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Unleashing Potential Unlocking Value

Annual Report 2019

DEDICATED TO HEALING POWERED BY INNOVATION



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Asian American Medical Group Limited

ABN NUMBER 42 091 559 125

Annual Report for the year ended 31 August 2019

Unleashing Potential **Unlocking Value**

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CORPORATE DIRECTORY

BOARD OF DIRECTORS

Dato' Dr Kai Chah Tan
(Executive Director and Chairman)

Mr Evgenii Tugolukov
(Non-Executive Director)

Mr Heng Boo Fong
(Independent Non-Executive Director)

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

Mr Stuart L Dean
(Independent Non-Executive Director)

Mr Pang Fey Yu
(Independent Non-Executive Director)

Mr Peter Hurley
(Independent Non-Executive Director)

AUDIT COMMITTEE

Mr Heng Boo Fong (Chairman)
Ms Jeslyn Jacques Wee Kian Leong
Mr Pang Fey Yu

NOMINATION AND REMUNERATION COMMITTEE

Mr Heng Boo Fong (Chairman)
Mr Evgenii Tugolukov
Mr Peter Hurley

COMPANY SECRETARY

Mr Dario Nazzari

REGISTERED OFFICE

25 Peel Street
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AUDITORS

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

BANKERS

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

Westpac Banking Corporation
114 William Street
Melbourne VIC 3000

SHARE REGISTRY

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

STOCK EXCHANGE LISTING

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

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 main clinical 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 United States (“U.S.”) based US\$20-billion integrated global health enterprise and insurer, University of Pittsburgh Medical Centre (“UPMC”). UPMC is consistently ranked in the top 20 of the U.S. News & World Report Honor Roll of America’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, United Kingdom (“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. Following the setting up of our subsidiary Gold Bell Asia American Healthcare Ventures Company Limited (“GBAA”) in Myanmar, AALC began conducting consultancy and surgical procedures at Grand Hantha International Hospital in Yangon from 2017.

AARO offers radiation oncology treatment services, 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 when there is a shortage of modern radiotherapy treatment centres.

In March 2018, AAMG completed the acquisition of Hippocrates Development Sdn Bhd (“HDSB”). HDSB owns a 5-acre block of land in Iskandar Puteri, in the Southern Malaysian state of Johor, which has been earmarked to be developed into Medical hub, which will include an international cancer centre to be built in memory of the Late Johor Prince Almarhum Tunku Abdul Jalil Iskandar ibni Sultan Ibrahim Ismail.

AAMG marked another major milestone in 2019 when it expanded its presence into Hainan Boao LeCheng International Medical Tourism Pilot Zone (“Pilot Zone”), located in Hainan Island, China. In February 2019, AAMG signed an agreement with Boao International Hospital (“BIH”) to set up an international specialists clinic in BIH.



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

Excellence We always strive to excel and take pride in all that we do.

Innovation We practise the most up-to-date clinical techniques, employ the latest technology and keep abreast of advancements in medical treatment.

Integrity Honesty and integrity are fundamental to our organisation. We take pride in our ethical conduct and comply strictly with legal requirements.

Transparency 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.

Compassion 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 AND ONCOLOGY

AARO is a sub-specialised radiation and 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 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.

HEALTHCARE REAL ESTATE

This segment is managed under AAMG's subsidiary Asian American Healthcare Ventures Pte Ltd ("AAHV") (formerly known as Million Health Ventures Pte. Ltd), which owns HDSB in Malaysia. HDSB is undertaking the development of a cancer centre on its 5-acre land in Johor, Malaysia.

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 U.K.** by Dr KC Tan.

1992 **First** auxiliary liver transplant for liver failure **in the U.K.** 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.**

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 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 - 2018

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 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** (subsequently changed to Asian American Radiation & Oncology Pte Ltd ("AARO")), led by Dr Daniel Yat Harn Tan.

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 **Service Agreement between AARO and Japan's Jisenkai Medical Corporation Aizawa Hospital**, following an earlier MOU.

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 **Service 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**.

2018 On 6 March 2018, **Million Health Ventures Pte Ltd ("MHV")**, now known as Asian American Healthcare Ventures Pte Ltd) **completed the acquisition of HDSB** and 40,000,000 new ordinary shares were issued to the His Majesty Sultan Ibrahim Ibni Almarhum Sultan Iskandar, the Sultan of Johor as part satisfaction of amount due to His Majesty as land vendor.

On 1 April 2018, **His Majesty Sultan Ibrahim Ibni Almarhum Sultan Iskandar**, the Sultan of Johor, **officially announced the launch of the Tunku Laksamana Johor Cancer Centre ("TLJCC")**.

2019

2019 AAMG signed a Letter of Intent ("LOI") with **LeCheng Committee** on 22 February 2019 to establish and operate world-class medical and wellness facility within the Pilot Zone in Hainan, China.

On 27 February 2019, AAMG signed a Definitive Agreement ("DA") with **Boao International Hospital ("BIH")** to establish specialist clinical services within BIH.

Successful placement of 10,000,000 new shares to a sophisticated investor

CHAIRMAN'S MESSAGE



Dato' Dr Kai Chah Tan
Executive Chairman

Dear Shareholders,

On behalf of the Board of Directors of Asian American Medical Group ("AAMG"), I am pleased to present the Annual Report for the financial year ended 31 August 2019 ("FY19").

STRATEGIC REVIEW

In the last few years, I had flagged our concerns over rising healthcare costs in Singapore and stiffer competition from other medical hubs in the region. These factors, coupled with a strong Singapore dollar relative to regional currencies, have driven a growing number of medical tourists to seek treatments in more affordable countries such as Thailand and Malaysia. As well, Singapore patients are turning to public healthcare as a lower-cost alternative.

The above-mentioned challenges did not catch us by surprise. We had previously articulated our strategic responses, which are essentially focussed on diversification – both in our areas of specialisation and in our geographic footprint.

I am pleased that our expansion into radiation oncology, through Asian American Radiation & Oncology ("AARO"), the Group subsidiary established in 2015, has affirmed our diversification strategy. Under the able leadership of Dr Daniel Yat Harn Tan, the division has contributed steadily to the bottom line and looks set to continue to grow at a creditable pace despite cost pressures.

We are exploring new areas of specialisation in China, where we have lately been busy setting up a medical clinic at the Boao International Hospital ("BIH") located within the Pilot Zone. In June 2019, we incorporated Asian American Healthcare Services (Qionghai) Pte Ltd to spearhead our expansion into Hainan.

Geographically, I see much of our efforts in the coming months concentrated in China in general and Hainan in particular. The country faces significant healthcare challenges – among them, hospital overcrowding, lack of access to quality healthcare and an aging population. In January and February 2019, we signed two Letters of Intent with BIH and the Pilot Zone Committee respectively. The Pilot Zone allows operators to enjoy special concessions such as the right to hire foreign medical professionals and to gain easy access to FDA-approved drugs and medical equipment. Having a presence on the ground has already helped us build relationships with some strong local conglomerates who are not in the healthcare sector but who are keen to tap our expertise. We hope to build on such relationships to see how we can mutually support one another to achieve our business objectives.

There are ongoing talks with potential partners who are leaders in specialist areas we are not currently in, or where we do not have a global brand recognition. One of them is King's College Hospital, London, with whom we have signed a Letter of Intent ("LOI") to set up a comprehensive liver centre in Hainan to serve patients in southern China and the surrounding countries. We are exploring opportunities in outpatient treatments, surgeries, and training and research. We are excited about this potential partnership with a medical institution renowned for liver regeneration research and treatments. No doubt you will hear more from us as

we make progress in our efforts to collaborate with partners who can help us establish our presence in the new market.

In addition to King's College, other LOIs of significance have been signed with:

- Lahey Clinic's Department of Transplantation and Hepatobiliary Diseases, Boston. Lahey is one of the largest liver transplant centres in the USA and is renowned for its robotic surgical work;
- Dream Medical Group, one of the largest and most successful plastic surgical practices in South Korea; and
- China Merchant Group, founded in 1872 and one of the largest Chinese conglomerates with businesses in ports, shipping, real estate, logistics, offshore engineering and trade, financial services and investments. Under the LOI, AAMG will serve as medical advisor to facilitate the further development of the Boao Pilot Zone.

We hope to complete renovation of the clinics and begin providing a suite of treatments including for liver and lung, before expanding into oncology, orthopedics, metabolic surgery and Korean aesthetic medicine. AAMG will bring in healthcare expertise from Singapore, the US and Europe, as well as recruit and train local nurses and other staff.

2019 marks the 10th anniversary of our listing on the Australian Securities Exchange. A decade on, we continue to hold fast to the belief that the key to ensuring long-term delivery against our strategy is for us to develop a culture which puts our patients' interests front and centre in all that we do. Our patients' trust in our expertise and our commitment to high standards of clinical excellence will always be our most valuable asset.

FINANCIAL PERFORMANCE

Group revenue declined 31.5% to S\$11.9 million in FY19, from S\$17.4 million a year earlier. This was due mainly to the drop in the number of overseas patients who came for liver surgeries and treatments, and an absence of notable project income.

Overall patient transactions were down 20.1% to 5,656, compared with 7,079 the year before. The Group recorded a net loss of S\$2.1 million for FY19 from a net profit of S\$2.1 million in FY18.

Liver Segment

Revenue from the Asian American Liver Centre ("AALC"), which provides liver and hepatobiliary care and treatment, was down 39.7% from S\$12.6 million in FY18 to S\$7.6 million in FY19. This was due to a reduction in clinical and surgical activities as patient transactions fell 30.6%.

Despite this, the liver segment remains the Group's largest revenue contributor, accounting for 63.9% of AAMG's overall revenue.

Patients from the UAE remained the largest revenue generator at 33.7% of liver segment revenue. However, their revenue contribution declined 33.8% compared to FY18, due mainly from the decline in LDLT cases from the UAE. Revenue from Singapore, Malaysia and Indonesia patients, a major part of our patient profile, increased 21.2% from the previous year.

Radiation and Oncology

AARO more than doubled its contribution to Group revenue from 17.3% to 36.1% in FY19. During the period under review, radiation therapy treatments were 47.9% higher and patient transactions up 96.8% compared to the year before. Patients from Singapore, Malaysia and Indonesia remained the top three nationalities by revenue contribution.

The growth in AARO was largely due to the full year contribution of Dr David Tan who joined AARO during the second half of FY18. He presides over a team of three radiation oncologists who work across five locations - Gleneagles Hospital, Mount Alvernia Hospital, Concord International Hospital, Farrer Park Hospital and Mount Elizabeth Novena Hospital.

ISKANDAR

In Iskandar, Malaysia, we await the necessary approvals for various aspects of our plans to establish the Tunku Laksamana Johor Cancer Centre ("TLJCC") as a comprehensive specialist cancer centre. During the period under review, AAMG signed a Memorandum of Understanding on 19 September 2018 with Russian nuclear medicine integrator, Rosatom Healthcare, to develop a nuclear medical centre alongside TLJCC.

BOARD CHANGES

We welcome Independent Non-Executive Directors Mr Pang Fey Yu and Mr Peter Hurley to the Board on 8 January 2019 and 15 March 2019 respectively. Pang Fey is the former President and Chief Executive of the Singapore Turf Club, and has over 40 years of experience in audit, accounting and corporate finance. Peter is a veteran in the real estate investment and management industry, and the founder of Aspire Strategy, a real estate advisory and investment firm.

On behalf of the Board, I would like to express my deepest appreciation to Mr Paul Vui Yung Lee, our Independent Non-Executive Director, who stepped down as of 15 March 2019, for his time and valuable counsel to the Board over the last six years. I wish him all the best in his future endeavours.

APPRECIATION

Finally, my heartfelt gratitude goes to our patients, partners, shareholders, associates and Board of Directors, for their support over the years.

I would also like to thank AAMG's management team and staff who have worked tirelessly over the last year to keep us on an even keel amid the various challenges faced by our profession.



Dato' Dr Kai Chah Tan
Executive Director and Chairman



AAMG'S EXPANSION INTO HAINAN BOAO LECHENG INTERNATIONAL MEDICAL TOURISM PILOT ZONE

Hainan is integral to President Xi Jinping's focus to develop opportunities in service industries as Hainan is one of China's largest Special Economic Zones. In an effort to attract medical tourists to Hainan, the State Council in 2013 approved the creation of a Medical Tourism Pilot Zone over 5,000 acres (20 km²) in LeCheng, Hainan.

Known as Hainan Boao LeCheng International Medical Tourism Pilot Zone ("Pilot Zone"), it is only one of its kind in China. The Pilot Zone offers incentives and special policies to attract foreign healthcare service providers to offer medical treatments and drugs that are not readily available elsewhere within China. There are nine (9) preferential policies that are only available in the Pilot Zone and the main policies are summarised below:

Medical devices	<ul style="list-style-type: none">• Shorten processing time for importing medical devices: 30-40 days faster• Reduced duty rates• Simplified approval process for large-scale medical devices
Importation of medicines	<ul style="list-style-type: none">• Special approval for drugs unregistered in China, but approved by foreign authorities• Reduced duty rates
Foreign investments in medical institutions	<ul style="list-style-type: none">• Gradual easing of foreign ownership restrictions• Long term goal: Special approval for 100% foreign-owned medical institutions
Foreign physicians and workers	<ul style="list-style-type: none">• Longer practicing period for foreigners: Up to 5 years, instead of 1 year• Facilitation of work permits for selected medical professionals/ management
Medical R&D	<ul style="list-style-type: none">• Special approval for stem cells and genomics related research



AAMG signed an LOI with LeCheng Committee on 22 February 2019 to establish and operate a world-class medical and wellness facility within the Pilot Zone.

On 27 February 2019, AAMG signed a Definitive Agreement ("DA") with BIH to establish specialist clinical services. This follows the signing of an LOI with BIH on 19 January 2019 in Singapore. BIH, a subsidiary of Chimin Health Management Co Ltd listed on Shanghai Stock Exchange, is a 500 bed private general hospital which opened in May 2018 and has collaborated with multiple medical institutes to provide world-class healthcare for patients. It encompasses a huge campus, with a built-up area of 65,000 square metres. It has partnered with the American Institute of Minimally Invasive Surgery, a global healthcare provider which brings together reputable American and international surgeons and the best surgical technology available today.

The scope of specialists clinical services includes liver and lung, cancer, orthopaedics, cardiology and medical aesthetics which can commence concurrently. Renovation works began in August 2019 and will be completed in the first quarter of FY20. We expect the specialist clinics to be operational in November 2019. Under the DA, AAMG will collaborate with BIH and rent from BIH clinical space of approximately 3,500 m² for a period of four years and six months commencing from 1 April 2019.



Signing of LOI with LeCheng on 22 February 2019 in Singapore witnessed by The Party Secretary of Hainan



Signing of Definitive Agreement with BIH on 27 February 2019 in LeCheng, Hainan



PROFILE OF BOARD OF DIRECTORS



Dato' Dr Kai Chah Tan

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

Dato' Dr Kai Chah Tan serves as the Executive Director and 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"), Asian American Healthcare Ventures Pte Ltd ("AAHV") (formerly known as Million Health Ventures Pte. Ltd.), Asian American Oncology Management Sdn Bhd ("AAOM"), Hippocrates Development Sdn Bhd ("HDSB") and Asian American Healthcare Services (Qionghai) Pte Ltd ("AAHS(Q)"), 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, U.K. 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 U.K. 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 Evgenii Tugolukov

Non-Executive Director
B Econ

Mr Evgenii 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, healthcare and real estate development. Having established a successful track record in the business field, Mr Tugolukov became an Honorary Business Representative of Enterprise Singapore in Russia.

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.

PROFILE OF BOARD OF DIRECTORS



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 44 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 four companies listed on the SGX-ST.

Ms Jeslyn Jacques Wee Kian Leong

Independent Non-Executive Director

Ms Jeslyn Leong holds a professional body qualification with Association of Chartered Certified Accountants (United Kingdom). She has more than 26 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.

She is currently an Accountant with Orrcon Steel, a wholly-owned subsidiary of BlueScope Steel Limited (listed on ASX), a leading Australian distributor and manufacturer of steel, tubes and pipes. In this role, she obtained extensive experience in manufacturing management. She is currently an Independent Director of Botanical Services Pty Ltd, a property management company in Australia.

Ms Leong joined AAMG as an Independent Non-Executive Director on 1 January 2012 and is a member of the Audit Committee.



PROFILE OF BOARD OF DIRECTORS



Mr Stuart L Dean

Independent Non-Executive Director
BA Econ & PSC, M.B.A.

Mr Stuart Dean is an experienced senior advisor and director whose professional career spans over 35 years within General Electric, Inc's business functions in the United States and Asia; including sales, marketing, product management, capital markets and business development. As the former President and Chief Executive Officer of General Electric International Inc. ("GEII") in Kuala Lumpur, Malaysia, he oversaw all of GEII's operations within the ASEAN region. He retired from GE in April 2015 and joined ASEAN Advisory Pte Ltd (a subsidiary of ZICO Holdings Inc.) as Senior Advisor.

Mr Dean holds various directorships and advisory positions at Air Asia Bhd, ASEAN Advisory Pte Ltd, Duke University Nicholas School of Visitors, Harvard Business School Asia, Junior Achievement Malaysia, Junior Achievement Asia, Malaysian Investment Development Authority and Orbis ASEAN.

Mr Dean was appointed to the Board on 1 May 2018 as an Independent Non-Executive Director.

Mr Pang Fey Yu

Independent Non-Executive Director
B Acc

Mr Pang Fey Yu studied at the University of Singapore (now known as NUS) and graduated with a degree in Accountancy in 1977. He joined Price Waterhouse (now known as PriceWaterhouseCoopers) as a fresh graduate and left as a Senior Audit Manager to join the Singapore Turf Club, the operator of horse racing and legal wagering on horse races in Singapore, as Deputy General Manager in 1988.

Mr Yu led the Singapore Turf Club as the President and Chief Executive from 1991 to 2017. Prior to his retirement, Mr Yu was a member of the Executive Council of the Asia Racing Federation and a member of the Executive Council of the International Federation of Horseracing Authorities. He held several positions in a voluntary capacity and was appointed by the Ministry of Defence as the Chairman of the Make-Up Pay Appeals Advisory Board for four consecutive terms. He was also a member of the Public Transport Council and a member of the Complaints and Disciplinary Panel of the Accounting and Corporate Regulatory Authority.

Mr Yu was a member of the Institute of Certified Public Accountants of Singapore (now known as ISCA) and a member of the Institute's Governing Council from 1990 to 1995.

Mr Yu was appointed to the Board on 8 January 2019 as an Independent Non-Executive Director and is a member of the Audit Committee.

PROFILE OF BOARD OF DIRECTORS



Mr Peter Hurley

Independent Non-Executive Director
B Eng (Hons)

Mr Hurley founded Aspire Strategy, a real estate advisory and investment firm, in 2011. For fourteen years prior to that, he was Managing Director and Owner of Valad Property Group, an ASX-listed real estate investment group whose core business is value-adding real estate.

Mr Hurley joined Valad as co-owner in 1997, and grew the business from Assets Under Management of approx. A\$5 million to approximately A\$20 billion with more than 30 offices in Australia, New Zealand, Japan, Canada and 14 European countries. He was Founder and Chairman of Valad's European operations.

Before joining Valad, Mr Hurley held senior positions at Lend Lease in a 10 year career that included establishing their funds management operations in Paris, London and Singapore. Mr Hurley has an honours degree in engineering from the University of New South Wales.

Mr Hurley was appointed to the Board on 15 March 2019 as an Independent Non-Executive Director and is a member of the Nomination and Remuneration Committee.



PROFILE OF DOCTORS AND KEY MANAGEMENT



Dr Kang Hoe Lee

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

Dr Kang Hoe Lee graduated from University of Cambridge, U.K. 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 U.S. 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, U.K.),
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 and stereotactic body radiation therapy ("SRS/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, Dr Tan 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, U.S., 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.

Dr Tan's 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 researches 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.

Apart from his Clinical Practice, Dr Tan also leads and manages several local and overseas Cancer Centres in the establishment of good clinical and operational standards so as to expand access to quality cancer care. In collaboration with renowned American institutions, these centres have received certifications after passing onsite audits. Dr Tan earned an MBA with specialization in Healthcare Management from NUS Business School as he believes that the good management effects good medicine.

PROFILE OF DOCTORS AND KEY MANAGEMENT



Dr Jonathan Yi Hui Teh

Radiation Oncologist
(Stereotactic Radiosurgery (SRS/SBRT), Paediatric, Urologic, Gastrointestinal Cancers and Sarcoma)
MBBS (SIN), FRCR (Clinical Oncology, U.K.),
FAMS (Radiation Oncology)

Dr Jonathan Yi Hui Teh is a consultant radiation oncologist at AARO, the radiotherapy and oncology division of AAMG. Prior to 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 U.K.") 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 and left in July 2017. He was also a recipient of 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.

Dr David Boon Harn Tan

Radiation Oncologist
(Stereotactic Radiosurgery (SRS/SBRT), Gynaecological, Gastrointestinal & Lung Cancers)
MBBS (SIN), FRCR (Clinical Oncology, U.K.),
FAMS (Radiation Oncology)

Dr David Tan is a Consultant Radiation Oncologist at AARO. His clinical expertise is in the management of gynaecological, gastrointestinal, hepato-biliary and lung cancers, and in the use of Stereotactic Body Radiotherapy ("SBRT") and Brachytherapy. Prior to joining AARO, Dr Tan was a consultant at NCCS, where he served for 10 years and pioneered the liver and pancreas SBRT programmes. He was also previously adjunct assistant professor at the Duke-NUS Graduate Medical School and a clinical lecturer at the Nanyang Polytechnic School of Radiation Therapy.

Dr Tan graduated from the NUS in 2005 with an MBBS and commenced training in Radiation Oncology in 2007. He was awarded a Health and Manpower Development Award by the Singapore Ministry of Health in 2011 to undergo a Fellowship in Clinical Oncology in the U.K. There, he obtained advanced training in general oncology and honed his stereotactic and subspecialty expertise. He was an active member of the Stereotactic Cyberknife team and trained under renowned experts in the fields of gynaecological, GI and lung cancers. He subsequently obtained the FRCR in Clinical Oncology in 2013 and was admitted as a Fellow of the Academy of Medicine, Singapore ("FAMS") in Radiation Oncology in 2014.

Dr Tan currently serves as an executive committee member in the Singapore Radiological Society ("SRS") where he holds the office of honorary treasurer. He is still involved in clinical research and has published widely on his areas of clinical expertise in high impact oncology journals.



PROFILE OF DOCTORS AND KEY MANAGEMENT



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 international operations 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 a Graduate Diploma in Marketing from the Singapore Institute of Management and a Certificate in Healthcare Management from Georgetown University.

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 on global medical tourism.

Mr Meng Yau Yeoh

Group Chief Financial Officer
FCA (S'pore), FCCA (U.K.), 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 24 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 was subsequently appointed as Group Chief Financial Officer in March 2013.

PROFILE OF DOCTORS AND KEY MANAGEMENT



Angela Choong

Chief Commercial Officer
CA (S'pore), FCMA (U.K.)

Ms Angela Choong joined AAMG as Chief Commercial Officer in August 2015 to head the Commercial Division, responsible for 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 a member of the Institute of Singapore Chartered Accountants ("ISCA").



FINANCIAL REVIEW

Year ended 31 August	2019 S\$'000	2018 S\$'000	Changes %
Revenue	11,970	17,477	(31.5)
Other income	97	405	(76.1)
Gain on purchase	-	1,561	n.m
Direct costs and operating expenses	(14,125)	(17,548)	(19.5)
(Loss)/Profit from continuing operations	(2,058)	1,895	n.m
Share of results of associates	(1)	2	n.m
(Loss)/Profit before tax	(2,059)	1,897	n.m
Taxation	(2)	170	n.m
(Loss)/Profit after taxation	(2,061)	2,067	n.m
(Loss)/Profit attributable to:			
Members of the parent entity	(2,052)	1,951	n.m
Non-controlling interest	(9)	116	n.m
	(2,061)	2,067	n.m
Total share capital and reserves	13,550	15,437	(12.2)

	2019 S Cents	2018 S Cents
Basic (loss)/earnings per share	(0.60)	0.62
Net asset value per share	3.90	4.57
Net tangible asset value per share	3.90	4.57

n.m - not meaningful

Private healthcare providers in Singapore continue to face the challenges of rising competition from regional countries and higher local business costs. According to the Mercer Marsh Benefits' 2019 Medical Trends Around the World report, Singapore's medical trend rate, which measures medical cost inflation, was 10% in 2018, 10 times the Singapore economy's estimated 2018 inflation rate of 1%. Coupled with a strong Singapore dollar relative to other regional currencies, patients here and from neighbouring countries, are facing high cost of treatments in Singapore and are turning to more affordable alternatives in countries like Thailand and Malaysia.

Recognising this unfavourable trend in Singapore, AAMG has in recent years started to expand its footprint overseas. We have achieved notable progress in FY19, particularly in China. For the financial year ended 31 August 2019 ("FY19"), Group revenue fell 31.5% to S\$11.9 million from S\$17.4 million the year before. This was due mainly to the decline in the liver segment and an absence of any notable project income from the management and consultancy segment. Overall patient transactions were 20.1% lower from 7,079 in FY18 to 5,656 in FY19. Net loss for the Group for the year under review was S\$2.1 million, reversing a net profit of S\$2.1 million in the previous year.



Unleashing Potential **Unlocking Value**

FINANCIAL REVIEW

LIVER SEGMENT

Patient transactions for the Group's liver treatment and transplantation segment, operating under its wholly-owned subsidiary Asian American Liver Centre ("AALC"), declined 30.6% from 6,494 in FY18 to 4,505 in FY19. Accordingly, AALC's revenue fell 39.7% to S\$7.6 million in FY19. AALC remains the largest revenue contributor to the Group, accounting for 63.9% (2018: 72.7%) of its overall revenue.

The decrease in clinical and surgical activities, including fewer living donor liver transplants ("LDLTs"), led to lower overall segment revenue in FY19. AALC performed two LDLTs in FY19 compared to four in FY18. As a result of lower surgical and LDLT cases, liver dialysis revenue, professional fees and third party fees (typically hospital charges) were down 88.6%, 29.0% and 50.5% respectively.

Direct costs decreased at a higher rate of 42.7%, from S\$8.2 million in FY18 to S\$4.7 million in FY19, as a result of higher gross profit margin and lower expenses. Gross profit margin improved from 34.9% to 39% in FY19 as lower profit margin transactions such as third party fees billed declined by 50.5%. Indirect expenses eased 10.1%, largely driven by a drop in employment expense of S\$0.4 million following a cost reduction exercise in May 2019. Due to factors above, the net loss before tax for the liver segment increased from S\$0.1 million in FY18 to S\$1.2 million in FY19.

RADIATION AND ONCOLOGY SEGMENT

Revenue for Asian American Radiation Oncology ("AARO"), the Group's subsidiary which operates the radiation oncology segment, was up 43.3% from S\$3.0 million to S\$4.3 million in FY19. The number of radiation therapy treatments performed rose by 47.9% and the overall number of patient transactions increased 96.8% to 1,151 in FY19 from 585 in FY18. This was largely attributed to the full year contribution of Dr David Tan who joined AARO during the second half of FY18.

Direct and other operating expenses increased 56.9% to S\$4.4 million in FY19. These comprised S\$2.9 million for direct cost of sales and S\$1.5 million in other indirect expenses, largely employment-related, up 50.1% and 71.7% respectively from FY18. The 84.7% or S\$0.5 million increase in employment-related expenses was mainly attributable to an increase in doctors' salaries and bonuses paid in FY19. As a result, AARO recorded a net loss before tax of S\$27,000 in FY19 compared to a net profit before tax of S\$0.2 million the year before.

AARO's revenue contribution to the Group more than doubled to 36.1% in FY19 from 17.3% in FY18. It remains the Group's second-largest revenue contributor.

MANAGEMENT AND CONSULTANCY SEGMENT

Revenue for the Management and Consultancy segment declined from S\$2.9 million in FY18 to S\$0.7 million in FY19. This was solely attributable to professional services rendered to Hippocrates Development Sdn. Bhd. relating to the construction and development of the Tunku Laksamana Johor Cancer Centre in FY18 after the attainment of certain project milestones.

Asian American Healthcare Services (Qionghai) Pte Ltd ("AAHS (Q)") was incorporated in June 2019 to facilitate the Group's expansion into Hainan, China. During the financial year, staff cost and other costs amounting to S\$0.8 million were allocated to AAHS (Q) to reflect the time and expenses incurred for the entity. Total direct expenses decreased from S\$1.5 million last financial year to S\$0.5 million in FY19, in line with the decrease in revenue.

Other operating expenses increased by S\$0.9 million to S\$1.2 million in FY19, largely due to the reallocation of costs to AAHS (Q). As a result, net loss before tax for this segment was S\$1.0 million, compared with a net profit before tax of S\$1.1 million in FY18.

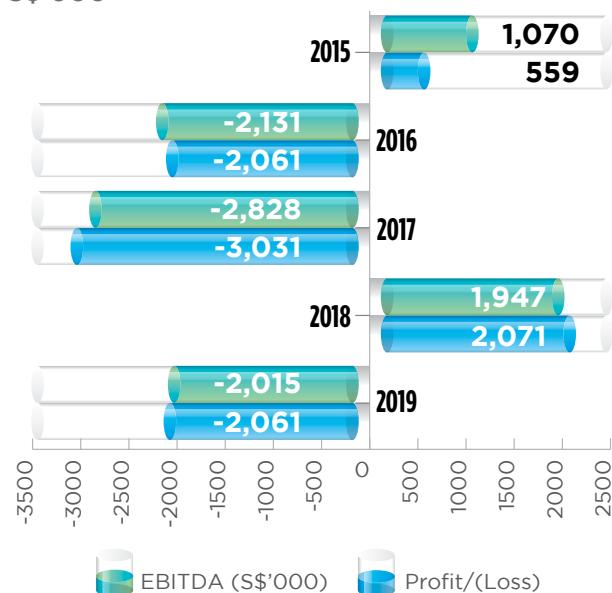


FINANCIAL REVIEW

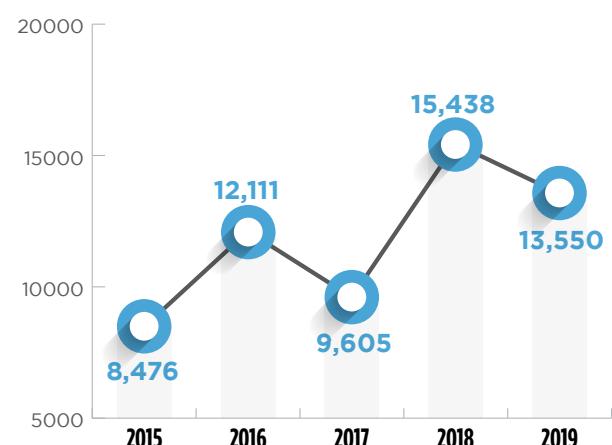
REVENUE
S\$'000



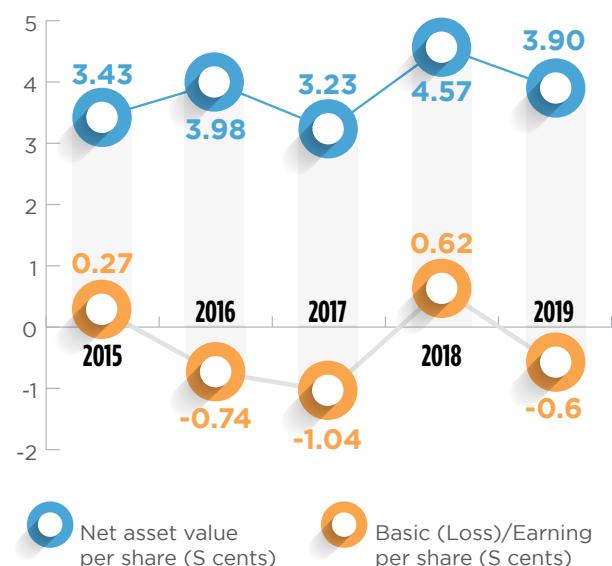
EBITDA AND PROFIT/(LOSS) AFTER TAX
S\$'000



SHARE CAPITAL AND RESERVES
S\$'000



EPS AND NAV
S\$'000



REVIEW OF FINANCIAL POSITION

Net assets for the Group decreased S\$1.9 million to S\$13.5 million in FY19, as the Group recorded a net loss of S\$2.1 million for the year.

Significant changes during the year under review were:

- Decrease in cash and cash equivalents by S\$3.8 million from S\$8.9 million in FY18 to S\$5.1 million, due mainly to the net loss of S\$2.1 million for the financial year and decrease in trade and other payables of S\$1.8 million;

FINANCIAL REVIEW

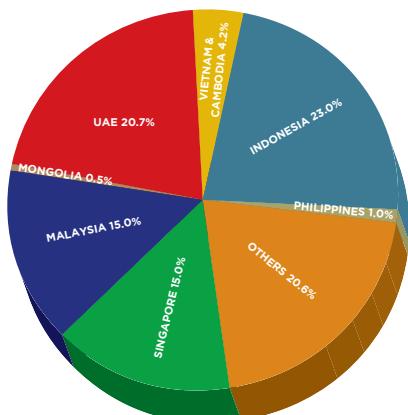
b) Decrease in trade and other payables by 32.1%, or S\$1.8 million, to S\$3.8 million in FY19 largely from lower purchases of materials and consumables in line with lower revenue and payment to trade creditors;

c) Increase in the share capital of S\$1.0 million as a result of net proceeds received from the issue of 10,000,000 new placement shares; and

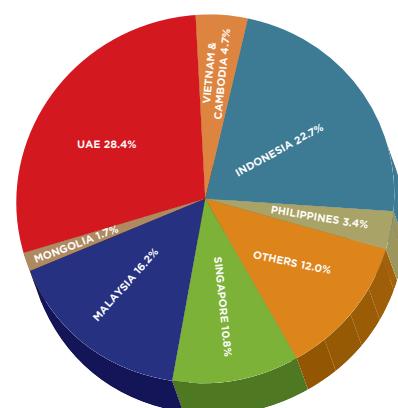
d) Decrease in foreign currency reserves of S\$0.9 million due to a weakening AUD against the SGD.

As a result of the above, net asset value per share decreased by S 0.67 cent to S 3.90 cents in FY19 from S 4.57 cents last financial year.

AALC- TRANSACTION BY PATIENTS NATIONALITY % FY 2019



AALC- TRANSACTION BY PATIENTS NATIONALITY % FY 2018

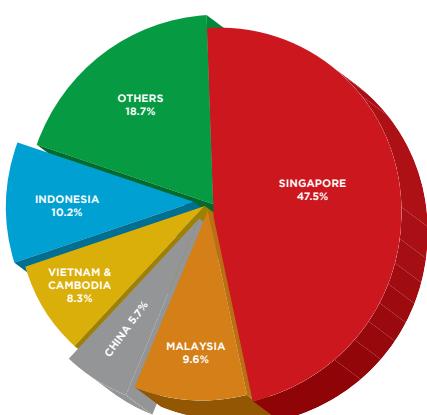


PATIENT NATIONALITY MIX FOR LIVER SEGMENT

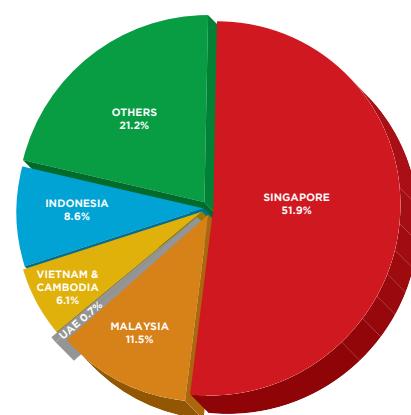
The UAE region still forms a substantial part of the revenue contribution for our liver segment in FY19, a percentage of 20.7% of the entire patient population as compared to 28.4% in FY18. The revenue contribution from these UAE patients amounted to 33.7% of AALC's revenue, a drop from 67.5% in FY18.

Patients from Indonesia, Malaysia and Singapore continues to form a major part of our patient profile, accounting for 23.0%, 15.0% and 15.0% respectively, with a collectively contribution of 53.0%, up slightly from 49.7% in FY18.

AARO - TRANSACTION BY PATIENTS NATIONALITY % FY 2019



AARO - TRANSACTION BY PATIENTS NATIONALITY % FY 2018



PATIENT NATIONALITY MIX FOR RADIATION AND ONCOLOGY SEGMENT

Singaporeans remain as the major revenue contributor for the radiation and oncology segment, follow up by Indonesians and Malaysians, accounting for 47.5%, 10.2% and 9.6% of the total patient population in FY19 respectively. This total of 67.3% is a reduction to a collectively proportion of 72.0% in FY18 as AARO expands its patient pool. The patient revenue from these countries form 67.8% of AARO's total revenue in FY19.



CORPORATE GOVERNANCE STATEMENT

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

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

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

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

THE ROLE OF THE BOARD & MANAGEMENT

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

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

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

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

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

CORPORATE GOVERNANCE STATEMENT

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 Stuart L Dean	Non-Executive Director	Yes
Mr Pang Fey Yu	Non-Executive Director	Yes
Mr Peter Hurley	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 five 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 and AAMG does comply with that recommendation.

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 of women employees in the whole organisation	75	61
Number of women in senior executive positions	29	29
Number of women on the Board	33	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.

CORPORATE GOVERNANCE STATEMENT

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)
- Ms Jeslyn Jacques Wee Kian Leong
- Mr Pang Fey Yu

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.

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.

CORPORATE GOVERNANCE STATEMENT

NOMINATION AND REMUNERATION

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 Evgenii Tugolukov
- Mr Peter Hurley

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 2019.

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 Director and Chairman)
Mr Evgenii Tugolukov (Non-Executive Director)
Mr Heng Boo Fong (Independent Non-Executive Director)
Ms Jeslyn Jacques Wee Kian Leong (Independent Non-Executive Director)
Mr Stuart L Dean (Independent Non-Executive Director)
Mr Pang Fey Yu (Independent Non-Executive Director) (appointed on 8 January 2019)
Mr Peter Hurley (Independent Non-Executive Director) (appointed on 15 March 2019)
Mr Paul Vui Yung Lee (Independent Non-Executive Director) (resigned on 15 March 2019)

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

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

Mr Paul Vui Yung Lee B Bus (MIS) (resigned 15 March 2019)

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.

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 and oncology, healthcare project management and consultancy services and healthcare real estate.

There has been no change in the principal activity of the Group during the financial year other than the expansion into healthcare real estate segment.

COMPANY SECRETARY

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

Mr Dario Nazzari

Mr 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 Chartered Accountants Australia and New Zealand.

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 20 to 23, which forms part of this Annual Report.

DIRECTORS' MEETINGS

The following table sets out the number of director's meetings (including meetings of Committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, six (6) Board meetings, two (2) Audit Committee meetings and two (2) Nomination and Remuneration Committee meetings were held.



DIRECTORS' REPORT

	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	6	6	-	-	-	-
Mr Evgenii Tugolukov	6	5	-	-	2	2
Mr Heng Boo Fong	6	6	2	2	2	2
Mr Paul Vui Yung Lee [^]	5	4	1	-	2	1
Ms Jeslyn Jacques Wee Kian Leong	6	5	2	1	-	-
Mr Stuart L Dean	6	5	-	-	-	-
Mr Pang Fey Yu*	3	3	1	1	-	-
Mr Peter Hurley#	1	1	-	-	-	-

[^] Mr Paul Vui Yung Lee resigned on 15 March 2019

* Mr Pang Fey Yu was appointed on 8 January 2019

Mr Peter Hurley was appointed on 15 March 2019

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 Evgenii Tugolukov	^ 21,000,000
Mr Heng Boo Fong	-
Ms Jeslyn Jacques Wee Kian Leong	-
Mr Stuart L Dean	-
Mr Pang Fey Yu	-
Mr Peter Hurley	* 4,000,000

[^] Indirect interest through RusSing Med Holdings Pte Ltd.

* Indirect interest through Aspire Strategy 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 2019 (2018 : 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 BALANCE DATE

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



DIRECTORS' REPORT

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, China 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;
- 4) Explore investment opportunities in the region in the healthcare sector;
- 5) Commence the development of the cancer centre in Iskandar Puteri in Johor, Malaysia; and
- 6) Commence operations of the specialist centre in Hainan, China.

OPTIONS

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

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

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 China, 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 2019 are listed below.

Directors:

Dato' Dr Kai Chah Tan – Executive Director and Chairman
Mr Evgenii Tugolukov – Non-Executive Director
Mr Heng Boo Fong – Independent Non-Executive Director
Ms Jeslyn Jacques Wee Kian Leong – Independent Non-Executive Director
Mr Stuart L Dean – Independent Non-Executive Director
Mr Pang Fey Yu – Independent Non-Executive Director (appointed on 8 January 2019)
Mr Peter Hurley – Independent Non-Executive Director (appointed on 15 March 2019)
Mr Paul Vui Yung Lee – Independent Non-Executive Director (resigned on 15 March 2019)

Other key management personnel:

Mr Cherinjit Kumar Shori – Group Chief Operating Officer
Mr Meng Yau Yeo – Group Chief Financial Officer
Ms Angela Chiew Foong Choong – 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.

DIRECTORS' REPORT

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

- a. principles used to determine the nature and amount of remuneration;
- b. details of remuneration;
- c. service agreements;
- d. share-based remuneration; and
- d. 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 (2018: 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.



DIRECTORS' REPORT

The Key Performance Indicators ("KPI's") for the Executive Team are summarised as follows:

Performance area:

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

The STI Program incorporates both cash and share-based components for the Executive Team and other employees.

The Board may, at its discretion, award bonuses for exceptional performance in relation to each person's pre-agreed KPIs.

VOTING AND COMMENTS MADE AT THE COMPANY'S LAST ANNUAL GENERAL MEETING

AAMG received more than 99.9% of 'yes' votes on its Remuneration Report for the financial year ended 31 August 2018. 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	2019	2018	2017	2016	2015
EPS (S cents)*	(0.60)	0.62	(1.04)	(0.74)	0.49
Dividends (S cents per share)	-	-	-	-	-
Net (loss)/profit (S\$000)	(2,061)	2,067	(3,031)	(2,061)	559
Share price (A\$)	0.08	0.11	0.11	0.12	0.08

**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	Central Provident Fund/Superannuation	Total	Performance based percentage of remuneration
	Cash salary and fees	Cash bonus	Non-monetary benefits				
31 August 2019	S\$	S\$	S\$	S\$	S\$	S\$	%
<i>Executive Director</i>							
Dato' Dr Kai Chah Tan	1,768,000	-	-	5,580	1,773,580	-	-
<i>Non-Executive Directors</i>							
Mr Evgenii Tugolukov	15,126	-	-	-	15,126	-	-
Mr Heng Boo Fong	21,593	-	-	-	21,593	-	-
Mr Paul Vui Yung Lee ⁽¹⁾	15,126	-	-	-	15,126	-	-
Ms Jeslyn Jacques Wee Kian Leong	13,689	-	-	1,437	15,126	-	-
Mr Stuart L Dean	5,056	-	-	-	5,056	-	-
Mr Pang Fey Yu ⁽²⁾	-	-	-	-	-	-	-
Mr Peter Hurley ⁽³⁾	-	-	-	-	-	-	-
<i>Other Key Management Personnel</i>							
Mr Cherinjit Kumar Shori	218,030	14,276	-	15,550	247,856	6%	
Mr Meng Yau Yeoh	151,040	11,947	-	14,416	177,403	7%	
Ms Angela Chiew Foong Choong	164,160	14,400	-	7,776	186,336	8%	
	2,371,820	40,623	-	44,759	2,457,202	-	

⁽¹⁾ Mr Paul Vui Yung Lee resigned on 15 March 2019

⁽²⁾ Mr Pang Fey Yu was appointed on 8 January 2019

⁽³⁾ Mr Peter Hurley was appointed on 15 March 2019



DIRECTORS' REPORT

	Short term employee benefit			Post-employment benefit		Performance based percentage of remuneration
	Cash salary and fees	Cash bonus	Non-monetary benefits	Central Provident Fund/Superannuation	Total	
31 August 2018	S\$	S\$	S\$	S\$	S\$	%
Executive Director						
Dato' Dr Kai Chah Tan	2,162,500	-	-	6,480	2,168,980	-
Non-Executive Directors						
Mr Evgenii Tugolukov	15,835	-	-	-	15,835	-
Mr Kong Meng Ang ⁽¹⁾	15,835	-	-	-	15,835	-
Mr Heng Boo Fong	23,029	-	-	-	23,029	-
Mr Paul Vui Yung Lee	15,835	-	-	-	15,835	-
Ms Jeslyn Jacques Wee Kian Leong	14,330	-	-	1,505	15,835	-
Mr Stuart L Dean ⁽²⁾	-	-	-	-	-	-
Other Key Management Personnel						
Mr Cherinjit Kumar Shori	242,256	18,746	-	15,810	276,812	7%
Mr Meng Yau Yeoh	166,400	11,733	-	14,960	193,093	6%
Ms Angela Chiew Foong Choong	179,200	16,000	-	7,920	203,120	8%
	2,835,220	46,479	-	46,675	2,928,374	-

⁽¹⁾ Mr Kong Meng Ang resigned 5 February 2018
⁽²⁾ Mr Stuart L Dean was appointed on 1 May 2018

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	102,000	No fixed term	3 months
Mr Cherinjit Kumar Shori	15,574	No fixed term	3 months
Mr Meng Yau Yeoh	12,160	No fixed term	3 months
Ms Angela Chiew Foong Choong	12,240	No fixed term	3 months

[^] Effective 1 May 2019



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.

No options were granted, exercised, lapsed/cancelled or vested during by any director or KMP of the Group during the financial year (2018: Nil).

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 2019	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	115,798,180	-	-	-	115,798,180
Mr Evgenii Tugolukov [^]	21,000,000	-	-	-	21,000,000
Mr Heng Boo Fong	-	-	-	-	-
Mr Paul Vui Yung Lee ⁽¹⁾	-	-	-	-	-
Ms Jeslyn Jacques Wee Kian Leong	-	-	-	-	-
Mr Stuart L Dean	-	-	-	-	-
Mr Pang Fey Yu ⁽²⁾	-	-	-	-	-
Mr Peter Hurley [#] ⁽³⁾	-	-	-	4,000,000	4,000,000
Mr Cherinjit Kumar Shori	842,000	-	-	-	842,000
Mr Meng Yau Yeoh	457,000	-	-	-	457,000
Ms Angela Chiew Foong Choong	-	-	-	-	-
	138,097,180	-	-	4,000,000	142,097,180

[^] Indirect interest through Russing Med Holdings Pte Ltd.

[#] Indirect interest through Aspire Strategy Pte Ltd.

⁽¹⁾ Mr Paul Vui Yung Lee resigned on 15 March 2019

⁽²⁾ Mr Pang Fey Yu was appointed on 8 January 2019

⁽³⁾ Mr Peter Hurley was appointed on 15 March 2019



DIRECTORS' REPORT

31 August 2018	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	115,798,180	-	-	-	115,798,180
Mr Evgenii Tugolukov [^]	21,000,000	-	-	-	21,000,000
Mr Kong Meng Ang ⁽¹⁾	46,062,300	-	-	(46,062,300)	-
Mr Heng Boo Fong	-	-	-	-	-
Mr Paul Vui Yung Lee	-	-	-	-	-
Ms Jeslyn Jacques Wee Kian Leong	-	-	-	-	-
Mr Stuart L Dean	-	-	-	-	-
Mr Cherinjit Kumar Shori	842,000	-	-	-	842,000
Mr Meng Yau Yeoh	457,000	-	-	-	457,000
Ms Angela Chiew Foong Choong	-	-	-	-	-
	184,159,480	-	-	(46,062,300)	138,097,180

[^] Indirect interest through Russing Med Holdings Pte Ltd.

⁽¹⁾ Mr Kong Meng Ang resigned as a Non-Executive Director on 5 February 2018

OTHER KMP TRANSACTIONS

There are no other related party transactions in the current financial year.

End of audited remuneration 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 policy has expired during the year and AAMG is currently sourcing for competitive quotes to renew the insurance policy.

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.

DIRECTORS' REPORT

NON-AUDIT SERVICES

During the year, BDO, 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, BDO, 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 2019 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 Director and Chairman

1 November 2019



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

As lead auditor of Asian American Medical Group Limited for the year ended 31 August 2019, I declare that, to the best of my knowledge and belief, there have been:

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

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

Paul Gosnold
Director

Paul Gosnold
Director

BDO Audit (SA) Pty Ltd

Adelaide, 1 November 2019

BDO Audit (SA) Pty Ltd ABN 33 161 379 086 is a member of a national association of separate entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (SA) Pty Ltd and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

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**Asian American
Medical Group Limited**

ABN NUMBER 42 091 559 125

Annual Report for the year ended
31 August 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 August 2019

	Note	Consolidated Group	
		2019	2018
		S\$	S\$
Revenue			
Other operating income	3	11,970,248	17,477,029
Changes in inventories		(41,958)	25,207
Raw materials and consumables used		(7,118,436)	(10,388,161)
Employee benefits expense		(5,761,052)	(5,476,572)
Depreciation	14	(44,350)	(46,062)
Directors' fees		(70,944)	(79,176)
Gain on purchase	8	–	1,560,772
Operating lease expense	4	(652,473)	(562,090)
Other expenses		(436,695)	(1,021,315)
Share of results of associates	19	(255)	2,417
(Loss) / Profit before income tax		(2,059,088)	1,896,952
Income tax (expense) / benefit	5	(1,544)	169,886
(Loss) / Profit after income tax	4	(2,060,632)	2,066,838
Other comprehensive income			
<i>Items that may be reclassified to Profit or Loss:</i>			
Net effect of foreign currency translation		(876,975)	(963,095)
Total comprehensive (loss) / profit for the year		(2,937,607)	1,103,743
(Loss) / Profit attributable to:			
Members of the parent entity		(2,051,309)	1,950,766
Non-controlling interest		(9,323)	116,072
		(2,060,632)	2,066,838
Total comprehensive (loss) / profit attributable to:			
Members of the parent entity		(2,928,284)	987,671
Non-controlling interest		(9,323)	116,072
		(2,937,607)	1,103,743
(Losses) / Earnings per share			
Basic(loss) / earnings per share (S cents)	10	(0.60)	0.62
Diluted (loss) / earnings per share (S cents)	10	(0.60)	0.62

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 August 2019

	Note	Consolidated Group	
		2019	2018
		S\$	S\$
ASSETS			
Current assets			
Cash and cash equivalents	11	5,086,849	8,928,738
Trade and other receivables	12	2,524,300	2,820,867
Inventories	13	157,276	192,689
Total current assets		7,768,425	11,942,294
Non-current assets			
Property, plant and equipment	14	9,404,880	8,973,374
Investment in joint venture	19	69,178	69,248
Deferred tax benefit	16	171,375	171,375
Total non-current assets		9,645,433	9,213,997
Total assets		17,413,858	21,156,291
LIABILITIES			
Current liabilities			
Trade and other payables	15	3,788,017	5,642,378
Total current liabilities		3,788,017	5,642,378
Non-current liabilities			
Deferred tax liability	16	75,922	75,922
Total non-current liabilities		75,922	75,922
Total liabilities		3,863,939	5,718,300
Net assets		13,549,919	15,437,991
EQUITY			
Equity attributable to members of the parent entity:			
Issued capital	17	18,223,133	17,228,598
Reserves	18	(1,689,277)	(812,302)
Accumulated losses		(3,723,141)	(1,701,739)
		12,810,715	14,714,557
Non-controlling interest		739,204	723,434
Total equity		13,549,919	15,437,991

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 August 2019

	Issued capital	Accumulated losses	Foreign currency translation reserve	Non- controlling interest	Total
	S\$	S\$	S\$	S\$	S\$
Balance at 1.9.2017	12,932,538	(3,652,505)	150,793	174,434	9,605,260
Total comprehensive income:					
Profit for the year	-	1,950,766	-	116,072	2,066,838
Other comprehensive loss	-	-	(963,095)	-	(963,095)
	-	1,950,766	(963,095)	116,072	1,103,743
Transactions with owners in their capacity as owners:					
Issue of share capital (net of transaction costs)	4,296,060	-	-	-	4,296,060
Non-controlling interest arising from acquisition of a subsidiary	-	-	-	33,628	33,628
Acquisition of subsidiary	-	-	-	399,300	399,300
Balance at 31.8.2018	17,228,598	(1,701,739)	(812,302)	723,434	15,437,991
Balance at 1.9.2018	17,228,598	(1,701,739)	(812,302)	723,434	15,437,991
Total comprehensive income:					
Loss for the year	-	(2,051,309)	-	(9,323)	(2,060,632)
Other comprehensive loss	-	-	(876,975)	-	(876,975)
	-	(2,051,309)	(876,975)	(9.323)	(2,937,607)
Transactions with owners in their capacity as owners:					
Issue of share capital (net of transaction costs)	994,535	-	-	-	994,535
Change in ownership interests in a subsidiary without loss of control (Refer note 20)	-	29,907	-	25,093	55,000
Balance at 31.8.2019	18,223,133	(3,723,141)	(1,689,277)	739,204	13,549,919

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 August 2019

	Note	Consolidated Group	
		2019 S\$	2018 S\$
Cash flows from operating activities			
Receipts from customers		12,347,895	20,457,930
Payments to suppliers and employees		(16,627,131)	(19,824,879)
Income tax (paid)/refunded		(1,544)	6,845
Net cash (used in) / generated from continuing operations	24	(4,280,780)	639,896
Cash flows from investing activities			
Interest income		50,134	63,713
Purchase of property, plant and equipment		(540,941)	(712,899)
Investment in joint venture- GBAA		-	(34,766)
Acquisition of subsidiary, net of cash		-	38,591
Net cash used in investing		(490,807)	(645,361)
Cash flows from financing activities			
Capital contribution from non-contributing interest		-	33,628
Interest expense		(169)	-
Issuance of shares		1,049,535	-
Net cash generated from financing activities		1,049,366	33,628
Net change in cash and cash equivalents held		(3,722,221)	28,163
Cash and cash equivalents at beginning of financial year		8,928,738	9,174,730
Effect of exchange rate change on cash held in foreign currencies		(119,668)	(274,155)
Cash and cash equivalents at end of financial year	11	5,086,849	8,928,738

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

1. PRINCIPAL 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 2019 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 and oncology, healthcare project management and consultancy services and healthcare real estate.

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.
- The consolidated final report is presented in Singapore Dollars (SGD or \$) as a significant portion of the group’s activity is denominated in Singapore Dollars.
- These consolidated financial statements have been approved for issue by the Board of Directors on 1 November 2019.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (“AASB”) that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 9 Financial Instruments

The consolidated entity has adopted AASB 9 from 1 September 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income (“OCI”). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity’s own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an ‘expected credit loss’ (“ECL”) model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

Impact of adoption

The Group have adopted AASB 9 for the year ended 31 August 2019 using the transitional rules and as such comparatives have not been restated.

The adoption of AASB 9 did not have any significant impact on the financial performance or position of the Group and therefore there was no impact on opening retained earnings. The only change is in relation to the measurement category with cash and cash equivalents and trade and other receivables being classified as 'loan and receivables' under AASB 139 and now being classified as 'financial assets at amortised cost'.

AASB 15 Revenue from Contracts with Customers

The consolidated entity has adopted AASB 15 from 1 September 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Impact of adoption

The Group have adopted AASB 15 for the year ended 31 August 2019 using the transitional rules and as such comparatives have not been restated.

The adoption of AASB 15 did not have any significant impact on the financial performance or position of the Group and therefore there was no impact on opening retained earnings.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2019. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below:

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. The adoption of this standard as at 1 September 2019, using the modified retrospective approach, will result in the recognition of a right-of-use asset of approximately S\$1,153,687 and a corresponding lease liability of the same amount, in respect of the Group's operating leases.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

(b) Principles of consolidation

The Group financial statements consolidate those of the Parent company and all of its subsidiaries as of 31 August 2019. 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, except for Gold Bell Asia American Healthcare Ventures Company and Asian American Healthcare Services (Qionghai) Pte Ltd that have a reporting date of 31 March and 31 December, respectively.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intragroup asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

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

(c) Business combinations

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

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

The acquisition may result in the recognition of goodwill 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

(d) Income tax

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates that have been enacted, or substantially enacted, as at reporting date.

Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

(e) Inventories

Inventories are initially measured at cost and subsequently measured at the lower of cost and net realisable value, assigned on a first-in-first-out basis.

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

(f) Property, plant and equipment

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

Property, plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of property, 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, other than freehold land and buildings under construction, 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.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

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

Class of fixed asset	Depreciation Rate
Office equipment	5 years
Medical equipment	5 years
Computers	5 years
Furniture and fittings	5 years
Renovations	5 years
Leasehold Improvements	4 years
Building	30 years

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

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

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

(g)

Leases

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

(h)

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(i)

Impairment of assets

At each reporting date, the Group reviews the carrying values of its tangible 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

(j) Investments in joint ventures

A joint venture is an arrangement that the Group controls jointly with one or more other investors, and over which the Group has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities. A joint arrangement in which the Group has direct rights to underlying assets and obligations for underlying liabilities is classified as a joint operation.

Investments in joint ventures are accounted for using the equity method. Interests in joint operations are accounted for by recognising the Group's assets (including its share of any assets held jointly), its liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).

Any goodwill or fair value adjustment attributable to the Group's share in the joint venture is not recognised separately and is included in the amount recognised as investment.

The carrying amount of the investment in joint ventures is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group.

Unrealised gains and losses on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

(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.

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.

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

Group companies

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

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

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



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

(l) Employee benefits

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

Central Provident Fund ("CPF") contributions/Superannuation contributions: The Group makes contributions to the Central Provident Fund scheme in Singapore and Superannuation scheme in Australia, 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) Patients' deposits

Patients' deposits represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever earlier) before the Group has transferred the goods or services to the customers. Patients' deposits are included in Trade and other payables.

(p) Revenue and other income

The Group recognises as revenue the amount of transaction price when the Group satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The transaction price is calculated as the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customers.

(a) Provision of services

Revenue from provision of services are assessed to be a series of treatments which are distinct in each and every treatment. Revenue that relates to medical consultation, surgery and transplantation is recognised at a point in time. Revenue that relates to radiation procedure is recognised over time as the services are rendered, based on the amount of the expected contract costs allocated to each PO. Significant payment terms: Invoices are issued upon completion of services and are payable within 30 days.

(b) Sales of medication

Revenue from sale of medication is recognised upon delivery of the medication to the patient.

Significant payment terms: Invoices are issued upon completion of services and are payable within 30 days.

(c) Management fee

Management fees revenue is recognised by reference to the stage of completion of the contract.

Significant payment terms: Invoices are issued on a monthly basis and are payable within 30 days.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

(d) Interest received

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

(e) Other income

Other income is recognised when it is received or when the right to receive payment is established. All revenue is stated net of goods and services tax ("GST").

(q) Trade and other payables

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

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

(r) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office ("ATO") or Inland Revenue Authority of Singapore ("IRAS"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated in the statement of financial position inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO or IRAS is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cashflows arising from investing and financing activities which are recoverable from, or payable to, the ATO or IRAS are classified as operating cash flows.

(s) Share-based employee remuneration

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

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

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

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

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

(t) Transaction costs on the issue of equity instruments

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



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

(u) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Estimates and Judgements

Impairment

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

Please refer to Note 12 with respect to Management's consideration of impairment of receivables as at 31 August 2019.

Business combinations

Management uses valuation techniques in determining the fair values of the various elements of a business combination (see Note 2(c)). Particularly, the fair value of contingent consideration is dependent on the outcome of many variables that affect future profitability (see Note 8).

Recognition of tax losses

Management has applied judgement to recognise the unused tax losses carried forward and differences in tax depreciation of plant and equipment to the extent that it is probable that future taxable profits will be available against which they can be utilised.

(v) Earnings per share

Basic earnings per share is calculated by dividing income by the weighted-average number of shares outstanding during the year. Diluted earnings per share is calculated by dividing income by the weighted-average number of shares outstanding during the year, assuming that all potentially dilutive securities were exercised, if dilutive.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

3 REVENUE

	Consolidated Group	
	2019	2018
	S\$	S\$
Operating activities		
Provision of services	10,993,998	13,662,937
Sale of medication	747,210	1,733,107
Management fee	229,040	2,080,985
Total revenue from operating activities	11,970,248	17,477,029
Other operating income		
Interest received	50,134	63,713
Other income	46,693	341,190
Total other operating income	96,827	404,903

a. Disaggregation of revenue

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

Consolidated - 31 August 2019	Liver	Radiation and Oncology	Management and Consultancy	Total
	S\$	S\$	S\$	S\$
<i>Sectors</i>				
Healthcare	7,620,582	4,326,845	22,821	11,970,248
<i>Geographical regions</i>				
Singapore	7,600,274	4,184,987	22,820	11,808,081
Asia (ex-Singapore)	20,309	-	-	20,309
Others	-	141,858	-	141,858
	7,620,583	4,326,845	22,820	11,970,248

Timing of revenue recognition

Goods and services recognised at a point in time	7,624,075	4,117,133	-	11,741,208
Services rendered over time	-	209,491	19,549	229,040
	7,624,075	4,326,624	19,549	11,970,248

Consolidated - 31 August 2018	Liver	Radiation and Oncology	Management and Consultancy	Total
	S\$	S\$	S\$	S\$
<i>Sectors</i>				
Healthcare	12,697,626	3,020,487	1,758,916	17,477,029
<i>Geographical regions</i>				
Singapore	12,613,902	2,903,358	15,600	15,532,860
Asia (ex-Singapore)	83,724	-	1,743,316	1,827,040
Others	-	117,129	-	117,129
	12,697,626	3,020,487	1,758,916	17,477,029
<i>Timing of revenue recognition</i>				
Goods and services recognised at a point in time	12,706,357	2,836,642	-	15,542,999
Services rendered over time	-	183,845	1,750,185	1,934,030
	12,706,357	3,020,487	1,750,185	17,477,029



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

4 (LOSS) / PROFIT FOR THE YEAR

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

	Consolidated Group	
	2019	2018
	S\$	S\$
Expenses		
Cost of sales	(7,160,394)	(10,362,954)
Net foreign exchange gain	692,045	665,711
Administrative expenses include rental expense on operating leases as follows:		
- premises	(652,473)	(562,090)
Depreciation	(44,350)	(46,062)
Professional fees	(424,756)	(1,116,508)
Credit card charges	(68,750)	(69,447)
Central Provident Fund/Superannuation	(290,117)	(263,837)

5 INCOME TAX EXPENSE/(BENEFIT)

	Consolidated Group	
	2019	2018
	S\$	S\$
a The components of tax expense/(benefit) comprise:		
Current tax	2,789	1,486
Deferred tax	82	(171,375)
(Under)/Over provision in respect of prior years	(1,327)	3
	1,544	(169,886)

b. The prima facie tax on (loss)/profit before income tax is reconciled to the income tax as follows:

Prima facie tax payable/(refundable) on (loss)/profit before income tax at Australian tax rate of 27.5% (2018 : 30%)	(566,249)	569,085
Add:		
Effect of tax rates in foreign jurisdiction	130,328	(153,278)
Tax effect of:		
- gain on purchase	-	(468,232)
- deduction under Internationalisation Scheme grant	-	(25,500)
- non-deductible expenses	(64,418)	143,103
- non-taxable incomes	(7,584)	(30,890)
- (under)/over provision for income tax in prior years	(1,327)	3
- withholding tax deducted at source	2,789	1,486
- utilisation of deferred tax assets previously not recognised	(9,887)	(200,747)
- deferred tax asset not recognised	517,810	166,459
- deferred tax asset recognised	82	(171,375)
Income tax expense/(benefit)	1,544	(169,886)

The value of tax losses not recognised is S\$10,257,786 (2018: S\$7,774,000). No capital allowances were unrecognised in the current financial year (2018: NIL).



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

6 KEY MANAGEMENT PERSONNEL COMPENSATION

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

	2019	2018
	S\$	S\$
Short-term benefits	2,412,443	2,881,699
Post-employment benefit	44,759	46,675
Total compensation	2,457,202	2,928,374

Detailed remuneration disclosures are provided in the remuneration report.

7 AUDITOR'S REMUNERATION

	Consolidation Group	
	2019	2018
	S\$	S\$
Audit fees:		
- Paid to auditors of the Company	25,594	25,495
- Paid to other auditors	81,166	57,960
Non Audit fees:		
- Paid to auditors of the Company	4,280	44,328
- Paid to other auditors	44,271	10,547

8 BARGAIN PURCHASE

On 6 March 2018, AAHV, a wholly-owned subsidiary of AAMG, completed its acquisition of 95.1% of HDSB which resulted in the recognition of gain on purchase, recognised in the profit or loss statement of FY18.

Prior to the acquisition, HDSB was wholly-owned by Dato' Dr Kai Chah Tan, the Executive Chairman and single largest shareholder of AAMG. HDSB owns a five acres parcel of land in Iskandar Puteri, in the Southern Malaysian state of Johor and intends to develop this land into an integrated cancer centre. AAMG will provide overall strategic services to assist with project development of the land.

Details of the transactions are as follows:

	2018
	S\$
Non-current assets	
Property, plant and equipment	8,360,687
Current assets	
Cash and cash equivalent	1,931,446
Total Liabilities:	
Trade and other payables	(2,143,146)
Fair value of assets and liabilities at acquisition date	8,148,987
Fair value of assets acquired and liabilities assumed by non-controlling interest	(399,300)
Fair value of assets acquired and liabilities assumed	7,749,687
Shares consideration issued	(4,296,060)
Cash consideration paid	(1,892,855)
Gain on purchase	1,560,772



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

The acquisition of HDSB was settled partially in shares and cash, amounting to S\$4,296,060 and S\$1,892,855 respectively. 40,000,000 shares were issued at an issued price of A\$0.105. Acquisition related costs amounting to S\$52,000 are not included as part of consideration transferred and have been recognised as an expense in the consolidated statement of profit or loss and other comprehensive income, as part of 'other expenses'.

Fair value of the net assets as at acquisition date, comprising of five acres land, a construction in progress building and other payables, exceeds the total purchase consideration, resulting in a gain on bargain purchase.

Conditions precedent to the subscription agreement for the acquisition dated 20 October 2017 was met on 2 March 2018 and shares allotment to AAHV was completed on 6 March 2018. Upon the successful allotment of shares, AAMG controls 95.1% of HDSB.

HDSB contributed a net loss of S\$105,000 to the consolidated profit for the financial year from 1 September 2017 to 31 August 2018. If HDSB has been acquired on 1 September 2017, intercompany management fees of S\$391,000 would be eliminated and pre-acquisition net losses of S\$14,000 would be accounted in the consolidated profit.

9 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 2019 (2018: Nil).

10 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	
	2019	2018
	S\$	\$\$
(Loss)/Profit after income tax attributable to the owners of Asian American Medical Group Limited	(2,051,309)	1,950,766
Weighted average number of ordinary shares during the year used in calculating basic/diluted EPS	340,519,877	317,369,192
Basic (loss)/earnings per share (S cents)	(0.60)	0.62
Diluted (loss)/earnings per share (S cents)	(0.60)	0.62

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

11 CASH AND CASH EQUIVALENTS

	Consolidation Group	
	2019	2018
	S\$	S\$
Cash and bank balances	3,693,420	5,542,147
Fixed deposits	1,393,429	3,386,591
Cash and cash equivalents per consolidated statement of cash flows	5,086,849	8,928,738

The effective interest rate on short-term bank deposits was 0.74% - 2.62% (2018: 0.74% - 2.00%) per annum. The bank deposits will mature in October 2019.

12 TRADE AND OTHER RECEIVABLES

	Consolidation Group	
	2019	2018
	S\$	S\$
Current		
Trade receivables	1,964,869	2,500,684
Less: Allowance for expected credit losses	-	-
	1,964,869	2,500,684
Other receivables	155,293	131,366
Deposits	404,138	188,817
Total current trade and other receivables	2,524,300	2,820,867

a Allowance for expected credit losses

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

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



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

b Credit risk

Management has assessed that the loss allowance provision as at 31 August 2019 is negligible as the Group has no significant default in trade receivables based on historical experience. Information relating to the expected credit loss provision matrix of the Group is disclosed in Note 26 to the financial statements.

There is no impairment loss recognised on trade receivables for the financial year ended 31 August 2019 and 2018.

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

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2019	2018	2019	2018	2019	2018
Consolidated	%	%	S\$	S\$	S\$	S\$
Not overdue	0%	0%	807,015	476,242	-	-
Due 1 – 30 days	0%	0%	181,364	482,705	-	-
Due 31 – 60 days	0%	0%	55,741	38,569	-	-
Due over 60 days	0%	0%	920,749	1,503,168	-	-
			1,964,869	2,500,684	-	-

13 INVENTORIES

	Consolidated Group	
	2019	2018
	S\$	S\$
Medical Supplies	157,276	192,689

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

14 PROPERTY, PLANT AND EQUIPMENT

	Consolidated Group	
	2019	2018
	S\$	S\$
Office equipment		
At cost	8,434	7,735
Accumulated depreciation	(6,573)	(6,067)
Total office equipment	<u>1,861</u>	<u>1,668</u>
Medical equipment		
At cost	340,129	340,129
Accumulated depreciation	(339,349)	(339,109)
Total medical equipment	<u>780</u>	<u>1,020</u>
Computers		
At Cost	161,595	163,656
Accumulated depreciation	(148,856)	(143,281)
Total computers	<u>12,739</u>	<u>20,375</u>
Furniture and fittings		
At cost	256,167	256,167
Accumulated depreciation	(251,582)	(246,812)
Total furniture and fittings	<u>4,585</u>	<u>9,355</u>
Leasehold Improvements		
At Cost	79,677	79,677
Accumulated depreciation	(30,982)	(3,320)
Total leasehold improvements	<u>48,695</u>	<u>76,357</u>
Land		
At Cost	6,857,287	6,902,384
Accumulated depreciation	-	-
Total land	<u>6,857,287</u>	<u>6,902,384</u>
Building (construction in progress)		
At Cost	2,478,933	1,962,215
Accumulated depreciation	-	-
Total building (construction in progress)	<u>2,478,933</u>	<u>1,962,215</u>
 Total property, plant and equipment	 <u>9,404,880</u>	 <u>8,973,374</u>



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

	Office equipment	Medical equipment	Computers	Furniture and fittings	Leasehold Improvement	Land	Building	Total
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Balance at 31 August 2018	1,668	1,020	20,375	9,355	76,357	6,902,384	1,962,215	8,973,374
Additions	699	-	3,174	-	-	-	-	3,873
Construction in Progress	-	-	-	-	-	-	537,068	537,068
Write-back	-	-	-	362	-	-	-	362
Exchange Difference	-	-	-	-	-	(45,097)	(20,350)	(65,447)
Depreciation expense	(506)	(240)	(10,810)	(5,132)	(27,662)	-	-	(44,350)
Carrying amount at 31 August 2019	1,861	780	12,739	4,585	48,695	6,857,287	2,478,933	9,404,880

	Office equipment	Medical equipment	Computers	Furniture and fittings	Leasehold Improvement	Land	Building	Total
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Balance at 31 August 2017	1,402	4,667	40,254	23,611	-	-	-	69,934
Additions	-	1,200	4,431	-	79,677	6,988,113	2,000,164	9,073,585
Disposals	-	-	-	-	-	-	-	-
Write-back/(Write-off)	815	-	(1,220)	-	-	-	-	(405)
Exchange Difference	-	-	-	-	-	(85,729)	(37,949)	(123,678)
Depreciation expense	(549)	(4,847)	(23,090)	(14,256)	(3,320)	-	-	(46,062)
Carrying amount at 31 August 2018	1,668	1,020	20,375	9,355	76,357	6,902,384	1,962,215	8,973,374

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

15 TRADE AND OTHER PAYABLES

	Consolidated Group	
	2019	2018
	S\$	S\$
Current		
Trade payables	2,899,237	3,615,215
Patients' deposits	131,933	305,194
Provision for employee benefits	136,109	190,516
Sundry payables and accrued expenses	620,739	1,531,453
Total current trade and other payables	3,788,018	5,642,378

The provision for employee benefits relates to the provision for cash bonus to employees for the period from January to August 2019 (2018: January to August 2018) and are payable by December 2019 (2018: December 2018).

a. Contract liabilities

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

	2019	2018
	S\$	S\$
Patients' deposits at the beginning of the period recognised as revenue	280,404	58,038

16 TAXATION

	Consolidated Group		
	2019	2018	
	S\$	S\$	
Current assets			
Income tax refundable	-	-	
Non-current			
	1 September 2018	Recognised in profit or loss	31 August 2019
	S\$	S\$	S\$
Deferred tax assets and liabilities:			
Tax liability arising from land revaluation in relation to business acquisition	75,922	-	75,922
Deferred tax asset in relation to unused tax losses	(171,375)	-	(171,375)
Net deferred tax asset	(95,453)	-	(95,453)



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

17 ISSUED CAPITAL

	Consolidated Group	
	2019	2018
	S\$	S\$
Opening share balance	17,228,598	12,932,538
Shares issued during the year	994,535	4,296,060
Total capital	18,223,133	17,228,598

a. Ordinary Shares

	Consolidated Group	
	2019	2018
	Number of shares	Number of shares
At the beginning of reporting year	337,752,754	297,752,754
Shares issued during year	10,000,000	40,000,000
At reporting date	347,752,754	337,752,754

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 financial year, 10,000,000 new ordinary shares were issued at A\$0.105 per share to a sophisticated investor.

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 of the Group since the prior year. Currently the Group has no gearing (2018: Nil).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

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

Options were issued and exercised during the year for Dr Jonathan Teh Yi Hui ("Dr Teh") (Note 20).

(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	
	2019	2018
	S\$	S\$
(i) Foreign currency translation reserve		
Beginning of financial year	(812,302)	150,793
Net currency translation difference of financial statements of foreign subsidiaries	(876,975)	(963,095)
End of financial year	(1,689,277)	(812,302)
Total as at the end of financial year	(1,689,277)	(812,302)



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

19 INVESTMENT IN JOINT VENTURE

GBAA is in a joint collaboration with its strategic partner All-Star American Medical Specialists (Myanmar) Limited ("AAMS") in Myanmar. GBAA has a 50% shareholding under this joint venture, which entitles AAMGPL to 25.5% of AAMS's profit.

	Consolidated Group	
	2019	2018
	S\$	S\$
Investment in Joint Venture	69,178	69,248
(Loss) / Profit from joint venture (discontinuing operations)	-	-
(Loss) / Profit from joint venture (continuing operations)	(255)	2,417
Other comprehensive income	-	-
Total comprehensive (loss) / income	(255)	2,417
Total net assets of AAMS	138,356	138,496
Proportion of ownership interest held by the Group	50%	50%
Carrying amount of the investment in AAMS	69,178	69,248

The financial year end for GBAA is on 31st March.

20 NON-CONTROLLING INTEREST CONTRIBUTION

On 20 December 2018, Dr Teh, a Consultant Radiation Oncologist employed under AARO, exercised his option under his employment contract to purchase 10,000 ordinary shares in AARO at S\$5.50 per share, amounting to a consideration of S\$55,000. Following the exercise, Dr Teh holds approximately 2.0% of all issued shares in AARO. As a result of the exercise, AAMG's shareholding in AARO was reduced from 70% to 69%.

21 SHARED-BASED EMPLOYEE REMUNERATION

As at 31 August 2019, the Group maintained an equity settled share-based payment scheme for employee remuneration.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

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CONTROLLED ENTITIES

Controlled entities consolidated

Name	Country of incorporation	Percentage owned (%)	
		2019	2018
Asian American Medical Group Limited	Australia		
<i>Subsidiary of Asian American Medical Group Limited:</i>			
Asian American Medical Group Inc.	British Virgin Islands	100	100
<i>Subsidiaries of Asian American Medical Group Inc.</i>			
Asian American Liver Centre Pte Ltd	Singapore	100	100
Asian American Radiation & Oncology Pte Ltd	Singapore	69	70
Asian American Medical Group Pte Ltd	Singapore	100	100
Asian American Healthcare Ventures Pte Ltd (formerly known as Million Health Ventures Pte Ltd)	Singapore	100	100
<i>Subsidiary of Asian American Healthcare Ventures Pte Ltd:</i>			
Asian American Oncology Management Sdn Bhd	Malaysia	100	100
Hippocrates Development Sdn Bhd	Malaysia	95	95
<i>Subsidiary of Asian American Medical Group Pte Ltd:</i>			
Gold Bell Asia American Healthcare Ventures Company Limited ⁽²⁾	Myanmar	51	51
Asian American Healthcare Services (Qionghai) Pte Ltd ⁽¹⁾	China	100	-

⁽¹⁾ Incorporated on 28 June 2019

b.

Incorporation of controlled entities

(A) AAHS (Q) was incorporated in China on 28 June 2019 and is a 100% subsidiary of Asian American Medical Group Pte Ltd.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

23 COMMITMENTS AND CONTINGENCIES

	Consolidated Group	
	2019	2018
	S\$	S\$
a. Operating leases		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable – minimum lease payments		
No longer than 1 year	611,350	-
Longer than 1 year but not longer than 5 years	476,187	-
	<u>1,087,537</u>	<u>-</u>

b. Finance leases

There is no outstanding finance lease balance as at reporting date.

c. Capital commitments

The capital commitment of S\$439,790 as at reporting date for renovation cost under AAHS (Q) (2018: Nil).

d. Contingent liabilities

Under the Sale and Purchase Agreement (“SPA”) of the land owned under HDSB, HDSB will pledge up to 20% of the Net Profits earned by TLJCC to be paid to the land vendor or the vendor's named beneficiary for a period of 10 years.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

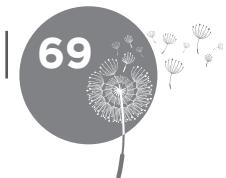
24 CASH FLOW INFORMATION

Reconciliation of cash flow from operations with loss after income tax

	Consolidated Group	
	2019	2018
	\$\$	\$\$
(Loss) / Profit after income tax	(2,060,632)	2,066,838
Adjustment for:		
(Write back) / Write off of property, plant and equipment	(362)	407
Depreciation	44,350	46,062
Gain on purchase on acquisition of HDSB	-	(1,560,772)
Share of results of joint venture	255	-
Foreign exchange gain - net	(692,045)	(665,711)
Finance income	(49,967)	(63,713)
<i>Changes in assets and liabilities:</i>		
Decrease in trade and other receivables	296,567	2,639,711
Decrease/(increase) in inventories	35,415	(27,071)
Decrease in trade and other payables	(1,854,361)	(1,632,814)
Decrease in deferred and current tax liabilities	-	(163,041)
Net cash (used in) / generated from operating activities	<u>(4,280,780)</u>	<u>639,896</u>

25 EVENTS AFTER THE BALANCE DATE

No 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.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

26 RELATED PARTY

The Group's related parties include its associates and joint venture, Key Management Personnel ("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 22, 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.

Balances and transactions between the Company and its joint venture, AAMS, incurred in the current financial year are as follows:

	2019	2018
	\$\$	\$\$
<i>Balances</i>		
Amount due from related joint venture	46,561	31,432
Amount due to related joint venture	69,418	68,332
<i>Transactions</i>		
Management fee from related associate	4,689	6,014

In 2018, AAHV acquired 95.1% of HDSB as the major shareholder. Prior to the acquisition, HDSB was fully held by Dato' Dr Kai Chah Tan, as the sole director, who is also the Executive Chairman of AAMG. The total consideration for the acquisition was S\$6,188,915. (Refer to Note 8)

Prior to the acquisition of HDSB on 6 March 2018, management revenue of S\$1,743,316 was billed from AAMGPL to HDSB for the services provided under the Service Agreement dated 26 September 2017. These services relates to costs and expenses incurred in providing professional services to HDSB on the Johor Project.

Other than the above, there have been no other related party transactions in the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

27 OPERATING SEGMENTS

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

- (i) Provision of medical consultation and services in the hepatology and related fields (liver segment);
- (ii) Provision of medical consultation and services in the radiation and oncology and related fields (radiation and oncology segment);
- (iii) Provision of healthcare management and consultancy services (management and consultancy segment);
- (iv) Development of real estate projects (healthcare real estate segment), established through acquisition of HDSB in 2018 (see Note 8); and
- (v) Provision of corporate management services (corporate segment).

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 four businesses, namely the provision of medical consultation and services in the hepatology, radiation and oncology, healthcare management and its related field advisory and healthcare real estate. The corporate segment relates to administrative expenses at Group level.

Details of the performance of each of these operating segments for the financial years ended 31 August 2019 and 31 August 2018 are set out in the following pages:



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

(i) Segment Performance

	Liver	Radiation and Oncology	Management and Consultancy	Healthcare Real Estate	Corporate	Total
	S\$	S\$	S\$	S\$	S\$	S\$
31 August 2019						
External sales revenue	7,620,582	4,326,845	22,821	-	-	11,970,248
Inter-segment sales	28,222	-	692,747	-	-	720,969
Total segment revenue	7,648,804	4,326,845	715,568	-	-	12,691,217
Inter-segment eliminations						(720,969)
Total Group revenue						11,970,248
Other income	42,106	4,587	-	-	-	46,693
Finance Income	-	1,050	19,109	-	29,975	50,134
Finance expense	-	167	-	-	-	167
Depreciation and amortisation	41,827	1,932	591	-	-	44,350
Entity's interest in the profit or loss of joint ventures accounted for by equity method	-	-	(255)	-	-	(255)
Segment net (loss)/profit before tax	(1,208,135)	(27,296)	(1,023,794)	(66,203)	266,340	(2,059,088)
Income tax expense						(1,544)
Total Group net loss after tax						(2,060,632)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

	Liver	Radiation and Oncology	Management and Consultancy	Healthcare Real Estate	Corporate	Total
	S\$	S\$	S\$	S\$	S\$	S\$
31 August 2018						
External sales revenue	12,697,626	3,020,487	1,758,916	-	-	17,477,029
Inter-segment sales	8,731	-	1,124,766	-	-	1,133,497
Total segment revenue	12,706,357	3,020,487	2,883,682	-	-	18,610,526
Inter-segment eliminations						(1,133,497)
Total Group revenue						<u>17,477,029</u>
Other income	96,893	4,820	239,440	-	37	341,190
Finance Income	-	97	28,752	-	34,864	63,713
Depreciation and amortisation	33,859	11,859	344	-	-	46,062
Entity's interest in the profit or loss of joint ventures accounted for by equity method			2,413			2,413
Segment net (loss)/profit before tax	(116,948)	246,100	1,082,918	(119,725)	804,607	1,896,952
Income tax benefit						<u>169,886</u>
Total Group net profit after tax						<u>2,066,838</u>



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

(ii) Segment assets

	Liver	Radiation and Oncology	Management and Consultancy	Healthcare Real Estate	Corporate	Total
	S\$	S\$	S\$	S\$	S\$	S\$
31 August 2019						
Non-current segment assets	64,544	173,588	5,201,847	8,393,381	19,194,036	33,027,396
Current segment assets	3,416,305	1,624,558	2,613,851	723,761	6,267,470	14,645,945
Total segment assets	<u>3,480,849</u>	<u>1,798,146</u>	<u>7,815,698</u>	<u>9,117,142</u>	<u>25,461,506</u>	<u>47,673,341</u>

Reconciliation of segment assets to Group assets:

Inter-segment eliminations	(30,259,483)
Total Group assets	<u>17,413,858</u>

	Liver	Radiation and Oncology	Management and Consultancy	Healthcare Real Estate	Corporate	Total
	S\$	S\$	S\$	S\$	S\$	S\$
31 August 2018						
Non-current segment assets	104,332	175,158	4,666,741	7,813,407	18,805,581	31,565,219
Current segment assets	5,999,005	1,374,915	3,228,525	1,232,039	6,822,143	18,656,627
Total segment assets	<u>6,103,337</u>	<u>1,550,073</u>	<u>7,895,266</u>	<u>9,045,446</u>	<u>25,627,724</u>	<u>50,221,846</u>

Reconciliation of segment assets to Group assets:

Inter-segment eliminations	(29,065,555)
Total Group assets	<u>21,156,291</u>

Segment asset increases in the year

Capital expenditure through business combination	-	-	-	8,360,687	-	8,360,687
Capital expenditure	84,108	1,200	-	627,590	-	712,898
Total	<u>84,108</u>	<u>1,200</u>	<u>-</u>	<u>8,988,277</u>	<u>-</u>	<u>9,073,585</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

(iii) Segment liabilities

	Liver	Radiation and Oncology	Management & Consultancy	Healthcare Real Estate	Corporate	Total
	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$
31 August 2019						
Segment liabilities	(3,527,476)	(700,699)	(9,172,393)	(2,741,311)	(7,112,493)	(23,254,372)

Reconciliation of segment liabilities to Group liabilities:

Inter-segment eliminations		19,390,432
Total Group liabilities		<u>(3,863,940)</u>

	Liver	Radiation and Oncology	Management and Consultancy	Healthcare Real Estate	Corporate	Total
	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$
31 August 2018						
Segment liabilities	(4,939,040)	(480,331)	(8,589,309)	(2,549,110)	(7,766,567)	(24,324,357)

Reconciliation of segment liabilities to Group liabilities:

Inter-segment eliminations		18,606,057
Total Group liabilities		<u>(5,718,300)</u>

(iv) Revenue by geographical location

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

	Consolidated Group	
	2019	2018
	\$\$	\$\$
Singapore	11,808,081	15,532,860
Asia (ex-Singapore)	20,309	1,827,040
Others	141,858	117,129
Total revenue	11,970,248	17,477,029



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

(vi) Assets by geographical location

	Consolidated Group	
	2019	2018
	S\$	S\$
<i>Non-current assets by geographical location:</i>		
Singapore	240,035	280,150
Malaysia	9,336,221	8,864,599
Myanmar	69,178	69,248
Total non-current assets	9,645,434	9,213,997
<i>Current assets by geographical location:</i>		
Australia	1,608,385	2,229,675
Singapore	4,856,887	8,394,183
Malaysia	731,339	1,241,439
Myanmar	124,084	76,997
China	447,729	-
Total current assets	7,768,424	11,942,294

(vi) Major Customers

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

28 FINANCIAL RISK MANAGEMENT POLICIES

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

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to the financial statements, are as follows.

	Consolidated Group	
	2019	2018
	S\$	S\$
Financial assets at amortised cost		
Cash and cash equivalents	5,086,849	8,928,738
Trade and other receivables	2,120,162	2,632,050
Total financial assets at amortised cost	7,207,011	11,560,788

Financial liabilities at amortised cost

Trade and other payables	(3,788,018)	(5,642,378)
Total financial liabilities at amortised cost	(3,788,018)	(5,642,378)

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 10% strengthening of the Australian Dollar ("AUD") against the functional currency of the Group would increase/(decrease) profit or loss by the amount shown below. Similarly, a 10% weakening would have equal but opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant.

	2019	2018
	S\$	S\$
AUD	112,053	138,659



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

(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.

The Group consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. Financial assets are deemed to default when counterparty fails to make contractual payments, within 60 days when they fall due, which are derived based on the Group's historical information.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised on the statement of financial position.

The Group provides for 12-month expected credit losses, for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on geographical region and revenue segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information such as forecast of economic conditions where the healthcare consumer price index will increase over the next year, leading to an increased number of defaults. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed. Management has assessed that the loss allowance provision as at 31 August 2019 is negligible as the Group has no significant default in trade receivables based on historical experience.

There is no significant change made to the estimation techniques.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

(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 2019 financial year. All cash and cash equivalents are held with the two bankers being DBS Bank Ltd and Westpac Banking Corporation who are both AA rated.

The following are the contractual maturities of financial assets and liabilities based on the remaining period from the balance sheet date to the contractual maturity date.

	Less than 1 month	Between 1 – 3 months	Between 3 – 6 months	Between 6 – 12 months
	S\$	S\$	S\$	S\$
Trade and other receivables	993,520	60,146	195,698	870,798
Trade and other payables	(1,775,086)	(107,462)	(349,647)	(1,555,822)

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.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

29 PARENT COMPANY INFORMATION

	2019	2018
	S\$	S\$
Parent entity		
Assets		
Current assets	6,192,804	6,737,334
Non-current assets	7,393,699	9,159,693
Total assets	13,586,503	15,897,027
Liabilities		
Current liabilities	(36,585)	(459,037)
Total liabilities	(36,585)	(459,037)
Total net assets	13,549,918	15,437,990
Equity		
Issued capital	31,309,900	30,315,365
Accumulated losses	(16,054,985)	(14,034,181)
Foreign currency revaluation reserve	(1,704,997)	(843,194)
Total equity	13,549,918	15,437,990
Financial performance		
Loss for the year	(2,986,919)	(1,347,914)
Other comprehensive loss	(861,803)	(913,628)
Total comprehensive loss	(3,848,722)	(2,261,542)

Included in the loss for the year is S\$3,120,564 write-down (2018: S\$966,114) of investment in subsidiaries, which 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

30 COMPANY DETAILS

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

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

Singapore centres:
Asian American Liver Centre 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

Myanmar centre:
Grand Hantha International Hospital
No.3, Corner of Nar,
Nat Taw Road & Lower Kyee Myindaing Kanner Road,
Kamaryut Township Yangon, Myanmar



DIRECTORS' DECLARATION

The directors of Company declare that:

- (a) the financial statements and notes, as set out on pages 42 to 81, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position as at 31 August 2019 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
Executive Director and Chairman

1 November 2019

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 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, 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:

- (i) Giving a true and fair view of the Group's financial position as at 31 August 2019 and of its financial performance for the year ended on that date; and
- (ii) 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 *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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

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.

BDO Audit (SA) Pty Ltd ABN 33 161 379 086 is a member of a national association of separate entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (SA) Pty Ltd and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.



Revenue recognition

Key audit matter	How the matter was addressed in our audit
<p>Revenue is a key driver to the Group by which the performance of the Group is measured. For the year ended 31 August 2019, the Group recognised \$11,970,248 in revenue. Revenue is predominantly generated from specialised medical services which are driven by patient volumes, medical sales and management fee.</p> <p>The Group's disclosures of the accounting policies for revenue recognition are included in Note 2(r') and Note 3.</p> <p>This area is a key audit matter due to the volume of transactions and the total balance of revenue. It has also involved a high level of interaction with management and directors and required substantial audit effort. This is the first year that the Group has had to apply the new Accounting Standard AASB 15 <i>Revenue from Contracts with Customers</i></p>	<p>Our audit procedures to address the matter included, amongst other:</p> <ul style="list-style-type: none"> ▶ Understanding and documenting the processes and controls used by the Group in recording revenue ▶ Assessing management's position paper regarding its revenue recognition policy, evaluating the effects of the new Accounting Standard and ensuring appropriate application ▶ Performing analytical procedures to understand movements and trends in revenue for comparisons against expectations ▶ Checking a sample of revenue transactions to evaluate whether they were appropriately recorded as revenue ensuring amounts recorded agreed to supporting evidence ▶ Performing cut-off testing to ensure that revenue transactions around year end have been recorded in the correct reporting period ▶ Reviewing in detail changes in presentation and associated not disclosures in the financial statements to ensure they are in accordance with the applicable Accounting Standards

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 31 August 2019, but does not include the financial report and the 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 ability of the group 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 has no realistic alternative but to do so.

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 (<http://www.auasb.gov.au/Home.aspx>) at:
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 pages 32 to 38 of the directors' report for the year ended 31 August 2019.

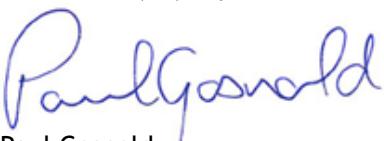
In our opinion, the Remuneration Report of Asian American Medical Group Limited, for the year ended 31 August 2019, complies with section 300A of the *Corporations Act 2001*.

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.



BDO Audit (SA) Pty Ltd



Paul Gosnold
Director

Adelaide, 1 November 2019



SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 30 October 2019.

A. Distribution of holders of equity securities

			Ordinary Shares	Employee Options
1	-	1,000	149	-
1,001	-	5,000	53	-
5,001	-	10,000	42	-
10,001	-	100,000	44	-
100,001 and over			33	-
			321	-

There were 217 holders of less than marketable parcel of ordinary shares.

The percentage of the total holdings of the twenty largest holders of ordinary shares was 98.85 per cent.

SHAREHOLDER INFORMATION

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	147,547,847	42.43
Kong Meng Ang	46,062,300	13.25
Sultan Ibrahim Ibni Almarhum Sultan Iskandar Al-Haj	40,000,000	11.50
HSBC Custody Nominees (Australia) Limited	33,762,568	9.71
Russing Med Holdings Pte Ltd	21,000,000	6.04
J P Morgan Nominees Australia Limited	12,694,001	3.65
Zhi Cheng Ang	12,062,300	3.47
Chin Soon Ong	7,000,000	2.01
Tye Wee Thin	5,000,000	1.44
BNP Paribas Noms Pty Ltd (DRP)	4,832,430	1.39
Aspire Strategy Pte Ltd	4,000,000	1.15
Khai Ping Wun	3,000,000	0.86
Dr Kang Hoe Lee	2,500,040	0.72
Dr Huat Seong Saw	1,000,000	0.29
Hiroshi Tatara	1,000,000	0.29
Ravindran Govindan	699,483	0.20
Harry Vui Khiun Lee	561,915	0.16
Meng Yau Yeoh	457,000	0.13
Arabesque Unit Trust Pty Ltd	317,400	0.09
Zanred Pty Ltd (Harnwell Superfund A/C)	281,434	0.08



SHAREHOLDER INFORMATION

C. Substantial holders

Substantial holders in the company are set out below:

	Number held	Percentage
Citicorp Nominees Pty Limited	147,547,847	42.43
Kong Meng Ang	46,062,300	13.25
Sultan Ibrahim Ibni Almarhum Sultan Iskandar Al-Haj	40,000,000	11.50
HSBC Custody Nominees (Australia) Limited	33,762,568	9.71
Russing Med Holdings Pte Ltd	21,000,000	6.04

D. Voting rights

Please refer Note 17.

E. On-market buy back

There is no current on-market buy back.

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Asian American Medical Group Limited

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