

## ASIAMEDIC LIMITED

### Half Year Financial Statements Announcement for the 6 months ended 30 June 2015

#### 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 2015	1H 2014	Increase/(Decrease)	
	S\$	S\$	S\$	%
<b>Revenue</b>	10,511,942	8,871,224	1,640,718	18%
Other income	230,533	180,557	49,976	28%
<b>Items of expenses</b>				
Consumables used	(1,218,377)	(996,974)	221,403	22%
Employee benefits expense	(5,050,387)	(4,150,115)	900,272	22%
Depreciation of property, plant and equipment	(758,419)	(661,371)	97,048	15%
Operating lease expenses	(815,975)	(770,628)	45,347	6%
Maintenance of equipment	(233,302)	(322,549)	(89,247)	-28%
Laboratory and consultancy fees	(1,063,734)	(1,146,699)	(82,965)	-7%
Finance costs	(80,056)	(85,368)	(5,312)	-6%
Other operating expenses	(1,267,315)	(1,170,320)	96,995	8%
Total operating expenses	(10,487,565)	(9,304,024)	1,183,541	13%
<b>Profit / (Loss) from operations</b>	<b>254,910</b>	<b>(252,243)</b>	<b>507,153</b>	<b>NM</b>
Share of results of associates	137,285	101,823	35,462	35%
<b>Profit / (Loss) before income tax</b>	<b>392,195</b>	<b>(150,420)</b>	<b>542,615</b>	<b>NM</b>
Income tax credit	109	—	109	NM
<b>Profit / (Loss) for the period</b>	<b>392,304</b>	<b>(150,420)</b>	<b>542,724</b>	<b>NM</b>
<b>Attributable to:</b>				
Owners of the Company	327,714	(96,643)	424,357	NM
Non-controlling interests	64,590	(53,777)	118,367	NM
	<b>392,304</b>	<b>(150,420)</b>	<b>542,724</b>	<b>NM</b>

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### 1(a)(ii) Statement of Comprehensive Income

#### STATEMENT OF COMPREHENSIVE INCOME FOR HALF YEAR ENDED 30 JUNE 2015

	1H 2015	1H 2014	Increase/(Decrease)	
	S\$	S\$	S\$	%
<b>Profit / (Loss) for the period</b>	<b>392,304</b>	<b>(150,420)</b>	<b>542,724</b>	<b>NM</b>
<b>Other comprehensive income:</b>				
Foreign currency translation reserve	13,223	(14,348)	27,571	NM
<b>Total comprehensive profit / (loss) for the period</b>	<b>405,527</b>	<b>(164,768)</b>	<b>570,295</b>	<b>NM</b>
<b>Attributable to:</b>				
Owners of the Company	<b>340,937</b>	<b>(110,991)</b>	<b>451,928</b>	<b>NM</b>
Non-controlling interests	64,590	(53,777)	118,367	NM
<b>Total comprehensive profit / (loss) for the period</b>	<b>405,527</b>	<b>(164,768)</b>	<b>570,295</b>	<b>NM</b>

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

	1H 2015	1H 2014	Increase/(Decrease)	
	S\$	S\$	S\$	%
Grant income	214,526	151,199	63,327	42%
Interest income	14,700	24,930	(10,230)	(41%)
Foreign exchange gain / (loss)	30,838	(15,922)	46,760	NM
Loss on disposal of property, plant and equipment	(1,254)	—	1,254	NM
Property, plant and equipment written off	(726)	(860)	(134)	(16%)
(Impairment loss) / Recovery on doubtful receivables	(197)	12,738	(12,935)	NM
Amortisation of intangible asset	(6,593)	(6,593)	—	NM

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## 1(b)(i) Balance Sheets

	Group		Company	
	30 Jun 2015	31 Dec 2014	30 Jun 2015	31 Dec 2014
	S\$	S\$	S\$	S\$
<b>Non-Current Assets</b>				
Property, plant and equipment	9,452,790	7,142,503	180,460	220,062
Investments in subsidiaries	—	—	2,568,161	2,568,161
Investments in associates	1,525,071	1,658,785	668,060	1,064,060
Convertible loans	536,788	524,050	—	—
Intangible asset	37,358	43,953	—	—
Goodwill	2,124,311	2,124,311	—	—
Deferred tax assets	190,359	190,359	—	—
	<b>13,866,677</b>	<b>11,683,961</b>	<b>3,416,681</b>	<b>3,852,283</b>
<b>Current Assets</b>				
Inventories	284,845	273,243	—	—
Trade receivables	1,405,918	1,363,954	—	—
Other receivables and deposits	2,312,024	2,352,390	4,475,389	2,868,150
Prepayments	189,939	205,423	103,942	78,568
Cash and short term deposit pledged as security	—	300,000	—	—
Cash and short term deposits	5,950,330	6,259,961	3,044,945	4,055,237
	<b>10,143,056</b>	<b>10,754,971</b>	<b>7,624,276</b>	<b>7,001,955</b>
<b>Current Liabilities</b>				
Trade payables	821,885	830,894	—	—
Other payables and accruals	1,703,370	1,563,543	837,340	751,477
Provision	241,552	241,552	241,552	241,552
Deferred income	493,454	520,881	—	—
Current tax liabilities	—	675	—	—
Obligations under finance leases	1,441,110	922,907	—	—
Loans and borrowings	448,822	1,374,494	—	—
	<b>5,150,193</b>	<b>5,454,946</b>	<b>1,078,892</b>	<b>993,029</b>
<b>Net Current Assets</b>	<b>4,992,863</b>	<b>5,300,025</b>	<b>6,545,384</b>	<b>6,008,926</b>
<b>Non-Current Liabilities</b>				
Obligations under finance leases	3,201,774	1,790,330	—	—
Loans and borrowings	693,497	634,914	—	—
Put options granted to non-controlling interests	568,544	568,544	—	—
Deferred tax liabilities	46,626	46,626	—	—
	<b>4,510,441</b>	<b>3,040,414</b>	<b>—</b>	<b>—</b>
<b>Net Assets</b>	<b>14,349,099</b>	<b>13,943,572</b>	<b>9,962,065</b>	<b>9,861,209</b>
<b>Equity Attributable to Owners of the Company</b>				
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	(593,645)	(606,868)	—	—
Accumulated losses	(7,058,286)	(7,386,000)	(11,985,596)	(12,086,452)
	<b>14,295,730</b>	<b>13,954,793</b>	<b>9,962,065</b>	<b>9,861,209</b>
Non-controlling interests	53,369	(11,221)	—	—
<b>Total Equity</b>	<b>14,349,099</b>	<b>13,943,572</b>	<b>9,962,065</b>	<b>9,861,209</b>

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

#### Loans & Borrowings

	Maturity	Group	
		30 Jun 2015	31 Dec 2014
		S\$	S\$
<b>Amount repayable in one year or less, or on demand:</b> Interest-bearing bank loans	2015 - 2016	448,822	1,374,494
<b>Amount repayable after one year:</b> Interest-bearing bank loans	2016 - 2019	693,497	634,914
<b>Total loans</b>		<b>1,142,319</b>	<b>2,009,408</b>

#### **Details of any collateral:**

The loans are secured by corporate guarantees executed by the Company.

#### Obligations Under Finance Leases

	Group			
	30 Jun 2015		31 Dec 2014	
	Minimum payments	Present value of minimum payments	Minimum payments	Present value of minimum payments
	S\$	S\$	S\$	S\$
Not later than one year	1,541,745	1,441,110	991,797	922,907
Later than one year but not later than five years	3,405,114	3,201,774	1,884,569	1,790,330
Total minimum lease payments	4,946,859	4,642,884	2,876,366	2,713,237
Less: Amounts representing finance charges	(303,975)	—	(163,129)	—
Present value of minimum lease payments	<b>4,642,884</b>	<b>4,642,884</b>	<b>2,713,237</b>	<b>2,713,237</b>

#### **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 2015

	Group	
	1H 2015 S\$	1H 2014 S\$
<b>Operating activities:</b>		
<b>Profit / (Loss) before income tax</b>	<b>392,195</b>	<b>(150,420)</b>
<b>Adjustments:</b>		
Depreciation of property, plant and equipment	758,419	661,371
Amortisation of intangible asset	6,593	6,593
Property, plant and equipment written off	726	860
Loss on disposal of property, plant and equipment	1,254	–
Impairment loss / (Recovery) of doubtful receivables	197	(12,738)
Currency translation reserve	13,223	(14,348)
Interest expense	80,056	85,368
Interest income	(14,700)	(24,930)
Impairment loss on convertible loan and short-term loan receivables	–	–
Share of results of associates	(137,285)	(101,823)
<b>Operating cash flows before changes in working capital</b>	<b>1,100,678</b>	<b>449,933</b>
<b>Changes in working capital:</b>		
Increase in inventories	(11,602)	(18,330)
Decrease in trade and other receivables and prepayments	187,020	182,554
Increase / (Decrease) in trade and other payables	155,109	(90,431)
(Decrease) / Increase in deferred income	(27,428)	20,294
<b>Cash flows from operations</b>	<b>1,403,777</b>	<b>544,020</b>
Income tax paid	(565)	(8,184)
<b>Net cash flows from operating activities</b>	<b>1,403,212</b>	<b>535,836</b>
<b>Investing activities:</b>		
Interest received	14,700	24,930
Purchase of property, plant and equipment	(511,284)	(793,482)
Proceeds from disposal of property, plant and equipment	400,850	310,000
Net cash outflow on acquisition of subsidiary	–	(795,248)
Loan to an associate	(125,000)	–
Repayment of long term loan from associate	226,000	396,000
Net cash outflow on short term loan receivables	(440,363)	(357,390)
<b>Net cash flows used in investing activities</b>	<b>(435,097)</b>	<b>(1,215,190)</b>
<b>Financing activities:</b>		
Discharge of short term deposit pledged as security	300,000	–
Interest paid	(80,055)	(85,368)
Repayment of obligations under finance leases and loans and borrowings	(1,832,666)	(618,304)
Proceeds from term loans	334,974	617,000
<b>Net cash flows (used in) / from financing activities</b>	<b>(1,277,747)</b>	<b>(86,672)</b>
Net decrease in cash and short term deposits	(309,632)	(766,026)
Cash and short term deposits at the beginning of period	6,259,962	7,176,868
<b>Cash and short term deposits at the end of period</b>	<b>5,950,330</b>	<b>6,410,842</b>

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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
<b>Balance as at 1 January 2014</b>	21,950,527	(630,186)	(2,866)	(7,741,692)	<b>13,575,783</b>	(300,041)	<b>13,275,742</b>
Total comprehensive income	—	—	—	(96,643)	<b>(96,643)</b>	(53,777)	<b>(150,420)</b>
Foreign currency translation	—	(14,348)	—	—	<b>(14,348)</b>	—	<b>(14,348)</b>
<b>Balance as at 30 June 2014</b>	21,950,527	(644,534)	(2,866)	(7,838,335)	<b>13,464,792</b>	(353,818)	<b>13,110,974</b>

<b>Balance as at 1 January 2015</b>	21,950,527	(606,868)	(2,866)	(7,386,000)	<b>13,954,793</b>	(11,221)	<b>13,943,572</b>
Total comprehensive income	—	—	—	327,714	<b>327,714</b>	64,590	<b>392,304</b>
Foreign currency translation	—	13,223	—	—	<b>13,223</b>	—	<b>13,223</b>
<b>Balance as at 30 June 2015</b>	21,950,527	(593,645)	(2,866)	(7,058,286)	<b>14,295,730</b>	53,369	<b>14,349,099</b>

### Company

S\$	Share capital	Treasury Shares	Accumulated Losses	Total Equity
<b>Balance as at 1 January 2014</b>	21,950,527	(2,866)	(10,214,164)	11,733,497
Total comprehensive income	—	—	140,627	140,627
<b>Balance as at 30 June 2014</b>	21,950,527	(2,866)	(10,073,537)	<b>11,874,124</b>

<b>Balance as at 1 January 2015</b>	21,950,527	(2,866)	(12,086,452)	9,861,209
Total comprehensive income	—	—	100,856	100,856
<b>Balance as at 30 June 2015</b>	21,950,527	(2,866)	(11,985,596)	<b>9,962,065</b>

## ASIAMEDIC LIMITED

**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 since the end of the previous period reported on.

As at 30 June 2015, the number of ordinary shares in issue was 338,988,125 excluding 100,000 treasury shares. The share capital was S\$21,950,527. (30 June 2014: 338,988,125 ordinary shares excluding 100,000 treasury shares.)

The Company does not have any convertibles as at 30 June 2015 and 30 June 2014.

**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 2015, the number of ordinary shares in issue was 338,988,125 excluding 100,000 treasury shares (31 December 2014: 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 2015	Share buyback	Sales	Transfers	Disposal	Cancellation or use	At 30 June 2015
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.

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**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 2015. 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 2015	1H 2014
(a) Based on weighted average number of ordinary shares on issue	0.10 cent	(0.03) cent
(b) On a fully diluted basis	0.10 cent	(0.03) cent

**Notes:**

(a) The basic earnings per share for the six months ended 30 June 2015 is computed based on weighted average share capital of 338,988,125 (30 June 2014 : 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 2015	31 Dec 2014
<b>The Group</b>		
Net asset backing per ordinary share based on existing issued share capital	4.22 cents	4.12 cents
<b>The Company</b>		
Net asset backing per ordinary share based on existing issued share capital	2.94 cents	2.91 cents

**Note:**

The total number of shares used for the computation of net asset value per share is 338,988,125 (31 December 2014: 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 18% from S\$8.9 million for the half year ended 30 June 2014 ("1H 2014") to S\$10.5 million for the half year ended 30 June 2015 ("**1H 2015**") due to improved performance from all business units.

The increase in other income was due mainly to the higher amount received from the wage credit and productivity and innovation credit schemes.

The increase in consumables used was in line with revenue growth. Employee benefits expense increased due mainly to higher headcount. Depreciation increased due mainly to additions of medical equipment. Maintenance of equipment expenses decreased as many of our medical equipment are new and are, therefore, under warranty period. The engagement of the services of an in-house consultant in the place of external consultants resulted in the decrease in laboratory and consultancy fees. The increase in other operating expenses was due mainly to higher marketing expenditure. The share of results of associates in 1H 2015 increased due mainly to the lower losses of Cryoviva Singapore Pte Ltd during the period.

As a result of higher revenue, the Group registered a profit attributable to owners of the Company of S\$328,000 for 1H 2015 compared to a loss of S\$97,000 for 1H 2014.

The earnings before interest, taxation, depreciation and amortisation (EBITDA) for 1H 2015 were 105% higher at S\$1,237,000, compared to S\$602,000 for 1H 2014.

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### Non-Current Assets

The increase in non-current assets was due mainly to the increase in property, plant and equipment from the purchase of medical equipment.

### Current Liabilities

Other payables and accruals increased due mainly to higher accruals of staff costs, consultancy fees and marketing expenses. Obligations under finance leases also increased due to financing obtained for the purchase of medical equipment. These increases were offset by lower loans and borrowings from repayment of a term loan which resulted in lower current liabilities.

### Non-Current Liabilities

Non-current liabilities increased due to higher obligations under finance leases obtained for the purchase of medical equipment during the period.

### Cash Flows

During the period, the Group's cash flows from operating activities increased to S\$1.4 million from S\$0.5 million in 1H 2014. The Group's cash flows used in investing activities amounted S\$0.4 million. The short term loans receivables of S\$0.4 million are additional working capital loans extended to the medical and post-natal centres in Shanghai. Cash flows used in financing activities amounted to S\$1.3 million due mainly to repayment of the term loan as mentioned above. As a result, cash and short-term deposits decreased to S\$6 million as at 30 June 2015 from S\$6.3 million as at the end of FY2014.

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**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 previously disclosed.

**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 healthcare industry in Singapore is expected to remain robust, backed by greater awareness about preventive and health management, and an ageing population. The potential for medical tourism in Singapore is expected to remain healthy, supported by Singapore's reputation as a high quality regional medical tourism hub. However, the medical tourism sector could come under pressure from the strong Singapore dollar and regional competition. In addition, the Group will continue to be affected by professional manpower shortage in the healthcare sector in Singapore.

The Group is assessing its options with regards to its investments, in particular, the Shanghai medical and post-natal centres. Given the losses incurred by these centres since inception in 2012, the Group has limited its future financial support to these centres and is considering the disposal of its interests in these centres. This may result in substantial losses on the loans extended to these centres. The net carrying amount of the loans was approximately S\$1.8 million as at 30 June 2015.

The Group's clinic in East Coast ceased operations in 1H 2015. The Group is currently looking for a sub-tenant to take over the lease. The Group will need to make impairments and provisions if it is unable to secure a sub-tenant.

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### 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.

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### 14. 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 2015 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)  
12 August 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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