ASIAMEDIC LIMITED

Co. Reg. No.: 197401556E

ASIAMEDIC LIMITED
Half Year Financial Statements Announcement for the 6 months ended 30 June 2016

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 2016	1H 2015	Increase/(Decrease)	
	S$	S$	S$	%
Revenue	10,633,129	10,511,942	121,187	1%
Other income	465,821	230,533	235,288	102%
Items of expenses				
Consumables used	(1,138,735)	(1,218,377)	(79,642)	-7%
Personnel expense	(5,954,642)	(5,050,387)	904,255	18%
Depreciation of property, plant and equipment	(810,448)	(758,419)	52,029	7%
Operating lease expenses	(799,520)	(815,975)	(16,455)	-2%
Maintenance of equipment	(336,263)	(233,302)	102,961	44%
Laboratory and consultancy fees	(991,691)	(1,063,734)	(72,043)	-7%
Finance costs	(75,327)	(80,056)	(4,729)	-6%
Other operating expenses	(1,344,003)	(1,267,315)	76,688	6%
Total operating expenses	(11,450,629)	(10,487,565)	963,064	9%
(Loss) / Profit from operations	**(351,679)**	**254,910**	**(606,589)**	**NM**
Share of results of associates	184,460	137,285	47,175	34%
(Loss) / Profit before income tax	**(167,219)**	**392,195**	**(559,414)**	**NM**
Income tax credit	-	109	(109)	NM
(Loss) / Profit for the period	**(167,219)**	**392,304**	**(559,523)**	**NM**
Attributable to:				
Owners of the Company	**(177,983)**	**327,714**	**(505,697)**	**NM**
Non-controlling interests	10,764	64,590	(53,826)	-83%
	(167,219)	392,304	(559,523)	NM

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1(a)(ii) Statement of Comprehensive Income

STATEMENT OF COMPREHENSIVE INCOME FOR HALF YEAR ENDED 30 JUNE 2016

	1H 2016	1H 2015	Increase/(Decrease)	
	S$	S$	S$	%
(Loss) / Profit for the period	(167,219)	392,304	(559,523)	NM
Other comprehensive income:				
Foreign currency translation reserve	(15,544)	13,223	28,767	NM
Total comprehensive income for the period	**(182,763)**	**405,527**	**(588,290)**	**NM**
Attributable to:				
Owners of the Company	**(193,527)**	**340,937**	**(534,464)**	**NM**
Non-controlling interests	10,764	64,590	(53,826)	-83%
Total comprehensive income for the period	(182,763)	405,527	(588,290)	NM

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

	1H 2016	1H 2015	Increase/(Decrease)	
	S$	S$	S$	%
Grant income	273,467	214,526	58,941	27%
Interest income	31,485	14,700	16,785	114%
Foreign exchange gain / (loss)	(1,107)	30,838	(31,945)	NM
Gain / (Loss) on disposal of property, plant and equipment	46,035	(1,254)	47,289	NM
Gain on closure of East Coast clinic	65,000	–	65,000	NM
Gain on disposal of investment in associate	50,000	–	50,000	NM
Property, plant and equipment written off	–	(726)	(726)	NM
Impairment loss on doubtful receivables	(35,793)	(197)	35,596	NM
Amortisation of intangible asset	(6,593)	(6,593)	–	NM

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1(b)(i) Balance Sheets

	Group		Company	
	30 Jun 2016 S$	31 Dec 2015 S$	30 Jun 2016 S$	31 Dec 2015 S$
Non-Current Assets				
Property, plant and equipment	8,388,363	8,672,575	122,312	149,840
Investments in subsidiaries	-	-	2,568,161	2,568,161
Investments in associates	1,541,068	1,554,608	470,060	668,060
Intangible asset	24,174	30,767	-	-
Goodwill	2,124,311	2,124,311	-	-
Deferred tax assets	357,818	357,818	-	-
	12,435,734	**12,740,079**	**3,160,533**	**3,386,061**
Current Assets				
Inventories	280,771	296,793	-	-
Trade receivables	1,256,380	1,425,518	-	-
Other receivables and deposits	1,022,884	833,447	3,249,204	1,767,698
Prepayments	245,192	141,469	96,617	44,255
Cash and short term deposits	7,862,790	5,642,145	5,771,123	4,207,641
	10,668,017	**8,339,372**	**9,116,944**	**6,019,594**
Current Liabilities				
Trade payables	792,488	814,254	-	-
Other payables and accruals	1,787,711	1,491,067	675,083	639,535
Provision	241,552	365,552	241,552	241,552
Deferred income	725,037	548,260	-	-
Put options granted to non-controlling interests	761,544	761,544	-	-
Loans and borrowings	354,497	438,527	-	-
Obligations under finance leases	1,343,464	1,429,863	-	-
	6,006,293	**5,849,067**	**916,635**	**881,087**
Net Current Assets	**4,661,724**	**2,490,305**	**8,200,309**	**5,138,507**
Non-Current Liabilities				
Loans and borrowings	344,649	483,519	-	-
Obligations under finance leases	1,894,753	2,519,885	-	-
Deferred tax liabilities	52,090	52,090	-	-
	2,291,492	**3,055,494**	-	-
Net Assets	**14,805,966**	**12,174,890**	**11,360,842**	**8,524,568**
Equity Attributable to Owners of the Company				
Share capital	24,761,027	21,950,527	24,761,027	21,950,527
Treasury shares	(2,866)	(2,866)	(2,866)	(2,866)
Other reserves	(611,371)	(599,166)	3,339	-
Accumulated losses	(9,343,165)	(9,165,182)	(13,400,658)	(13,423,093)
	14,803,625	12,183,313	11,360,842	8,524,568
Non-controlling interests	2,341	(8,423)	-	-
Total Equity	**14,805,966**	**12,174,890**	**11,360,842**	**8,524,568**

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

Loans & Borrowings

	Maturity	Group	
		30 Jun 2016	31 Dec 2015
		S$	S$
Amount repayable in one year or less, or on demand:			
Interest-bearing bank loans	2016	354,497	438,527
Amount repayable after one year:			
Interest-bearing bank loans	2017 - 2019	344,649	483,519
Total loans		**699,146**	**922,046**

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

Obligations Under Finance Leases

	Group			
	30 Jun 2016		31 Dec 2015	
	Minimum payments	Present value of minimum payments	Minimum payments	Present value of minimum payments
	S$	S$	S$	S$
Not later than one year	1,434,510	1,343,464	1,541,745	1,429,863
Later than one year but not later than five years	1,970,605	1,894,753	2,634,242	2,519,885
Total minimum lease payments	3,405,115	3,238,217	4,175,987	3,949,748
Less: Amounts representing finance charges	(166,898)	-	(226,239)	-
Present value of minimum lease payments	**3,238,217**	**3,238,217**	**3,949,748**	**3,949,748**

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

Six Months Ended 30 June 2016

	Group	
	1H 2016 S$	1H 2015 S$
Operating activities:		
(Loss) / Profit before income tax	**(167,219)**	**392,195**
Adjustments:		
Depreciation of property, plant and equipment	810,448	758,419
Amortisation of intangible asset	6,593	6,593
Property, plant and equipment written off	-	726
(Gain) / loss on disposal of property, plant and equipment	(46,035)	1,254
Impairment on doubtful receivables	35,793	197
Gain on disposal of investment in associate	(50,000)	-
Currency translation reserve	(15,544)	13,223
Interest expense	75,327	80,056
Interest income	(31,485)	(14,700)
Share of results of associates	(184,460)	(137,285)
Operating cash flows before changes in working capital	**433,418**	**1,100,678**
Changes in working capital:		
Decrease / (increase) in inventories	16,022	(11,602)
Decrease in trade and other receivables and prepayments	84,856	187,020
Increase in trade and other payables	173,878	155,109
Increase / (decrease) in deferred income	176,777	(27,428)
Cash flows from operations	**884,951**	**1,403,777**
Income tax paid	-	(565)
Net cash flows from operating activities	**884,951**	**1,403,212**
Investing activities:		
Interest received	31,485	14,700
Purchase of property, plant and equipment	(515,816)	(176,310)
Proceeds from disposal of property, plant and equipment	46,035	400,850
Loan to an associate	-	(125,000)
Repayment of long term loan from associate	198,000	226,000
Proceed from disposal of investment in associate	50,000	-
Net cash outflow on short term loan receivables	-	(440,363)
Net cash flows used in investing activities	**(190,296)**	**(100,123)**
Financing activities:		
(Increase) / decrease of short term deposit pledged as security	(274,750)	300,000
Interest paid	(75,327)	(80,055)
Repayment of obligations under finance leases and loans and borrowings	(934,433)	(1,832,666)
Proceeds from private placement	2,810,500	-
Net cash flows from / (used in) financing activities	**1,525,990**	**(1,612,721)**
Net increase / (decrease) in cash and short term deposits	*2,220,645*	*(309,632)*
Cash and short term deposits at the beginning of period	5,642,145	6,259,962
Cash and short term deposits at the end of period	**7,862,790**	**5,950,330**

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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 2015	21,950,527	(606,868)	(2,866)	(7,386,000)	**13,954,793**	(11,221)	**13,943,572**
Profit for the period	–	–	–	327,714	**327,714**	64,590	**392,304**
Foreign currency translation	–	13,223	–	–	**13,223**	–	**13,223**
Balance as at 30 June 2015	21,950,527	(593,645)	(2,866)	(7,058,286)	**14,295,730**	53,369	**14,349,099**
Balance as at 1 January 2016	21,950,527	(599,166)	(2,866)	(9,165,182)	**12,183,313**	(8,423)	**12,174,890**
(Loss) / Profit for the period	–	–	–	(177,983)	**(177,983)**	10,764	**(167,219)**
Foreign currency translation	–	(15,544)	–	–	**(15,544)**	–	**(15,544)**
Additional placement of ordinary shares	2,810,500	–	–	–	**2,810,500**	–	**2,810,500**
Grant of equity-settled share options to employees	–	3,339	–	–	**3,339**	–	**3,339**
Balance as at 30 June 2016	24,761,027	(611,371)	(2,866)	(9,343,165)	**14,803,625**	2,341	**14,805,966**

Company

S$	Share capital	Other Reserves	Treasury Shares	Accumulated Losses	Total Equity
Balance as at 1 January 2015	21,950,527	–	(2,866)	(12,086,452)	9,861,209
Profit for the period	–	–	–	100,856	100,856
Balance as at 30 June 2015	21,950,527	–	(2,866)	(11,985,596)	**9,962,065**
Balance as at 1 January 2016	21,950,527	–	(2,866)	(13,423,093)	8,524,568
Profit for the period	–	–	–	22,435	22,435
Additional placement of ordinary shares	2,810,500	–	–	–	2,810,500
Grant of equity-settled share options to employees	–	3,339	–	–	3,339
Balance as at 30 June 2016	24,761,027	3,339	(2,866)	(13,400,658)	**11,360,842**

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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.

On 21 January 2016, the Company completed the placement of 51,500,000 new ordinary shares in the capital of the Company. The issued share capital of the Company increased from S$21,950,527 comprising 338,988,125 ordinary shares as at 31 December 2015 to S$24,761,027 comprising 390,488,125 ordinary shares excluding 100,000 treasury shares as at 30 June 2016.

On 15 June 2016, 4,789,000 share options were granted under the AsiaMedic Employees Share Option Scheme 2016.

As at 30 June 2016, there were outstanding options for conversion into 4,156,000 (30 June 2015: nil) 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 2016, the number of ordinary shares in issue was 390,488,125 excluding 100,000 treasury shares (30 June 2015: 338,988,125 ordinary shares excluding 100,000 treasury shares). The issued share capital as at 30 June 2016 was S$24,761,027 (30 June 2015: S$21,950,527).

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 2016, the number of ordinary shares in issue was 390,488,125 excluding 100,000 treasury shares (31 December 2015: 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 2016	Share buyback	Sales	Transfers	Disposal	Cancellation or use	At 30 June 2016
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 2016. 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 2016	1H 2015
(a) Based on weighted average number of ordinary shares on issue	(0.05) cent	0.10 cent
(b) On a fully diluted basis	(0.05) cent	0.10 cent

Notes:

(a) The basic earnings per share for 1H 2016 is computed based on weighted average share capital of 384,828,784 (30 June 2015: 338,988,125) 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 2016	31 Dec 2015
The Group		
Net asset backing per ordinary share based on issued share capital	3.79 cents	3.59 cents
The Company		
Net asset backing per ordinary share based on issued share capital	2.91 cents	2.51 cents

Note:

The total number of shares used for the computation of net asset value per share as at 30 June 2016 is 390,488,125 (31 December 2015: 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 S$121,000 or 1% from S$10.5 million for the half year ended 30 June 2015 ("**1H 2015**") to S$10.6 million for the half year ended 30 June 2016 ("**1H 2016**"). The increase was due mainly to higher revenue from health screening services partly offset by lower revenue from the imaging business.

Other income increased from S$231,000 in 1H 2015 to S$466,000 in 1H 2016 because of higher interest income and government grants received, gains on disposals of equipment and investment in Cryoviva Singapore, and a write-back of the over-provision for the termination of the Complete Healthcare International ("**CHI**") East Coast clinic's lease which ceased operations in the previous year.

Consumables decreased by S$80,000 or 7% due mainly to lower volume of the imaging business. Employee benefits expense increased by S$904,000 or 18% due mainly to higher clinical headcount to support the health screening business. Depreciation increased by S$52,000 or 7% due mainly to medical equipment purchased in the previous and current financial years. Maintenance of equipment expenses increased by S$103,000 or 44% due to the expiry of the warranty period of equipment acquired in previous years. Laboratory and consultancy fees decreased by S$72k or 7% due mainly to the decrease in the volume of imaging business. The increase in other operating expenses of $77,000 or 6% was due mainly to a provision for bad debt for the amount owing by a sub-tenant for rental and services of S$31,000 and foreign exchange differences. In 1H 2016, there was an exchange loss of S$1,000 compared with an exchange gain of S$31,000 in 1H 2015. The share of results of associates improved in 1H 2016 due to the divestment of Cryoviva Singapore which was loss-making.

As a result of the lower volume of imaging business, the Group recorded a loss before taxation of S$167,000 for 1H 2016 compared with a profit of S$392,000 in 1H 2015.

Non-Current Assets

Non-current assets decreased from S$12.7 million as at 31 December 2015 to S$12.4 million as at 30 June 2016 due mainly to depreciation of property, plant and equipment.

Current Assets

Current assets increased from S$8.3 million as at 31 December 2015 to S$10.7 million as at 30 June 2016. Other receivables and deposits increased due mainly to the security deposits for new health screening contracts. The increase in cash and cash equivalents from S$5.6 million as at 31 December 2015 to S$7.9 million as at 30 June 2016 was due mainly to the private placement by the Company during the period.

Current Liabilities

There was no material change in current liabilities which stood at S$6 million as at 30 June 2016 compared with S$5.8 million as at 31 December 2015. Other payables and accruals increased from S$1.5 million as at 31 December 2016 to S$1.8 million as at 30 June 2016 due mainly to the provision for annual wage supplement to be paid at the year end. Provisions decreased from S$366,000 to S$242,000 as a result of the settlement of the CHI East Coast clinic's lease. The increase in deferred income from S$548,000 as at 31 December 2015 to S$725,000 as at 30 June 2016 was due to higher level of customer packages. Loans and borrowing and obligations under finance leases decreased from S$1.9 million as at 31 December 2015 to S$1.7 million as at 30 June 2016 due to repayments to banks.

Net Current Assets

As a result of the higher current assets, net current assets increased from S$2.5 million as at 31 December 2015 to S$4.7 million as at 30 June 2016.

Non-Current Liabilities

Non-current liabilities decreased from S$3.1 million as at 31 December 2015 to S$2.3 million as at 30 June 2016 due to repayments of loans and borrowings and obligations under finance leases.

Cash Flow

The Group's cash flow from operating activities decreased from S$1.4 million in 1H 2015 to S$0.9 million in 1H 2016 due to lower operating profit. There was no material change in cash outflow from investing activities. Cash inflow from financing activities increased due mainly to proceeds from the private placement and the lower repayments of bank borrowings and finance leases compared with the corresponding previous period which were partially offset by the increase in security deposit. As a result, cash and short-term deposits increased from S$5.6 million as at 31 December 2015 to S$7.9 million as at 30 June 2016.

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

The results are consistent with our announcement dated 4 August 2016.

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 supported by a continued awareness of preventive health management, coupled with an ageing population. With a slowdown in the region's economy, keen competition from regional and other local healthcare providers, and professional manpower shortage in the healthcare sector, the operating environment is expected to remain challenging. Singapore's position as the go-to regional medical tourism hub could come under pressure. Leveraging on its strong reputation in advanced diagnostic imaging and health screening, the Group will continue to expend its marketing efforts to drive revenue. The Group will continue to assess potential expansion opportunities, and take the necessary steps to boost growth and enhance shareholder value.

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.

No IPT mandate has been obtained.

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.

15. Use of proceeds

The Company issued 51,500,000 new ordinary shares on 21 January 2016 in connection with a private placement. The net proceeds have been utilized as follows:

Use of proceeds	Net proceeds	Amount utilised as at the date of this announcement	Balance
	S$'000	S$'000	S$'000
Purchase of medical and other equipment, as well as for upgrading of operational facilities	2,810	250	2,560

16. 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 financial period ended 30 June 2016 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

12 August 2016

*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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