ASIAMEDIC LIMITED

Co. Reg. No.: 197401556E

ASIAMEDIC LIMITED
Financial statements announcement for the half year ended 30 June 2018

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-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.

	1H 2018	1H 2017	Increase/(Decrease)	
	S$	S$	S$	%
Revenue	**9,230,017**	**9,965,776**	**(735,759)**	**-7%**
Other income	254,577	186,917	67,660	36%
Items of expenses				
Consumables used	(1,036,744)	(1,091,565)	(54,821)	-5%
Personnel expenses	(5,374,528)	(5,772,684)	(398,156)	-7%
Depreciation of property, plant and equipment	(577,396)	(756,960)	(179,564)	-24%
Operating lease expenses	(1,060,166)	(1,090,626)	(30,460)	-3%
Maintenance expenses	(445,596)	(403,158)	42,438	11%
Laboratory and consultancy fees	(972,286)	(845,817)	126,469	15%
Finance costs	(40,411)	(49,182)	(8,771)	-18%
Other operating expenses	(1,109,328)	(1,232,660)	(123,332)	-10%
Total operating expenses	(10,616,455)	(11,242,652)	(626,197)	-6%
Loss from operations	**(1,131,861)**	**(1,089,959)**	**41,902**	**4%**
Share of results of associate	206,082	133,494	72,588	54%
Loss for the period attributable to owners of the Company	**(925,779)**	**(956,465)**	**(30,686)**	**-3%**

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1(a)(ii) Statement of Comprehensive Income

STATEMENT OF COMPREHENSIVE INCOME FOR HALF YEAR ENDED 30 JUNE 2018

	1H 2018	1H 2017	Increase/(Decrease)	
	S$	S$	S$	%
Loss for the period	(925,779)	(956,465)	(30,686)	-3%
Other comprehensive income:				
Foreign currency translation reserve	-	(43,325)	(43,325)	-100%
Total comprehensive income for the period attributable to owners of the Company	**(925,779)**	**(999,790)**	**(74,011)**	**-7%**

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

	1H 2018	1H 2017	Increase/(Decrease)	
	S$	S$	S$	%
Grant income	180,745	119,300	61,445	52%
Rental income	61,549	38,338	23,211	61%
Interest income	2,403	17,249	(14,846)	-86%
Foreign exchange gain	106	34,172	(34,066)	-100%
Property, plant and equipment written off	(2,050)	(5,313)	(3,263)	-61%
Recovery of doubtful receivables	1,890	16	1,874	NM
Amortisation of intangible asset	(4,395)	(6,593)	(2,198)	-33%

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1(b)(i) Balance Sheets

	Group		Company	
	30 Jun 2018 S$	31 Dec 2017 S$	30 Jun 2018 S$	31 Dec 2017 S$
Non-Current Assets				
Property, plant and equipment	5,032,023	5,413,506	70,590	96,129
Investments in subsidiaries	-	-	1,971,207	1,971,207
Investments in associate	1,919,523	1,713,441	181,500	181,500
Intangible asset	-	4,395	-	-
Goodwill	1,524,311	1,524,311	-	-
Deferred tax assets	730,911	730,911	-	-
	9,206,768	**9,386,564**	**2,223,297**	**2,248,836**
Current Assets				
Inventories	257,388	294,080	-	-
Trade receivables	1,289,040	1,078,506	-	-
Other receivables and deposits	777,856	759,467	5,565,267	4,286,795
Prepayments	207,570	160,004	33,327	27,373
Cash and short term deposit pledged as security	656,734	931,484	-	-
Cash and short term deposits	2,199,422	3,176,082	415,793	1,158,424
	5,388,010	**6,399,623**	**6,014,387**	**5,472,592**
Current Liabilities				
Trade payables	1,177,067	1,606,104	-	-
Other payables and accruals	1,666,007	2,045,670	599,843	1,083,719
Provisions	241,552	241,552	241,552	241,552
Deferred income	1,205,503	1,207,183	-	-
Loans and borrowings	75,092	127,240	-	-
Obligations under finance leases	578,484	689,298	-	-
	4,943,705	**5,917,047**	**841,395**	**1,325,271**
Net Current Assets	**444,305**	**482,576**	**5,172,992**	**4,147,321**
Non-Current Liabilities				
Loans and borrowings	38,986	76,955	-	-
Obligations under finance leases	362,873	630,704	-	-
Deferred tax liabilities	22,568	22,568	-	-
Shareholder's loan	1,000,000	-	1,000,000	-
	1,424,427	**730,227**	**1,000,000**	**-**
Net Assets	**8,226,646**	**9,138,913**	**6,396,289**	**6,396,157**
Equity Attributable to Owners of the Company				
Share capital	24,761,027	24,761,027	24,761,027	24,761,027
Treasury shares	(2,866)	(2,866)	(2,866)	(2,866)
Other reserves	(585,427)	(598,939)	75,306	61,794
Accumulated losses	(15,946,088)	(15,020,309)	(18,437,178)	(18,423,798)
Total Equity	**8,226,646**	**9,138,913**	**6,396,289**	**6,396,157**

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

Loans and borrowings

	Maturity	Group	
		30 Jun 2018	31 Dec 2017
		S$	S$
Amount repayable in one year or less, or on demand:			
Interest-bearing bank loans	2018	75,092	127,240
Amount repayable after one year:			
Interest-bearing bank loans	2019	38,986	76,955
Total loans		**114,078**	**204,195**

Details of any collateral:
The loans are secured by corporate guarantees executed by the Company.

Obligations under finance leases

	Group			
	30 Jun 2018		31 Dec 2017	
	Minimum payments	Present value of minimum payments	Minimum payments	Present value of minimum payments
	S$	S$	S$	S$
Not later than one year	599,944	578,484	726,192	689,298
Later than one year but not later than five years	367,532	362,873	641,575	630,704
Total minimum lease payments	967,476	941,357	1,367,767	1,320,002
Less: Amounts representing finance charges	(26,119)	-	(47,765)	-
Present value of minimum lease payments	**941,357**	**941,357**	**1,320,002**	**1,320,002**

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

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1(c) Consolidated Cash Flow Statement

Half year ended 30 June 2018

	Group	
	1H 2018 S$	1H 2017 S$
Operating activities:		
Loss before income tax	**(925,779)**	**(956,465)**
Adjustments:		
Depreciation of property, plant and equipment	577,396	756,960
Amortisation of intangible asset	4,395	6,593
Property, plant and equipment written off	2,050	5,313
Recovery of doubtful receivables	(1,890)	(16)
Currency translation reserve	-	(43,325)
Interest expense	40,411	49,182
Interest income	(2,403)	(17,249)
Grant of equity-settled share options to employees	13,512	22,957
Expenses in connection with proposed acquisition	5,345	61,492
Share of results of associate	(206,082)	(133,494)
Operating cash outflow before changes in working capital	**(493,045)**	**(248,052)**
Changes in working capital:		
Decrease in inventories	36,692	25,696
Increase in trade and other receivables and deposits and prepayments	(274,599)	(571,832)
Increase in trade and other payables	20,694	161,279
(Decrease) / increase in deferred income	(1,680)	95,329
Cash outflow from operations	**(711,938)**	**(537,580)**
Income tax paid	-	(98)
Payment of proposed acquisition expenses	(461,739)	(134,236)
Net cash outflow from operating activities	**(1,173,677)**	**(671,914)**
Investing activities:		
Interest received	2,403	17,249
Purchase of property, plant and equipment	(575,193)	(157,953)
Proceeds from disposal of property, plant and equipment	4,230	-
Repayment of long term loan from associate	-	288,560
Purchase of minority interests' stakes	-	(527,275)
Net cash flows used in investing activities	**(568,560)**	**(379,419)**
Financing activities:		
Decrease in short term deposit pledged as security	274,750	-
Interest paid	(40,411)	(49,182)
Repayment of obligations under loans and borrowings and finance leases	(468,762)	(764,000)
Loan from a shareholder	1,000,000	-
Net cash flows from / (used in) financing activities	**765,577**	**(813,182)**
Net decrease in cash and short term deposits	(976,660)	(1,864,515)
Cash and short term deposits at beginning of period	3,176,082	7,088,192
Cash and short term deposits at end of period	**2,199,422**	**5,223,677**

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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 2017	24,761,027	(582,644)	(2,866)	(10,793,622)	**13,381,895**	–	13,381,895
Loss for the period	–	–	–	(956,465)	**(956,465)**	–	(956,465)
Foreign currency translation	–	(43,325)	–	–	**(43,325)**	–	(43,325)
Grant of equity-settled share options to employees	–	22,957	–	–	**22,957**	–	22,957
Balance as at 30 June 2017	24,761,027	(603,012)	(2,866)	(11,750,087)	**12,405,062**	–	12,405,062

Balance as at 1 January 2018	24,761,027	(598,939)	(2,866)	(15,020,309)	**9,138,913**	–	9,138,913
Loss for the period	–	–	–	(925,779)	**(925,779)**	–	**(925,779)**
Grant of equity-settled share options to employees	–	13,512	–	–	**13,512**	–	13,512
Balance as at 30 June 2018	24,761,027	(585,427)	(2,866)	(15,946,088)	**8,226,646**	–	**8,226,646**

Company

S$	Share capital	Other Reserves	Treasury Shares	Accumulated Losses	Total Equity
Balance as at 1 January 2017	24,761,027	34,764	(2,866)	(13,694,600)	11,098,325
Profit for the period	–	–	–	283,890	283,890
Grant of equity-settled share options to employees	–	22,957	–	–	22,957
Balance as at 30 June 2017	24,761,027	57,721	(2,866)	(13,410,710)	**11,405,172**

Balance as at 1 January 2018	24,761,027	61,794	(2,866)	(18,423,798)	6,396,157
Loss for the period	–	–	–	(13,380)	(13,380)
Grant of equity-settled share options to employees	–	13,512	–	–	13,512
Balance as at 30 June 2018	24,761,027	75,306	(2,866)	(18,437,178)	**6,396,289**

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 shares, 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 as at 30 June 2018 since the end of the previous period reported on.

There were no additional share options granted under the AsiaMedic Employees Share Option Scheme 2016 since the end of the previous period reported on.

As at 30 June 2018, there were outstanding options for conversion into 1,674,000 (30 June 2017: 3,001,000) ordinary shares. The options were granted on 15 June 2016 and are subject to a vesting schedule and are exercisable in tranches from 15 June 2018.

As at 30 June 2018, the number of ordinary shares in issue was 390,488,125 excluding 100,000 treasury shares (30 June 2017: 390,488,125 ordinary shares excluding 100,000 treasury shares). The issued share capital as at 30 June 2018 was S$24,761,027 (30 June 2017: S$24,761,027).

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 30 June 2018, the number of ordinary shares in issue was 390,488,125 excluding 100,000 treasury shares (31 December 2017: 390,488,125 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 2018	Share buyback	Sales	Transfers	Disposal	Cancellation or use	At 30 June 2018
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 auditor.

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 2018. The adoption of these new and revised FRS does not have any material impact to the Group and the Company's financial statements.

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.

	1H 2018	1H 2017
(a) Based on weighted average number of ordinary shares on issue	(0.24) cent	(0.25) cent
(b) On a fully diluted basis	(0.24) cent	(0.25) cent

Notes:

(a) The basic earnings per share for 1H 2018 is computed based on weighted average share capital of 390,488,125 (30 June 2017: 390,488,125) 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

	30 Jun 2018	31 Dec 2017
The Group		
Net asset backing per ordinary share based on issued share capital	2.11 cents	2.34 cents
The Company		
Net asset backing per ordinary share based on issued share capital	1.64 cents	1.64 cents

Note:

The total number of shares used for the computation of net asset value per share as at 30 June 2018 is 390,488,125 (31 December 2017: 390,488,125) 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 decreased by S$736,000 or 7% from S$10 million for the half year ended 30 June 2017 ("**1H 2017**") to S$9.2 million for the half year ended 30 June 2018 ("**1H 2018**"). The decrease was due mainly to lower revenue from the imaging business as a result of increased competition and lower specialist visitations by private patients.

Other income increased from S$187,000 in 1H 2017 to S$255,000 in 1H 2018 due mainly to higher government grants received and rental income.

Total operating expenses decreased by S$626,000 or 6% in line with the decrease in revenue. Personnel expenses decreased by S$398,000 or 7% due mainly to lower headcount. Depreciation decreased by S$180,000 or 24% due mainly to property, plant and equipment being fully depreciated. Maintenance expenses increased by S$42,000 or 11% due mainly to the changing of parts of a medical equipment and the centre's signages. Laboratory and consultancy fees increased by S$126,000 or 15% due mainly to the engagement of external radiologists during the period. Finance costs decreased by S$9,000 or 18% due to the repayment of loans and finance lease obligations. Other operating expenses decreased by S$123,000 or 10% in line with the decrease in revenue. The share of results of associate increased by S$73,000 or 54% due to its higher sales.

As a result of the lower revenue of the imaging business, the Group recorded a loss of S$926,000 in 1H 2018 compared with a loss of S$956,000 in 1H 2017.

Non-Current Assets

Non-current assets decreased from S$9.4 million as at 31 December 2017 to S$9.2 million as at 30 June 2018 due mainly to depreciation of property, plant and equipment.

Current Assets

Current assets decreased from S$6.4 million as at 31 December 2017 to S$5.4 million as at 30 June 2018 due mainly to the decrease in cash and short term deposits partially offset by the increase in trade receivables. Cash and short term deposits decreased from S$3.2 million as at 31 December 2017 to S$2.2 million as at 30 June 2018. Trade receivables increased from S$1.1 million as at 31 December 2017 to S$1.3 million as at 30 June 2018 due mainly to health screening projects.

Current Liabilities

Current liabilities decreased from S$5.9 million as at 31 December 2017 to S$4.9 million as 30 June 2018 due mainly to the decrease in trade and other payables. The decrease in trade payables from $1.6 million as at 31 December 2017 to S$1.2 million as at 30 June 2018 was due mainly to the payment for purchase of medical equipment. The decrease in other payables from S$2 million as at 31 December 2017 to S$1.7 million as at 30 June 2018 was due mainly to the payment of the proposed acquisition expenses.

Net Current Assets

Net current assets decreased from S$483,000 as at 31 December 2017 to S$444,000 as at 30 June 2018.

Non-Current Liabilities

Non-current liabilities increased from S$730,000 as at 31 December 2017 to S$1.4 million as at 30 June 2018 due mainly to the S$1 million shareholder's loan from Luye Medical Group Pte Ltd partially offset by the repayment of bank loans and borrowings and obligations under finance leases.

Cash Flow

The Group has a cash outflow from operating activities of S$1.2 million in 1H 2018 compared with an outflow of S$0.7 million in 1H 2017 due mainly to payment of the proposed acquisition expenses and the changes in working capital. Cash flows from financing activities increased due mainly to the shareholder's loan of S$1 million in 1H 2018.

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

No forecast or prospect statement has been previously disclosed to shareholders.

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.

The market condition for the Group's businesses continues to be competitive. The Group recently strengthened its capabilities in the imaging business with the employment of an interventional neuro-radiologist in July 2018. The Group will strive to deliver improvements in its businesses, implement cost control measures and strengthen its balance sheet.

11. If a decision regarding dividend has been made:

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

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.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
Brookline Medical Pte. Ltd.	Nil	S$132,000 (Provision of imaging services under a general mandate)

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

Undertakings have been obtained from the Directors and executive officers.

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

We, Tan Soo Kiat and Goh Kian Chee, being two Directors of AsiaMedic Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the half year financial period ended 30 June 2018 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Tan Soo Kiat
Director

Goh Kian Chee
Director

BY ORDER OF THE BOARD

Foo Soon Soo (Ms)
Company Secretary

14 August 2018

*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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