ASIAMEDIC LIMITED

Co. Reg. No.: 197401556E

ASIAMEDIC LIMITED

Full Year Financial Statements Announcement for the 12 months ended 31 December 2014

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL-YEAR RESULTS

1(a)(i) Consolidated Income Statement

An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	FY2014	FY2013	Increase/(Decrease)	
	S$	S$	S$	%
Revenue	18,794,823	14,683,307	4,111,516	28%
Other income	1,230,344	176,132	1,054,212	599%
Items of expenses				
Consumables used	(2,100,991)	(1,426,767)	674,224	47%
Employee benefits expense	(8,744,746)	(6,218,397)	2,526,349	41%
Depreciation of property, plant and equipment	(1,336,688)	(1,196,248)	140,440	12%
Operating lease expenses	(1,589,403)	(1,351,989)	237,414	18%
Maintenance of equipment	(625,740)	(716,436)	(90,696)	-13%
Laboratory and consultancy costs	(2,423,753)	(2,121,990)	301,763	14%
Finance costs	(163,345)	(72,783)	90,562	124%
Other operating expenses	(2,711,892)	(2,270,627)	441,265	19%
Total operating expenses	(19,696,558)	(15,375,237)	4,321,321	28%
Profit / (Loss) from operations	**328,609**	**(515,798)**	**844,407**	**164%**
Share of results of associates	138,775	457,683	(318,908)	-70%
Profit / (Loss) before income tax	**467,384**	**(58,115)**	**525,499**	**904%**
Income tax	178,628	122,769	55,859	45%
Profit for the year	**646,012**	**64,654**	**581,358**	**899%**
Attributable to:				
Owners of the Company	**669,911**	**53,946**	**615,965**	**1142%**
Non-controlling interests	(23,899)	10,708	(34,607)	-323%
	646,012	**64,654**	**581,358**	**899%**

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1(a)(ii) Statement of Comprehensive Income

STATEMENT OF COMPREHENSIVE INCOME FOR FULL YEAR ENDED 31 DECEMBER 2014

	FY2014	FY2013	Increase/(Decrease)	
	S$	S$	S$	%
Profit for the year	**646,012**	**64,654**	**581,358**	**899%**
Other comprehensive income:				
Foreign currency translation reserve	23,318	58,774	(35,456)	-60%
Total comprehensive income for the year	**669,330**	**123,428**	**545,902**	**442%**
Attributable to:				
Owners of the Company	**693,229**	**112,720**	**580,509**	**515%**
Non-controlling interests	(23,899)	10,708	(34,607)	-323%
Total comprehensive profit for the year	**669,330**	**123,428**	**545,902**	**442%**

1(a)(iii) The following items have been included in determining the profit / (loss) before income tax

	FY2014	FY2013	Increase/(Decrease)	
	S$	S$	S$	%
Grant income	399,932	7,230	392,702	5432%
Interest income	44,306	62,414	(18,108)	-29%
Foreign exchange gain	38,024	4,611	33,413	725%
Gain / (Loss) on disposal of property, plant and equipment	396,353	(19,093)	415,446	2176%
Property, plant and equipment written off	(39,841)	(96,546)	(56,705)	-59%
Impairment loss on doubtful receivables	(181,504)	(57,443)	124,061	216%
Fair value loss on convertible loans	(48,257)	(132,268)	(84,011)	-64%
Amortisation of intangible asset	(13,186)	(8,791)	4,395	50%.
Fair value gain on contingent consideration to non-controlling interest	260,000	-	260,000	100%
Fair value gain on put options granted to non-controlling interests	84,000	-	84,000	100%

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1(b)(i) Balance Sheets

	Group		Company	
	31 Dec 2014 S$	31 Dec 2013 S$	31 Dec 2014 S$	31 Dec 2013 S$
Non-Current Assets				
Property, plant and equipment	7,142,503	7,411,424	220,062	263,190
Investments in subsidiaries	-	-	2,568,161	2,566,662
Investments in associates	1,658,785	1,791,010	1,314,060	1,460,060
Convertible loans	524,050	592,125	-	-
Intangible asset	43,954	57,139	-	-
Goodwill	2,124,311	2,124,311	-	-
Deferred tax assets	143,733	-	-	-
	11,637,336	**11,976,009**	**4,102,283**	**4,289,912**
Current Assets				
Inventories	273,243	267,816	-	-
Trade receivables	1,363,955	1,353,785	-	-
Other receivables and deposits	1,500,017	1,126,311	2,190,863	3,357,855
Short-term loan receivables	852,373	625,857	4,615	4,615
Prepayments	205,423	261,502	78,568	187,863
Cash and short term deposit pledged as security	300,000	300,000	-	-
Cash and short term deposits	6,259,961	7,176,868	4,055,237	5,695,901
	10,754,972	**11,112,139**	**6,329,283**	**9,246,234**
Current Liabilities				
Trade payables	830,894	715,456	-	-
Other payables and accruals	1,805,097	3,898,288	570,357	1,802,649
Deferred income	520,881	253,162	-	-
Current tax liabilities	675	8,859	-	-
Obligations under finance leases	922,907	709,092	-	-
Loans and borrowings	1,374,494	1,242,009	-	-
	5,454,948	**6,826,866**	**570,357**	**1,802,649**
Net Current Assets	**5,300,024**	**4,285,273**	**5,758,926**	**7,443,585**
Non-Current Liabilities				
Obligations under finance leases	1,790,330	1,674,109	-	-
Loans and borrowings	634,914	623,992	-	-
Derivatives financial instruments	568,544	652,544	-	-
Deferred tax liabilities	-	34,895	-	-
	2,993,788	**2,985,540**	-	-
Net Assets	**13,943,572**	**13,275,742**	**9,861,209**	**11,733,497**
Equity Attributable to Owners of the Company				
Share capital	21,950,527	21,950,527	21,950,527	21,950,527
Treasury shares	(2,866)	(2,866)	(2,866)	(2,866)
Other reserves	(606,868)	(630,186)	-	-
Accumulated losses	(7,386,000)	(7,741,692)	(12,086,452)	(10,214,164)
	13,954,793	13,575,783	9,861,209	11,733,497
Non-controlling interests	(11,221)	(300,041)	-	-
Total Equity	**13,943,572**	**13,275,742**	**9,861,209**	**11,733,497**

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1(b)(ii) Aggregate amount of group's borrowings

Loan & Borrowings

	Group	
	31 Dec 2014	31 Dec 2013
	S$	S$
Amount repayable in one year or less, or on demand:		
Interest-bearing bank loans	1,374,494	1,242,009
Amount repayable after one year:		
Interest-bearing bank loans	634,914	623,992
Total loans	**2,009,408**	**1,866,001**

Details of any collateral:
The loans are secured by corporate guarantees executed by the Company. One of the term loans of S$1,000,000 is secured by a fixed deposit of S$300,000 placed with the financial institution.

Obligations Under Finance Leases

	Group			
	2014		2013	
	Minimum payments	Present value of minimum payments	Minimum payments	Present value of minimum payments
	S$	S$	S$	S$
Not later than one year	991,797	922,907	762,025	709,092
Later than one year but not later than five years	1,884,569	1,790,330	1,790,202	1,674,109
Total minimum lease payments	2,876,366	2,713,237	2,552,227	2,383,201
Less: Amounts representing finance charges	(163,129)	-	(169,026)	-
Present value of minimum lease payments	2,713,237	2,713,237	2,383,201	2,383,201

Details of any collateral:
The obligations are secured by rights over the leased assets. The finance leases are also secured by corporate guarantees executed by the Company.

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1(c) Consolidated Cash Flow Statement

Financial Year Ended 31 December 2014

	Group	
	FY2014 S$	FY2013 S$
Operating activities:		
Profit / (Loss) before income tax	**467,384**	**(58,115)**
Adjustments:		
Depreciation of property, plant and equipment	1,336,688	1,196,248
Fair value gain on put options granted to non-controlling interests	(84,000)	-
Fair value gain on contingent consideration to non-controlling interest	(260,000)	-
Amortisation of intangible asset	13,186	8,791
(Gain) / Loss on disposal of property, plant and equipment	(396,353)	19,093
Property, plant and equipment written off	39,841	96,546
Impairment loss on doubtful receivables	181,504	57,443
Currency translation reserve	23,318	58,774
Interest expense	163,345	67,433
Interest income	(44,306)	(62,414)
Fair value loss on convertible loans	48,257	132,268
Share of results of associates	(138,775)	(457,683)
Operating profit before working capital changes	**1,350,089**	**1,058,384**
Changes in working capital:		
Increase in inventories	(5,427)	(39,040)
Decrease / (Increase) in trade and other receivables and prepayments	143,503	(813,564)
Increase in trade and other payables	50,496	79,674
Increase in deferred income	267,719	252,662
Cash generated from operations	**1,806,380**	**538,116**
Income tax paid	(8,184)	(3,566)
Net cash generated from operating activities	**1,798,196**	**534,550**
Investing activities:		
Interest received	44,306	62,414
Purchase of property, plant and equipment	(994,562)	(1,721,176)
Proceeds from disposal of property, plant and equipment	310,305	400
Net cash outflow on acquisition of subsidiary	(957,920)	(449,895)
Investment in an associate	-	(252,266)
Acquisition of non-controlling interest	(1,500)	-
Pre-acquisition dividend paid to non-controlling interest	-	(340,000)
Convertible loans and short-term loan receivables	(346,830)	(794,874)
Repayment of long-term loan from an associate	396,000	495,000
Loan to an associate	(125,000)	-
Net cash flows used in investing activities	**(1,675,201)**	**(3,000,397)**
Financing activities:		
Cash and short term deposit pledged as security	-	(300,000)
Interest paid	(163,345)	(67,433)
Repayment of obligations under finance leases and loans and borrowings	(1,376,557)	(569,045)
Proceeds from loans and borrowings	500,000	1,400,000
Net cash flows (used in) / from financing activities	**(1,039,902)**	**463,522**
Net decrease in cash and short term deposits	(916,907)	(2,002,325)
Cash and short term deposits at the beginning of year	7,176,868	9,179,193
Cash and short term deposits at the end of year	**6,259,961**	**7,176,868**

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1 (d)(i) Statements of changes in equity

Group

S$	Share Capital	Other Reserves	Treasury Shares	Accumulated Losses	Total	Non-Controlling Interests	Total Equity
Balance as at 1 January 2013	21,550,530	(36,416)	(2,866)	(7,795,638)	13,715,610	(310,772)	13,404,838
Total comprehensive income for the year	-	58,774	-	53,946	112,720	10,708	123,428
Acquisition of subsidiary and business	-	-	-	-	-	23	23
Shares issued for acquisition of a business	399,997	-	-	-	399,997	-	399,997
Put options granted to non-controlling interests	-	(652,544)	-	-	(652,544)	-	(652,544)
Balance as at 31 December 2013	21,950,527	(630,186)	(2,866)	(7,741,692)	13,575,783	(300,041)	13,275,742
Balance as at 1 January 2014	21,950,527	(630,186)	(2,866)	(7,741,692)	13,575,783	(300,041)	13,275,742
Total comprehensive income for the year	-	23,318	-	669,911	693,229	(23,899)	669,330
Acquisition of a non-controlling interest without a change in control	-	-	-	(314,219)	(314,219)	312,719	(1,500)
Balance as at 31 December 2014	21,950,527	(606,868)	(2,866)	(7,386,000)	13,954,793	(11,221)	13,943,572

Company

S$	Share capital	Treasury Shares	Accumulated Losses	Total Equity
Balance as at 1 January 2013	21,550,530	(2,866)	(9,130,949)	12,416,715
Total comprehensive income for the year	-	-	(1,083,215)	(1,083,215)
Shares issued for acquisition of a business	399,997	-	-	399,997
Balance as at 31 December 2013	21,950,527	(2,866)	(10,214,164)	11,733,497
Balance as at 1 January 2014	21,950,527	(2,866)	(10,214,164)	11,733,497
Total comprehensive income for the year	-	-	(1,872,288)	(1,872,288)
Balance as at 31 December 2014	21,950,527	(2,866)	(12,086,452)	9,861,209

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of share for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury share, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of corresponding period of the immediately preceding financial year.

There was no change in the Company's share capital since the end of the previous period reported on.

As at 31 December 2014, the number of ordinary shares in issue was 338,988,125 excluding 100,000 treasury shares. The share capital was S$21,950,527 (31 December 2013: 338,988,125 ordinary shares excluding 100,000 treasury shares).

The Company does not have any outstanding convertibles as at 31 December 2014 and 31 December 2013.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 31 December 2014, the number of ordinary shares in issue was 338,988,125 excluding 100,000 treasury shares (31 December 2013: 338,988,125 ordinary shares excluding 100,000 treasury shares).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

At 1 January 2014	Share buyback	Sales	Transfers	Disposal	Cancellation or use	At 31 December 2014
100,000	-	-	-	-	-	100,000

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The same accounting policies and methods of computation as in the Group's most recently audited annual financial statements have been applied, except for the changes mentioned in section 5.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group and the Company have adopted all the applicable new and revised Financial Reporting Standards (FRS) that become effective for accounting periods beginning 1 January 2014. The adoption of these new and revised FRS did not have any material effect on the financial performance or position of the Group and the Company.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	31 Dec 2014	31 Dec 2013
(a) Based on weighted average number of ordinary shares on issue	0.198 cents	0.016 cents
(b) On a fully diluted basis	0.198 cents	0.016 cents

Notes:

(a) The basic earnings per share for the year ended 31 December 2014 is computed based on weighted average share capital of 338,988,125 (31 December 2013: 337,122,136) ordinary shares.

(b) There were no dilutive potential ordinary shares.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital excluding treasury shares of the issuer at the end of the

(a) current financial period reported on; and
(b) immediately preceding financial year

	31 Dec 2014	31 Dec 2013
The Group		
Net asset value per ordinary share based on existing issued share capital	4.12 cents	4.00 cents
The Company		
Net asset value per ordinary share based on existing issued share capital	2.91 cents	3.46 cents

Note:

The total number of shares used for the computation of net asset value per share is 338,988,125 (31 December 2013: 338,988,125) ordinary shares.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The Group's revenue increased by 28% to S$18.8 million for the full year ended 31 December 2014 ("FY2014") compared with S$14.7 million in the previous corresponding period ("FY2013"). The increase was contributed by improved performance from its core business of diagnostic imaging and wellness services. Revenue from diagnostic imaging business increased by S$1.2 million (13%) to S$11.1 million, while revenue from wellness services improved by S$0.6 million (16%) to S$4.2 million. Full year contributions from Complete Healthcare International Pte Ltd ("CHI") and AsiaMedic Astique The Aesthetic Clinic ("Astique"), which were acquired in May 2013 and June 2013 respectively, also boosted revenue growth in FY2014. The Group had acquired an 80% interest in CHI and a 70% interest in Astique.

The increase in other income was due mainly to a gain on disposal of equipment, payouts received from the Productivity and Innovation Credit and Wage Credit Schemes, fair value gains on contingent consideration and put options granted to non-controlling interests, and grants received during the year.

The increase in consumables used was due mainly to the inclusion of CHI and Astique whose businesses have proportionately higher medication and procedural contents compared with the Group's diagnostic imaging and wellness service businesses. Employee benefits expense increased due mainly to higher headcount and the inclusion of the full year's staff costs from CHI and Astique which were acquired in FY2013. Depreciation expense increased due to additions of property, plant and equipment. The increase in operating lease expenses was due mainly to additional floor space leased on the 10th floor of Shaw House and the inclusion of the full year's rental of CHI. Maintenance of equipment expenses decreased as many medical equipment are new and are, therefore, still under warranty period. Laboratory and consultancy costs increased in line with revenue growth. The Group obtained bank financing for the acquisition of CHI and other capital expenditure which resulted in the increase in finance costs. Other operating expenses increased due mainly to the inclusion of the full year's operating expenses of CHI and Astique which were acquired in FY2013, a higher group sales volume, and a higher impairment charge of convertible and short term loans granted to the medical and post-natal centres in Shanghai (S$237,000 in FY2014 compared with S$172,000 in FY2013).

The share of results of associates in FY2014 decreased due mainly to the start-up losses of Cryoviva Singapore which commenced operations during the year.

The income tax credit was due mainly to under-provision of deferred tax asset in previous years.

As a result of the other income received, the Group registered a net profit attributable to owners of the Company of S$670,000 for FY2014 compared with S$54,000 for FY2013. The earnings before interest, taxation, depreciation and amortisation (EBITDA) for FY2014 was 59% higher at S$2 million, compared to S$1.2 million for FY2013.

Non-Current Assets

The decrease in property, plant and equipment was due to depreciation. The decrease in convertible loans was due to impairment provision.

Current Assets

The increase in other receivables and deposits was due mainly to the higher expected reimbursement of contingent consideration from a non-controlling interest and higher proceeds from the disposal of medical equipment. The increase in short-term loan receivables was due to additional working capital loans extended to the medical and post-natal centres in Shanghai, net of impairment provision.

Current Liabilities

The decrease in other payables and accruals was due mainly to payments in FY2014 for the second tranche of the purchase consideration for the CHI acquisition and the purchase of medical equipment and renovations. The increase in finance leases and loans and borrowings was due to bank borrowings obtained for the Group's capital expenditure.

Net Current Assets

As a result of the lower current liabilities, net current assets increased to S$5.3 million as at 31 December 2014 from S$4.3 million as at 31 December 2013.

Non-Current Liabilities

The increase in finance leases was due to borrowings obtained for the Group's capital expenditure.

Cash Flow

The Group's cash flow from operating activities increased to S$1.8 million in FY2014 from S$0.5 million in FY2013. However, the Group had cash outflow from investing activities and financing activities amounting to S$1.7 million and S$1 million respectively. As a result, cash and short-term deposits decreased to S$6.3 million as at 31 December 2014 from S$7.2 million as at the end of FY2013.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

There was no forecast or prospect statement disclosed previously.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

Demand for quality healthcare services in Singapore is expected to continue to be robust, underpinned by an increased awareness about preventive and health management, as well as an ageing population that is also more affluent. On top of that, Singapore is also reputed to be a regional medical tourism hub that provides very high quality healthcare services. Demand for medical tourism in Singapore has been consistently growing and there is still potential for further development.

The Group is poised to benefit from these trends, given its current capabilities and as it continues to expand its businesses and widen its reach. The Group remains on the lookout for strategic opportunities to enhance its service offerings to bring even better, more complete quality healthcare services to patients.

11. If a decision regarding dividend has been made:

a) **Whether an interim (final) ordinary dividend has been declared (recommended); and**

NIL

b) N/A

(1) Amount per share: Nil **cents**

(2) Previous corresponding period: Nil **cents**

c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

N/A

d) **The date the dividend is payable:** N/A

e) **The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

N/A

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared.

13. If the group has obtained general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT mandate has been obtained.

14. Negative confirmation pursuant to Rule 705(5).

This section is not applicable for announcement of full year results.

15. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable as the Group operates in only one segment.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to Section 8 above.

17. A breakdown of sales

		Group		
		FY2014	**FY2013**	**Increase/ (Decrease)**
		S$	**S$**	**%**
(a)	Sales reported for first half year	8,871,224	6,547,473	35%
(b)	Operating loss after tax for the year before deducting non-controlling interests reported for first half year	(150,420)	(195,266)	-23%
(c)	Sales reported for second half year	9,923,599	8,135,834	22%
(d)	Operating profit after tax for the year before deducting non-controlling interests reported for second half year	796,432	259,920	206%

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

		FY2014	**FY2013**
(a)	Ordinary	-	-
(b)	Preference	-	-
(c)	Total	-	-

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
NIL	NIL	NIL	NIL	NIL

The Company confirms that no person occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director, chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Foo Soon Soo (Ms)
27 February 2015

*This announcement has been prepared by the Company and reviewed by the Company's sponsor, Xandar Capital Pte Ltd (the "**Sponsor**"), for compliance with the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement including the accuracy or completeness of any of the information disclosed or the correctness of any of the statements made, opinions expressed or reports contained in this announcement. This announcement has not been examined or approved by the SGX-ST. The SGX-ST and the Sponsor assume no responsibility for the contents of this announcement including the correctness of any of the statements made, opinions expressed or reports contained in this announcement.*

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