## (t) Standards and Interpretations issued but not yet effective

New / revised pronouncement	Superseded pronouncement	Nature of change	Effective date (annual reporting periods beginning on or after...)	Likely impact on initial application
AASB 9 <i>Financial Instruments</i> (December 2014)	AASB 139 <i>Financial Instruments: Recognition and Measurement</i>	<p>AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting.</p> <p>These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:</p> <ul style="list-style-type: none"> <li>a Financial assets that are debt instruments will be classified based on: (i) the objective of the entity's business model for managing the financial assets; and (ii) the characteristics of the contractual cash flows.</li> <li>b Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.</li> <li>c Introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments.</li> <li>d Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.</li> <li>e Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: <ul style="list-style-type: none"> <li>• the change attributable to changes in credit risk are presented in Other Comprehensive Income (OCI)</li> <li>• the remaining change is presented in profit or loss</li> </ul> </li> </ul>	1 January 2018	<i>The entity is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 31 August 2019.</i>

New / revised pronouncement	Superseded pronouncement	Nature of change	Effective date (annual reporting periods beginning on or after...)	Likely impact on initial application
AASB 9 <i>Financial Instruments</i> (December 2014) continued	(As above)	<p>If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.</p> <p>Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:</p> <ul style="list-style-type: none"> <li>• classification and measurement of financial liabilities; and</li> <li>• derecognition requirements for financial assets and liabilities</li> </ul> <p>AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that enable entities to better reflect their risk management activities in the financial statements.</p> <p>Furthermore, AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting.</p>		
AASB 15 <i>Revenue from Contracts with Customers</i>	AASB 118 <i>Revenue</i> AASB 111 <i>Construction Contracts</i> Int. 13 <i>Customer Loyalty Programmes</i> Int. 15 <i>Agreements for the Construction of Real Estate</i> Int. 18 <i>Transfer of Assets from Customers</i> Int. 131 <i>Revenue – Barter Transactions Involving Advertising Services</i> Int. 1042 <i>Subscriber Acquisition Costs in the Telecommunications Industry</i>	<p>AASB 15:</p> <ul style="list-style-type: none"> <li>• replaces AASB 118 <i>Revenue</i>, AASB 111 <i>Construction Contracts</i> and some revenue-related Interpretations: <ul style="list-style-type: none"> <li>- establishes a new revenue recognition model</li> <li>- changes the basis for deciding whether revenue is to be recognised over time or at a point in time</li> <li>- provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licensing)</li> <li>- expands and improves disclosures about revenue</li> </ul> </li> </ul>	1 January 2018	<i>The entity is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 31 August 2019.</i>



# NOTES TO THE FINANCIAL STATEMENTS

New / revised pronouncement	Superseded pronouncement	Nature of change	Effective date (annual reporting periods beginning on or after...)	Likely impact on initial application
AASB 16 Leases	AASB 117 Leases Int. 4 <i>Determining whether an Arrangement contains a Lease</i> Int. 115 <i>Operating Leases—Lease Incentives</i> Int. 127 <i>Evaluating the Substance of Transactions Involving the Legal Form of a Lease</i>	AASB 16: <ul style="list-style-type: none"> <li>replaces AASB 117 Leases and some lease-related Interpretations</li> <li>requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases</li> <li>provides new guidance on the application of the definition of lease and on sale and lease back accounting</li> <li>largely retains the existing lessor accounting requirements in AASB 117</li> <li>requires new and different disclosures about leases</li> </ul>	1 January 2019	<p>The entity is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the entity's preliminary assessment, the likely impact on the first time adoption of the Standard for the year ending 31 August 2020 includes:</p> <ul style="list-style-type: none"> <li>there will be a significant increase in lease assets and financial liabilities recognised on the balance sheet</li> <li>the reported equity will reduce as the carrying amount of lease assets will reduce more quickly than the carrying amount of lease liabilities</li> <li>EBIT in the statement of profit or loss and other comprehensive income will be higher as the implicit interest in lease payments for former off balance sheet leases will be presented as part of finance costs rather than being included in operating expenses</li> <li>operating cash outflows will be lower and financing cash flows will be higher in the statement of cash flows as principal repayments on all lease liabilities will now be included in financing activities rather than operating activities. Interest can also be included within financing activities</li> </ul>

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

A number of new and revised standards became effective for the first time to annual periods beginning on or after 1 September 2016. Information on the more significant standard(s) is presented below.

- AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations
- AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation
- AASB 2014-6 Amendments to Australian Accounting Standards – Agriculture: Bearer Plants
- AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements
- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101

Based on preliminary assessment, the adoption of these amendments has not had a material impact on the Group.

**(v) 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.

**(w) Key Estimates and Judgements  
Impairment**

The Group assesses impairment at each reporting date by evaluating conditions and events specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculations and valuations from independent valuers are performed and used in assessing recoverable amounts, these calculations and valuations incorporate a number of key estimates.

Please refer to note 11 and 14 with respect to Management's consideration of impairment of trade and other receivables and goodwill respectively, as at 31 August 2017.

**3 Revenue**

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

# NOTES TO THE FINANCIAL STATEMENTS

## 4 Loss for the year

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

	Consolidated Group	
	2017	2016
	S\$	S\$
<b>Expenses</b>		
Cost of sales	(9,740,279)	(10,620,209)
Net foreign exchange loss	(371,148)	(149,312)
Administrative expenses include rental expense on operating leases as follows:		
- premises	(492,993)	(492,391)
Depreciation	(53,551)	(75,301)
Recovery of doubtful debts (note 11 (a))	150,078	-
Provision for doubtful debts (note 11 (a))	-	(224,087)
Professional fees	(540,202)	(509,471)
Management fees	(83,634)	(166,163)
Credit card charges	(59,033)	(59,730)
Central Provident Fund	(60,381)	(211,554)

## 5 Income Tax Expense/(Benefit)

		Consolidated Group	
		2017	2016
		S\$	S\$
<b>a.</b>	<b>The components of tax expense/(benefit) comprise:</b>		
	Current tax	4,079	-
	Deferred tax	150,000	(150,000)
	Over provision in respect of prior years	(4,700)	-
		<u>149,379</u>	<u>(150,000)</u>
<b>b.</b>	<b>The prima facie tax on (loss)/profit before income tax is reconciled to the income tax as follows:</b>		
	Prima facie tax payable/(refundable) on (loss)/profit before income tax at Australian tax rate of 30% (2016 : 30%)	(864,430)	(663,337)
	Add:		
	Effect of tax rates in foreign jurisdiction	248,069	223,158
	Tax effect of:		
	- derecognition of deferred tax assets	150,000	-
	- write-off of goodwill	79,837	-
	- non-deductible expenses	3,270	67,165
	- non-taxable incomes	(3,620)	(11,322)
	- over-provision for income tax in prior years	(4,700)	-
	- withholding tax deducted at source	4,079	-
	- utilisation of deferred tax assets previously not recognised	(5,224)	9,305
	- deferred tax asset not recognised	575,012	225,031
	- others	(32,914)	-
	Income tax expense/(benefit)	<u>149,379</u>	<u>(150,000)</u>

The value of tax losses and capital allowances not recognised is S\$9,941,000 and S\$214,000 (2016: S\$6,768,000 and S\$426,000).

## 6 Key Management Personnel Compensation

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

		2017	2016
		S\$	S\$
	Short-term benefits	3,232,683	3,329,942
	Post-employment benefit	52,380	49,206
	Total compensation	<u>3,285,063</u>	<u>3,379,148</u>

Detailed remuneration disclosures are provided in the remuneration report.

# NOTES TO THE FINANCIAL STATEMENTS

## 7 Auditor's Remuneration

	Consolidation Group	
	2017	2016
	S\$	S\$
Remuneration of the parent entity auditor, Grant Thornton Audit Pty Ltd:		
- auditing or reviewing the financial report	37,815	26,865
- taxation services	6,157	7,238
Remuneration of other auditors:		
- auditing or reviewing the financial report of subsidiaries	57,548	69,300
- taxation services	9,995	8,900

## 8 Dividends

No interim or final dividend has been paid during the year or recommended by the Directors following the completion of accounts for the financial year ended 31 August 2017 (2016 : Nil).

## 9 Earnings per Share

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

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

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



## 10 Cash and Cash Equivalents

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

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

## 11 Trade and Other Receivables

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

### a Provision for impairment of receivables

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## 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>2017</b>	<b>2016</b>
	<b>S\$</b>	<b>S\$</b>
Current	1,518,501	2,119,473
Due 1 - 30 days	760,021	681,611
Due 31- 60 days	1,014,633	588,580
Due over 60 days	2,425,419	1,021,255
	<u>5,718,574</u>	<u>4,410,919</u>

## 12 Inventories

	<b>Consolidated Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>S\$</b>	<b>S\$</b>
Medical Supplies at cost	<u>165,618</u>	<u>190,728</u>

### 13 Plant and Equipment

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

# NOTES TO THE FINANCIAL STATEMENTS

## Movements in Carrying Amounts

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

	Office equipment	Medical equipment	Computers	Furniture and fittings	Renovations	Total
	S\$	S\$	S\$	S\$	S\$	S\$
<b>Consolidated Group</b>						
Balance at 31 August 2016	2,134	13,767	59,534	1,641	41,560	118,636
Additions	-	-	4,849	-	-	4,849
Disposals	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-
Depreciation expense	(732)	(9,100)	(24,129)	(404)	(19,186)	(53,551)
Carrying amount at 31 August 2017	1,402	4,667	40,254	1,237	22,374	69,934
Balance at 31 August 2015	3,126	42,534	82,577	804	60,746	189,787
Additions	-	-	2,950	1,200	-	4,150
Disposals	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-
Depreciation expense	(992)	(28,767)	(25,993)	(363)	(19,186)	(75,301)
Carrying amount at 31 August 2016	2,134	13,767	59,534	1,641	41,560	118,636

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

## 14 Intangible Assets

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

### Impairment test for goodwill

Goodwill is allocated to cash generating units (CGU's) according to applicable business operations. In the current financial year, the liver segment incurred a loss and as the Management is uncertain about the profitability of AALC in the coming years, the Group wrote-off its goodwill of S\$266,123.

In the prior year, 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% and a growth rate of 5% per annum to determine value-in-use.

## 15 Trade and Other Payables

	Consolidated Group	
	2017	2016
	S\$	S\$
<b>Current</b>		
Trade payables	5,029,622	3,938,457
Patients' deposits	85,063	57,462
Provision for employee benefits	165,826	188,560
Sundry payables and accrued expenses	660,222	345,221
Total current trade and other payables	5,940,733	4,529,700

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

## 16 Taxation

		Consolidated Group	
		2017	2016
		S\$	S\$
<b>Current assets</b>			
Income tax refundable		8,334	8,334
<b>Non-current</b>			
	1 September 2016	Recognised in profit or loss	31 August 2017
<b>Deferred tax assets:</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Tax allowances relating to unabsorbed losses	150,000	(150,000)	-
Net deferred tax asset	150,000	(150,000)	-



# NOTES TO THE FINANCIAL STATEMENTS

## 17 Issued Capital

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

	Consolidated Group	
	2017	2016
	Number of shares	Number of shares
<b>a. Ordinary Shares</b>		
At the beginning of reporting year	297,752,754	239,453,754
Shares issued during year	-	57,000,000
Share options exercised	-	1,299,000
At reporting date	297,752,754	297,752,754

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

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

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

### b. Capital Management

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

There are no externally imposed capital requirements.

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

## 18 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

	Consolidated Group	
	2017	2016
	S\$	S\$
(i) Employee share option reserve		
Beginning of financial year	-	72,179
Employee share option exercised (Note 19)	-	(72,179)
End of financial year	-	-
(ii) Foreign currency translation reserve		
Beginning of financial year	(374,557)	(595,513)
Net currency translation difference of financial statements of foreign subsidiaries	525,350	220,956
End of financial year	150,793	(374,557)
Total as at the end of financial year	150,793	(374,557)

## 19 Share-Based Employee Remuneration

As at 31 August 2017 the Group maintained an equity settled share-based payment schemes for employee remuneration.

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## 20 Controlled Entities

### a. Controlled entities consolidated

Name	Country of incorporation	Principle activities	Percentage owned (%)	
			2017	2016
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.	Singapore	Liver specialist clinic	100	100
Asian American Radiation & Oncology Pte. Ltd. (formerly known as Asian American Radiation Oncology Pte. Ltd.)	Singapore	Radiation oncology services	70	70
Asian American Medical Group Pte. Ltd.	Singapore	Management and consultancy	100	100
Million Health Ventures Pte. Ltd.	Singapore	Investment Holding	100	100
<i>Subsidiary of Million Health Ventures Pte. Ltd.:</i>				
Asian American Oncology Management Sdn. Bhd.	Malaysia	Healthcare management services	100	-
<i>Associate of Asian American Liver Centre Pte. Ltd.:</i>				
PT. Asian Liver Center Indonesia	Indonesia	Dormant	50	50

### b. Acquisition of controlled entities

On 1 November 2016, Million Health Ventures Pte Ltd, a subsidiary of Asian American Medical Group Inc., incorporated a fully-owned subsidiary in Malaysia called Asian American Oncology Management Sdn Bhd, with the intention of providing healthcare management services in the area of oncology.

### c. Disposal of controlled entity

There were no disposals during the financial year.

## 21 Commitments

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

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

### b. Finance leases

There is no outstanding finance lease balance at report date.

### c. Capital Commitments

Capital expenditures contracted for at the reporting date but not recognised in the financial statements are as follows:

- amounting to S\$27,000 (US\$20,000) in respect of investment of 20% shares in a joint venture company in Myanmar. The Myanmar joint venture company is in the process of incorporation subsequent to year end and upon completion of the incorporation, the investment commitment will be payable. However, the liver clinic has commenced operations during the year but is temporarily operating on a different revenue sharing model until the joint venture company is set up.
- amounting to S\$35,000 (US\$25,500) in respect of investment of 51% share in a company in Myanmar called Gold Bell Asia American Healthcare Ventures Co., Ltd.
- amounting to S\$35,000 (US\$25,500) in respect of the Group's share in the investment of 50% share in a joint venture company in Myanmar between Gold Bell Asia American Healthcare Ventures Co., Ltd and Grand Hantha Company Limited.

There is no other capital commitment as at reporting date.

# NOTES TO THE FINANCIAL STATEMENTS

## 22 Cash Flow Information

### Reconciliation of cash flow from operations with loss after income tax

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

## 23 Events After the Report Date

Subsequent to year end, Asian American Liver Centre Pte Ltd disposed of its 50% stake in PT Asian Liver Center Indonesia for S\$1.00 on 12 September 2017.

On 20 October 2017, Million Health Ventures Pte. Ltd. ("MHV") has entered into a conditional agreement to subscribe for 19,408,163 new shares in Hippocrates Development Sdn. Bhd. ("HDSB"), an investment holding company incorporated in Malaysia, representing 95.1% of HDSB's enlarged share capital. MHV's subscription for 19,408,163 Ordinary Shares of HDSB at an issue price of RM1.00 each will be satisfied by payment of RM5,606,963 in cash and the remaining RM13,801,200 by the issuance of 40,000,000 new AAMG shares at AUD0.105 each. The Group will seek shareholders' approval for the acquisition at the upcoming annual general meeting.

## 24 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 20, have been eliminated on consolidation and are not disclosed in this note.

Disclosures relating to KMP are set out in note 6 and in the remuneration report.

There are no related party transaction or balances incurred in the current financial year (2016: Nil).

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## 25 Operating Segments

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

- (i) Provision of medical consultation and services in the hepatology and related fields (liver segment); and
- (ii) Provision of medical consultation and services in the radiation oncology and related fields (radiation oncology segment);
- (iii) Provision of healthcare management and consultancy services (management and consultancy segment); and

This is the basis on which internal reports are provided to the Board of Directors for assessing performance and determining the allocation of resources within the Consolidated Group. Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the group.

The current Consolidated Group operates primarily in three businesses, namely the provision of medical consultation and services in the hepatology, radiation oncology and healthcare management and its related field advisory.

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



# NOTES TO THE FINANCIAL STATEMENTS

## (i) Segment Performance

	Liver	Radiation Oncology	Management & Consultancy	Total
	S\$	S\$	S\$	S\$
<b>31 August 2017</b>				
External sales revenue	13,171,254	1,966,084	29,544	15,166,882
Inter segment sales	3,957	-	-	3,957
Total segment revenue	13,175,211	1,966,084	29,544	15,170,839
				(3,957)
				15,166,882
Segment net (loss)/profit before tax	(851,213)	208,578	(1,529,742)	(2,172,377)
Other expenses				(709,054)
Income tax expense				(149,379)
Total Group net loss after tax				(3,030,810)
	Liver	Radiation Oncology	Management & Consultancy	Total
	S\$	S\$	S\$	S\$
<b>31 August 2016</b>				
External sales revenue	15,640,633	1,060,819	381,393	17,082,845
Inter segment sales	-	6,884	-	6,884
Total segment revenue	15,640,633	1,067,703	381,393	17,089,729
Inter-segment eliminations				(6,884)
Total Group revenue				17,082,845
Segment net (loss)/profit before tax	(1,011,359)	4,051	(709,290)	(1,716,598)
Other expenses				(494,525)
Income tax benefit				150,000
Total Group net loss after tax				(2,061,123)

(ii) Segment assets

	Liver	Radiation Oncology	Management & Consultancy	Others	Total
	S\$	S\$	S\$	S\$	S\$
<b>31 August 2017</b>					
Segment assets	7,119,366	895,093	5,457,186	3,647,853	17,119,498
<i>Reconciliation of segment assets to Group assets:</i>					
Inter-segment eliminations					(1,573,505)
Total Group assets					15,545,993

**Segment asset increases in the year**

Capital expenditure	4,849	-	-	-	4,849
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	Liver	Radiation Oncology	Management & Consultancy	Others	Total
	S\$	S\$	S\$	S\$	S\$

**31 August 2016**

Segment assets	5,986,052	579,796	6,045,209	10,758,360	23,369,417
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*Reconciliation of segment assets to Group assets:*

Inter-segment eliminations					(6,995,120)
Unallocated assets intangible					266,123
Total Group assets					16,640,420

**Segment asset increases in the year**

Capital expenditure	2,950	1,200	-	-	4,150
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# NOTES TO THE FINANCIAL STATEMENTS

## (iii) Segment liabilities

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

### Reconciliation of segment liabilities to Group liabilities:

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

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

### Reconciliation of segment liabilities to Group liabilities:

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

## (iv) Revenue by geographical location

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

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

## (v) Assets by geographical location

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

**(vi) Major Customers**

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

**26 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>2017</b>	<b>2016</b>
	<b>S\$</b>	<b>S\$</b>
<b>Financial assets</b>		
Cash and cash equivalents	9,174,730	11,307,905
Trade and other receivables	6,127,377	4,598,694
Total financial assets	15,302,107	15,906,599
<b>Financial liabilities</b>		
Trade and other payables	(5,940,733)	(4,529,700)
Total financial liabilities	(5,940,733)	(4,529,700)

**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.

# NOTES TO THE FINANCIAL STATEMENTS

**(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 allowance for credit losses.

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.

Apart from the allowance for credit losses as disclosed in note 11, no other 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 2017 financial year.

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.

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## 27 Parent Company Information

	2017	2016
Parent entity	S\$	S\$
<b>Assets</b>		
Current assets	3,649,838	10,758,347
Non-current assets	6,246,612	1,390,826
Total assets	9,896,450	12,149,173
<b>Liabilities</b>		
Current liabilities	(291,190)	(38,453)
Total liabilities	(291,190)	(38,453)
<b>Total net assets</b>	9,605,260	12,110,720
<b>Equity</b>		
Issued capital	26,019,305	26,019,305
Accumulated losses	(16,484,479)	(13,475,546)
Foreign currency revaluation reserve	70,434	(433,039)
<b>Total equity</b>	9,605,260	12,110,720
<b>Financial performance</b>		
Loss for the year	(4,421,664)	(1,741,093)
Other comprehensive income	503,472	214,564
Total comprehensive loss	(3,918,192)	(1,526,529)

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

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



## 28 Company Details

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

The principal place of business is:

**Asian American Medical Group**

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

Singapore centres:

**Asian American Liver Centre Pte Ltd**

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

**Asian American Radiation Oncology Pte Ltd**

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

**Asian American Medical Group Pte Ltd**

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

Malaysia centre:

**iHEAL Medical Centre**

Level 7 & 8, Annexe Block, Menara IGB,  
Mid Valley City, Lingkaran Syed Putra,  
59200 Kuala Lumpur,  
Malaysia

## DIRECTORS' DECLARATION

The directors of Company declare that:

- (a) the financial statements and notes, as set out on pages 37 to 72, are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the financial position as at 31 August 2017 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 2017

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## Independent Auditor's Report To the Members of Asian American Medical Group Limited

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of Asian American Medical Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 August 2017, 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, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a Giving a true and fair view of the Group's financial position as at 31 August 2017 and of its performance for the year ended on that date; and
- b Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<b>Revenue recognition – Note 2(o)</b>  The Group recognises revenue from the sale of medication at the point of delivery. Revenue from rendering medical services is recognised upon completion of the consultation or procedure. Revenue is the largest item in the Statement of Profit or Loss and is a key performance measurement.  This area is a key audit matter due to the significant balance of revenue and appropriate recognition being a significant risk.	Our procedures included, amongst others: <ul style="list-style-type: none"> <li>• Documenting the processes and assessing the internal controls relating to revenue processing and recognition for significant revenue streams;</li> <li>• Testing key controls in the revenue cycle for Asian American Liver Centre Pte Ltd;</li> <li>• Performing analytical procedures by comparing current year balances against audit expectations to understand the movements and trends in revenue;</li> <li>• Agreeing a sample of revenue transactions from the general ledger to source data to confirm appropriate revenue recognition had been applied;</li> <li>• Performing cut off testing to ensure that revenue transactions around year end have been recorded in the correct period;</li> <li>• Confirming a sample of customer balances to subsequent receipts and signed contracts; and</li> <li>• Assessing the adequacy of the Group's revenue disclosures within the financial statements.</li> </ul>

### Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 August 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors' 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* and for 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.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.



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#### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar1.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf). This description forms part of our auditor's report.

#### **Report on the Remuneration Report**

##### **Opinion on the Remuneration Report**

We have audited the Remuneration Report included in the directors' report for the year ended 31 August 2017.

In our opinion, the Remuneration Report of Asian American Medical Group Limited, for the year ended 31 August 2017, complies with section 300A of the *Corporations Act 2001*.

##### **Responsibilities**

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.

*Grant Thornton*

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

A handwritten signature in blue ink, appearing to read 'S K Edwards'.

S K Edwards  
Partner – Audit & Assurance

Adelaide, 3 November 2017

# SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 1 November 2017.

## A. Distribution of holders of equity securities

		Ordinary Shares	Employee Options
1	- 1,000	151	-
1,001	- 5,000	56	-
5,001	- 10,000	48	-
10,001	- 100,000	53	-
100,001 and over		36	-
		<u>344</u>	<u>-</u>

There were 205 holders of less than marketable parcel of ordinary shares.

The percentage of the total holdings of the twenty largest holders of ordinary shares was 98.32 per cent.



## B. Equity security holders

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

Name	Ordinary shares	
	Number held	Percentage
Citicorp Nominees Pty Limited	147,851,150	49.66
Kong Meng Ang	46,062,300	15.47
HSBC Custody Nominees (Australia) Limited	32,209,068	10.82
Russing Med Holdings Pte Ltd	21,000,000	7.05
Zhi Cheng Ang	12,062,300	4.05
Chin Soon Ong	5,000,000	1.68
Tye Wee Thin	5,000,000	1.68
Aspire Strategy Pte Ltd	4,000,000	1.34
BNP Paribas Noms Pty Ltd (DRP)	3,806,406	1.28
Khai Ping Wun	3,000,000	1.01
J P Morgon Nominees Australia Limited	2,550,001	0.86
Dr Kang Hoe Lee	2,500,040	0.84
Unusual Investment & Trading Pte Ltd	2,000,000	0.67
Mr Robert John Wood & Mrs Stella Agnes Wood (Bob & Stella Wood S/F A/C)	1,140,415	0.38
Dr Huat Seong Saw	1,000,000	0.34
Hiroshi Tatara	1,000,000	0.34
Cherinjit Kumar Shori	842,000	0.28
Ravindran Govindan	699,483	0.23
Harry Vui Khiun Lee	561,915	0.19
Meng Yau Yeoh	457,000	0.15

## C. Substantial holders

Substantial holders in the company are set out below:

	Number held	Percentage
Citicorp Nominees Pty Limited	147,851,150	49.66
Kong Meng Ang	46,062,300	15.47
HSBC Custody Nominees (Australia) Limited	32,209,068	10.82
Russing Med Holdings Pte Ltd	21,000,000	7.05

## D. Voting rights

Please refer note 17.

## E. On-market buy back

There are no current on-market buy back.

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