ASIAMEDIC LIMITED

Co. Reg. No.: 197401556E

ASIAMEDIC LIMITED
Financial statements announcement for the half year ended 30 June 2019

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 2019	1H 2018	Increase/(Decrease)	
	S$	S$	S$	%
Revenue	**9,130,432**	**9,230,017**	**(99,585)**	**-1%**
Other income	121,791	254,577	(132,786)	-52%
Items of expenses				
Consumables used	(836,458)	(1,036,744)	(200,286)	-19%
Personnel expenses	(5,466,596)	(5,374,528)	92,068	2%
Depreciation of property, plant and equipment	(1,201,713)	(577,396)	624,317	NM
Operating lease expenses	(81,459)	(1,038,797)	(957,338)	-92%
Maintenance expenses	(386,085)	(445,596)	(59,511)	-13%
Laboratory and consultancy fees	(765,578)	(972,286)	(206,708)	-21%
Finance costs	(270,312)	(40,411)	229,901	NM
Other operating expenses	(1,173,239)	(1,130,697)	42,542	4%
Total operating expenses	(10,181,440)	(10,616,455)	(435,015)	-4%
Loss from operations	**(929,217)**	**(1,131,861)**	**(202,644)**	**-18%**
Share of results of associate	265,672	206,082	59,590	29%
Loss for the period attributable to owners of the Company	**(663,545)**	**(925,779)**	**(262,234)**	**-28%**

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1(a)(ii) Statement of Comprehensive Income

STATEMENT OF COMPREHENSIVE INCOME FOR HALF YEAR ENDED 30 JUNE 2019

	1H 2019	1H 2018	Increase/(Decrease)	
	S$	S$	S$	%
Loss for the period	(663,545)	(925,779)	(262,234)	-28%
Other comprehensive income	-	-	-	-
Total comprehensive income for the period attributable to owners of the Company	**(663,545)**	**(925,779)**	**(262,234)**	**-28%**

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

	1H 2019	1H 2018	Increase/(Decrease)	
	S$	S$	S$	%
Grant income	52,315	180,745	(128,430)	-71%
Rental income	64,086	61,549	2,537	4%
Interest income	2,990	2,403	587	24%
Foreign exchange (loss)/gain	(52)	106	(158)	NM
Property, plant and equipment written off	-	(2,050)	(2,050)	-100%
Recovery of doubtful receivables	-	1,890	(1,890)	-100%
Amortisation of intangible asset	-	(4,395)	(4,395)	-100%

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1(b)(i) Balance Sheets

	Group		Company	
	30 Jun 2019 S$	31 Dec 2018 S$	30 Jun 2019 S$	31 Dec 2018 S$
Non-Current Assets				
Property, plant and equipment	3,547,544	3,980,301	47,662	43,035
Investments in subsidiaries	-	-	406,547	406,547
Investments in associate	2,110,570	1,844,898	181,500	181,500
Goodwill	523,864	523,864	-	-
Reinstatement assets	131,778	143,758	-	-
Right-of-use asset	3,247,256	-	3,247,256	-
	9,561,012	**6,492,821**	**3,882,965**	**631,082**
Current Assets				
Inventories	224,362	240,878	-	-
Trade receivables	2,123,999	1,645,016	-	-
Other receivables and deposits	639,236	679,555	3,922,312	2,243,443
Prepayments	256,190	272,912	51,295	44,836
Cash and short term deposit pledged as security	844,882	714,562	-	-
Cash and short term deposits	3,466,868	2,946,069	1,716,956	1,341,795
	7,555,537	**6,498,992**	**5,690,563**	**3,630,074**
Current Liabilities				
Trade payables	986,566	1,172,526	-	-
Other payables and accruals	1,921,036	1,945,066	704,304	752,918
Deferred income	1,199,181	1,221,933	-	-
Loans and borrowings	38,993	77,011	-	-
Obligations under finance leases	362,873	539,388	-	-
Lease liability	1,324,002	-	1,324,002	-
	5,832,651	**4,955,924**	**2,028,306**	**752,918**
Net Current Assets	**1,722,886**	**1,543,068**	**3,662,257**	**2,877,156**
Non-Current Liabilities				
Provision for reinstatement	546,604	545,310	241,552	241,552
Obligations under finance leases	-	91,316	-	-
Deferred tax liabilities	22,568	22,568	-	-
Lease liability	1,988,970	-	1,988,970	-
Shareholder's loan	5,000,000	3,000,000	5,000,000	3,000,000
	7,558,142	**3,659,194**	**7,230,522**	**3,241,552**
Net Assets	**3,725,756**	**4,376,695**	**314,700**	**266,686**
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	(573,727)	(586,333)	87,006	74,400
Accumulated losses	(20,458,678)	(19,795,133)	(24,530,467)	(24,565,875)
Total Equity	**3,725,756**	**4,376,695**	**314,700**	**266,686**

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

Loans and borrowings

	Maturity	Group	
		30 Jun 2019	31 Dec 2018
		S$	S$
Amount repayable in one year or less, or on demand:			
Interest-bearing bank loans	2019	**38,993**	**77,011**

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

Obligations under finance leases

	Group			
	30 Jun 2019		31 Dec 2018	
	Minimum payments	Present value of minimum payments	Minimum payments	Present value of minimum payments
	S$	S$	S$	S$
Not later than one year	366,600	362,873	549,948	539,388
Later than one year but not later than five years	-	-	91,627	91,316
Total minimum lease payments	366,600	362,873	641,575	630,704
Less: Amounts representing finance charges	(3,727)	-	(10,871)	-
Present value of minimum lease payments	**362,873**	**362,873**	**630,704**	**630,704**

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

Loans from Controlling Shareholder

	Maturity	Group	
		30 Jun 2019	31 Dec 2018
		S$	S$
Amount repayable after one year:			
Interest-bearing loans	2021	5,000,000	3,000,000

Details of any collateral:
The loans are unsecured.

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1(c) Consolidated Cash Flow Statement

Half year ended 30 June 2019

	Group	
	1H 2019 S$	1H 2018 S$
Operating activities:		
Loss before income tax	**(663,545)**	**(925,779)**
Adjustments:		
Depreciation of property, plant and equipment and right-of-use asset	1,201,713	577,396
Amortisation of intangible asset	-	4,395
Amortisation of reinstatement assets	11,983	-
Property, plant and equipment written off	-	2,050
Recovery of doubtful receivables	-	(1,890)
Interest expense on lease liability	177,389	-
Interest expense	92,923	40,411
Interest income	(2,990)	(2,403)
Grant of equity-settled share options to employees	12,606	13,512
Expenses in connection with proposed acquisition	-	5,345
Share of results of associate	(265,672)	(206,082)
Operating cash outflow before changes in working capital	**564,407**	**(493,045)**
Changes in working capital:		
Decrease in inventories	16,516	36,692
Increase in trade and other receivables and deposits and prepayments	(421,942)	(274,599)
(Decrease)/increase in trade and other payables	(209,990)	20,694
Decrease in deferred income	(22,752)	(1,680)
Cash outflow from operations	**(73,761)**	**(711,938)**
Payment of lease	(803,744)	-
Payment of proposed acquisition expenses	-	(461,739)
Net cash outflow from operating activities	**(877,505)**	**(1,173,677)**
Investing activities:		
Interest received	2,990	2,403
Purchase of property, plant and equipment	(75,594)	(575,193)
Proceeds from disposal of property, plant and equipment	-	4,230
Net cash flows used in investing activities	**(72,604)**	**(568,560)**
Financing activities:		
(Increase)/decrease in short term deposits pledged as security	(130,320)	274,750
Interest paid	(92,923)	(40,411)
Repayment of obligations under loans and borrowings and finance leases	(305,849)	(468,762)
Loan from a shareholder	2,000,000	1,000,000
Net cash flows from financing activities	**1,470,908**	**765,577**
Net increase/(decrease) in cash and short term deposits	*520,799*	*(976,660)*
Cash and short term deposits at beginning of period	2,946,069	7,088,192
Cash and short term deposits at end of period	**3,466,868**	**6,111,532**

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

Group

S$	Share Capital	Other Reserves	Treasury Shares	Accumulated Losses	Total Equity
Balance as at 1 January 2018	24,761,027	(598,939)	(2,866)	(15,020,309)	**9,138,913**
Loss for the period	–	–	–	(925,779)	**(925,779)**
Grant of equity-settled share options to employees	–	13,512	–	–	**13,512**
Balance as at 30 June 2018	**24,761,027**	**(585,427)**	**(2,866)**	**(15,946,088)**	**8,226,646**
Balance as at 1 January 2019	24,761,027	(586,333)	(2,866)	(19,795,133)	**4,376,695**
Loss for the period	–	–	–	(663,545)	**(663,545)**
Grant of equity-settled share options to employees	–	12,606	–	–	**12,606**
Balance as at 30 June 2019	**24,761,027**	**(573,727)**	**(2,866)**	**(20,458,678)**	**3,725,756**

Company

S$	Share capital	Other Reserves	Treasury Shares	Accumulated Losses	Total Equity
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**
Balance as at 1 January 2019	24,761,027	74,400	(2,866)	(24,565,875)	266,686
Loss for the period	–	–	–	35,408	35,408
Grant of equity-settled share options to employees	–	12,606	–	–	12,606
Balance as at 30 June 2019	**24,761,027**	**87,006**	**(2,866)**	**(24,530,467)**	**314,700**

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 2019 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 2019, there were outstanding options for conversion into 1,524,000 (30 June 2018: 1,674,000) 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 2019, the number of ordinary shares in issue was 390,488,125 excluding 100,000 treasury shares (30 June 2018: 390,488,125 ordinary shares excluding 100,000 treasury shares). The issued share capital as at 30 June 2019 was S$24,761,027 (30 June 2018: 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 2019, the number of ordinary shares in issue was 390,488,125 excluding 100,000 treasury shares (31 December 2018: 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 2019	Share buyback	Sales	Transfers	Disposal	Cancellation or use	At 30 June 2019
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 Group has applied the same accounting policies and method of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 December 2018, as well as applicable new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") which became effective for financial years beginning on or after 1 January 2019. The adoption of these new and revised SFRS(I) has no material effect on the announcement for the current financial period, except for the adoption of SFRS(I) 16 Leases which came into effect on 1 January 2019.

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 has adopted SFRS(I) 16 Leases retrospectively from 1 January 2019 but has not restated comparatives for the 2018 reporting period as permitted under the specific transition provisions in the standard. Under the new standard, the Group has recognised right-of-use ("ROU") assets and lease liabilities except for short-term and low-value leases. The accounting for lessors did not change significantly.

The Group recognised ROU assets equal to lease liabilities of approximately $3.9 million in relation to leasehold premises which had previously been classified as 'operating leases' under the principles of FRS 17 Leases. These liabilities were measured at present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 January 2019. Subsequent to initial recognition, the Group depreciates the ROU assets over the remaining lease term and recognise interest expenses on the lease liabilities.

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 2019	1H 2018
(a) Based on weighted average number of ordinary shares on issue	(0.17) cent	(0.24) cent
(b) On a fully diluted basis	(0.17) cent	(0.24) cent

Notes:

(a) The basic earnings per share for 1H 2019 is computed based on weighted average share capital of 390,488,125 (30 June 2018: 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 2019	31 Dec 2018
The Group		
Net asset backing per ordinary share based on issued share capital	0.95 cents	1.12 cents
The Company		
Net asset backing per ordinary share based on issued share capital	0.08 cents	0.07 cents

Note:
The total number of shares used for the computation of net asset value per share as at 30 June 2019 is 390,488,125 (31 December 2018: 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$100,000 or 1% from S$9.2 million for the half year ended 30 June 2018 ("**1H 2018**") to S$9.1 million for the half year ended 30 June 2019 ("**1H 2019**"). The decrease was due mainly to lower revenue from the Complete Healthcare International ("**CHI**") and Astique The Aesthetic Clinic ("**AATAC**") subsidiaries, partially offset by the increase in revenue from health screening and imaging businesses.

Other income decreased from S$255,000 in 1H 2018 to S$122,000 in 1H 2019 due mainly to lower government grants received.

Consumables expenses decreased by S$200,000 or 19%, and laboratory and consultancy fees decreased by S$207,000 or 21%, both due to lower revenue from CHI and AATAC. The increase in depreciation expenses and the decrease in operating lease expenses was mainly attributable to the adoption of SFRS(I) 16 discussed in section 5. Excluding the effect of SFRS(I) 16, depreciation expenses decreased by S$69,000 or 12% due mainly to certain property, plant and equipment being fully depreciated and operating lease expenses decreased by S$88,000 or 8% due mainly to the relocation of CHI's clinic to the Group's main medical centre in Orchard Road in January 2019. Maintenance expenses decreased by S$60,000 or 13% due mainly to the retiring of certain medical equipment. Finance costs increased to S$270,000 from S$40,000 in 1H 2018 due mainly to the adoption of SFRS(I) 16 and the increase in shareholder's loans. The share of results of associate increased by S$60,000 or 29% as the associate registered higher profit for 1H 2019. As a result, the Group recorded a lower loss attributable to shareholders of S$664,000 in 1H 2019 compared with a loss of S$926,000 in 1H 2018.

Non-Current Assets

Non-current assets increased from S$6.5 million as at 31 December 2018 to S$9.6 million as at 30 June 2019 due mainly to the recognition of right-of-use asset of S$3.2 million as a result of adoption of SFRS(I) 16.

Current Assets

Current assets increased from S$6.5 million as at 31 December 2018 to S$7.6 million as at 30 June 2019 due mainly to the increase in trade receivables and cash and short term deposits. Trade receivables increased from S$1.7 million as at 31 December 2018 to S$2.1 million as at 30 June 2019 due mainly to health screening projects. The increase in cash and short term deposits from S$2.9 million to S$3.5 million is discussed in the paragraph on cash flow below.

Current Liabilities

Current liabilities increased from S$5.0 million as at 31 December 2018 to S$5.8 million as 30 June 2019 due mainly to the recognition of lease liability as a result of the adoption of SFRS(I) 16, partially offset by the decrease in trade payables. The decrease in trade payables from $1.2 million as at 31 December 2018 to S$1.0 million as at 30 June 2019 was due to timing of payments.

Net Current Assets

As a result of the higher increase in current assets as compared to current liabilities, net current assets increased from S$1.5 million as at 31 December 2018 to S$1.7 million as at 30 June 2019.

Non-Current Liabilities

Non-current liabilities increased from S$3.7 million as at 31 December 2018 to S$7.6 million as at 30 June 2019 due mainly to the recognition of lease liability of S$2.0 million as a result of the adoption of SFRS(I) 16 and the additional shareholder's loan of S$2 million received from Luye Medical Group Pte Ltd.

Cash Flow

The Group has a cash outflow from operating activities of S$0.9 million in 1H 2019 compared with an outflow of S$1.2 million in 1H 2018 due mainly to a lower loss for the period. Cash flows used in investing activities decreased to S$0.1 million in 1H 2019 from S$0.6 million in 1H 2018 due mainly to lower purchase of property, plant and equipment. Cash flows from financing activities increased due mainly to the shareholder's loan of S$2 million in 1H 2019.

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 is exploring new business initiatives. The Group will strive to deliver improvements in its businesses, implement cost control measures and strengthen its balance sheet.

On 15 May 2019, the Company announced that it is proposing to undertake a renounceable non-underwritten rights issue of up to 1,561,952,500 new ordinary shares in the capital of the Company (the "Rights Shares") at an issue price of S$0.012 for each Rights Share, on the basis of four (4) Rights Shares for every one (1) existing ordinary share in the capital of the Company held by the shareholders of the Company as at the books closure date to be determined, fractional entitlements to be disregarded (the "Proposed Rights Issue").

Luye Medical Group Pte. Ltd. ("LMGPL"), the controlling shareholder of the Company, has given an irrevocable undertaking that it will, *inter alia* (a) apply, subscribe and pay for the whole of its pro-rata beneficial entitlement of Rights Shares; and (b) apply, subscribe and pay for excess Rights Shares in the event that the Rights Issue is undersubscribed (subject to availability), provided that the total subscription monies payable by LMGPL shall be capped at S$5 million.

As the fulfilment by LMGPL of its obligations under the abovementioned irrevocable undertaking may result in LMGPL being obliged to make a mandatory general offer for the Company pursuant to Rule 14 of the Singapore Code on Take-overs and Mergers, an application has been made to the Securities Industry Council for a whitewash waiver.

The Company will make the necessary announcements about the Proposed Rights Issue after the Company receives the necessary approvals from the relevant authorities for the Proposed Rights Issue.

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 and the reason(s) for the decision.

No dividend has been declared as the Group registered a loss for the period.

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$77,428 (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, Charles Wang Chong Guang and Tan Soo Kiat, 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 2019 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Foo Soon Soo (Ms)
Company Secretary

14 August 2019

*This announcement has been reviewed by the Company's Sponsor, Xandar Capital Pte Ltd, in compliance with Rule 226 of the with the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). It has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

The contact person for the Sponsor is Ms Pauline Sim (Registered Professional, Xandar Capital Pte Ltd) at 3 Shenton Way, #24-02 Shenton House, Singapore 068805. Telephone number: (65) 63194954.