ASIAMEDIC LIMITED

Co. Reg. No.: 197401556E

ASIAMEDIC LIMITED
Half Year Financial Statements Announcement for the 6 months ended 30 June 2014

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 2014	1H 2013	Increase/(Decrease)	
	S$	S$	S$	%
Revenue	8,871,224	6,547,473	2,323,751	35%
Other income	180,557	43,332	137,225	317%
Items of expenses				
Consumables used	(996,974)	(576,284)	420,690	73%
Employee benefits expense	(4,150,115)	(2,785,746)	1,364,369	49%
Depreciation of property, plant and equipment	(661,371)	(692,489)	(31,118)	(4%)
Operating lease expenses	(770,628)	(609,383)	161,245	26%
Maintenance of equipment	(322,549)	(375,948)	(53,399)	(14%)
Laboratory and consultancy costs	(1,146,699)	(1,015,628)	131,071	13%
Finance costs	(85,368)	(22,085)	63,283	287%
Other operating expenses	(1,170,320)	(856,521)	313,799	37%
Total operating expenses	(9,304,024)	(6,934,084)	2,369,940	34%
Loss from operations	**(252,243)**	**(343,279)**	**(91,036)**	**(27%)**
Share of results of associates	101,823	148,013	(46,190)	(31%)
Loss before income tax	**(150,420)**	**(195,266)**	**(44,846)**	**(23%)**
Income tax	–	–	–	–
Loss for the period	**(150,420)**	**(195,266)**	**(44,846)**	**(23%)**
Attributable to:				
Owners of the Company	**(96,643)**	**(189,665)**	**(93,022)**	**(49%)**
Non-controlling interests	(53,777)	(5,601)	48,176	860%
	(150,420)	**(195,266)**	**(44,846)**	**(23%)**

1(a)(ii) Statement of Comprehensive Income

STATEMENT OF COMPREHENSIVE INCOME FOR HALF YEAR ENDED 30 JUNE 2014

	1H 2014	1H 2013	Increase/(Decrease)	
	S$	S$	S$	%
Loss for the period	**(150,420)**	**(195,266)**	**(44,846)**	**(23%)**
Other comprehensive income:				
Foreign currency translation reserve	(14,348)	10,550	(24,898)	(236%)
Total comprehensive loss for the period	**(164,768)**	**(184,716)**	**(19,948)**	**(11%)**
Attributable to:				
Owners of the Company	**(110,991)**	**(179,115)**	**(68,125)**	**(38%)**
Non-controlling interests	(53,777)	(5,601)	48,176	860%
Total comprehensive loss for the period	**(164,768)**	**(184,716)**	**(19,949)**	**(11%)**

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

	1H 2014	1H 2013	Increase/(Decrease)	
	S$	S$	S$	%
Interest income	24,930	36,432	(11,502)	(32%)
Foreign exchange loss	(15,922)	(1,694)	14,228	840%
Loss on disposal of property, plant and equipment	–	(683)	(683)	(100%)
Property, plant and equipment written off	(860)	–	860	100%
Recovery of/(Impairment loss on) doubtful receivables	12,738	(3,500)	16,238	464%
Fair value loss on convertible loans and short-term receivables	–	(6,474)	(6,474)	(100%)
Amortisation of intangible asset	(6,593)	–	6,593	100%

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1(b)(i) Balance Sheets

	Group		Company	
	30 Jun 2014 S$	31 Dec 2013 S$	30 Jun 2014 S$	31 Dec 2013 S$
Non-Current Assets				
Property, plant and equipment	7,425,675	7,411,424	251,237	263,190
Investments in subsidiaries	–	–	2,566,661	2,566,662
Investments in associates	1,616,833	1,791,010	1,184,060	1,460,060
Convertible loans	578,992	592,125	–	–
Intangible asset	50,546	57,139	–	–
Goodwill	2,124,311	2,124,311	–	–
	11,796,357	**11,976,009**	**4,001,958**	**4,289,912**
Current Assets				
Inventories	286,146	267,816	–	–
Trade receivables	1,262,953	1,353,785	3,196,681	2,917,027
Other receivables and deposits	719,537	1,126,311	422,272	440,828
Short-term loan receivables	996,380	625,857	4,615	4,615
Prepayments	279,292	261,502	129,387	187,863
Cash and short term deposit pledged as security	300,000	300,000	–	–
Cash and short term deposits	6,410,842	7,176,868	5,065,461	5,695,901
	10,255,149	**11,112,139**	**8,818,416**	**9,246,234**
Current Liabilities				
Trade payables	733,237	715,456	263,850	187,464
Other payables and accruals	1,881,827	3,898,288	682,400	1,615,185
Deferred income	273,456	253,162	–	–
Current tax liabilities	675	8,859	–	–
Obligations under finance leases	916,761	709,092	–	–
Loans and borrowings	1,370,719	1,242,009	–	–
	5,176,675	**6,826,866**	**946,250**	**1,802,649**
Net Current Assets	**5,078,474**	**4,285,273**	**7,872,166**	**7,443,585**
Non-Current Liabilities				
Obligations under finance leases	2,253,320	1,674,109	–	–
Loans and borrowings	823,099	623,992	–	–
Derivatives financial instruments	652,544	652,544	–	–
Deferred tax liabilities	34,895	34,895	–	–
	3,763,858	**2,985,540**	**–**	**–**
Net Assets	**13,110,974**	**13,275,742**	**11,874,124**	**11,733,497**
Equity Attributable to Owners of the Company				
Share capital	21,950,527	21,950,527	21,950,527	21,950,527
Treasury shares	(2,866)	(2,866)	(2,866)	(2,866)
Other reserves	(644,534)	(630,186)	–	–
Accumulated losses	(7,838,335)	(7,741,692)	(10,073,537)	(10,214,164)
	13,464,792	13,575,783	11,874,124	11,733,497
Non-controlling interests	(353,818)	(300,041)	–	–
Total Equity	**13,110,974**	**13,275,742**	**11,874,124**	**11,733,497**

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

Loans & Borrowings

	Group	
	30 Jun 2014	31 Dec 2013
	S$	S$
Amount repayable in one year or less, or on demand:		
Interest-bearing bank loans	1,370,719	1,242,009
Amount repayable after one year:		
Interest-bearing bank loans	823,099	623,992
Total loans	**2,193,818**	**1,866,001**

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

Obligations Under Finance Leases

	Group			
	30 Jun 2014		31 Dec 2013	
	Minimum payments	Present value of minimum payments	Minimum payments	Present value of minimum payments
	S$	S$	S$	S$
Not later than one year	990,027	916,761	762,025	709,092
Later than one year but not later than five years	2,380,467	2,253,320	1,790,202	1,674,109
Total minimum lease payments	3,370,494	3,170,081	2,552,227	2,383,201
Less: Amounts representing finance charges	(200,413)	–	(169,026)	–
Present value of minimum lease payments	**3,170,081**	**3,170,081**	**2,383,201**	**2,383,201**

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

1(c) Consolidated Cash Flow Statement

Six Months Ended 30 June 2014

	Group	
	1H 2014	**1H 2013**
	S$	**S$**
Operating activities:		
Loss before income tax	**(150,420)**	**(195,266)**
Adjustments:		
Depreciation of property, plant and equipment	661,371	692,489
Amortisation of intangible asset	6,593	–
Property, plant and equipment written off	860	–
Loss on disposal of property, plant and equipment	–	683
(Recovery of)/Impairment loss on doubtful receivables	(12,738)	3,500
Currency translation reserve	(14,348)	10,550
Interest expense	85,368	19,852
Interest income	(24,930)	(36,432)
Impairment loss on convertible loan and short-term loan receivables	–	6,474
Share of results of associates	(101,823)	(148,013)
Operating profit before working capital changes	**449,933**	**353,837**
Changes in working capital:		
(Increase)/Decrease in inventories	(18,330)	11,499
Decrease/(Increase) in trade and other receivables and prepayments	182,554	(313,119)
Decrease in trade and other payables	(90,431)	(70,709)
Increase in deferred income	20,294	–
Cash generated from/(used in) operations	**544,020**	**(18,492)**
Income tax paid	(8,184)	–
Net cash generated from/(used in) operating activities	**535,836**	**(18,492)**
Investing activities:		
Interest received	24,930	36,432
Purchase of property, plant and equipment	(793,482)	(744,631)
Proceeds from disposal of property, plant and equipment	310,000	400
Net cash outflow on acquisition of subsidiary	(795,248)	(454,683)
Net cash outflow on convertible and short-term loan receivables	(357,390)	(401,757)
Net cash flows used in investing activities	**(1,611,190)**	**(1,564,239)**
Financing activities:		
Interest paid	(85,368)	(19,852)
Repayment of obligations under finance leases and loans and borrowings	(618,304)	(230,176)
Proceeds from term loans	617,000	400,000
Repayment of long-term loan from associate	396,000	495,000
Net cash flows from financing activities	**309,328**	**644,972**
Net decrease in cash and short term deposits	*(766,026)*	*(937,759)*
Cash and short term deposits at the beginning of period	7,176,868	9,179,193
Cash and short term deposits at the end of period	**6,410,842**	**8,241,434**

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

Group

S$	Share Capital	Other Reserves	Treasury Shares	Accumulated Losses	Total	Non-Controlling Interests	Total Equity
Balance as at 1 January 2013	21,550,530	(36,416)	(2,866)	(7,795,638)	**13,715,610**	(310,772)	**13,404,838**
Total comprehensive income	–	–	–	(189,665)	**(189,665)**	(5,601)	**(195,266)**
Foreign currency translation	–	46,966	–	–	**46,966**	–	**46,966**
Balance as at 30 June 2013	21,550,530	10,550	(2,866)	(7,985,303)	**13,572,911**	(316,373)	**13,256,538**

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

Company

S$	Share capital	Treasury Shares	Accumulated Losses	Total Equity
Balance as at 1 January 2013	21,550,530	(2,866)	(9,130,949)	**12,416,715**
Total comprehensive income	–	–	114,751	**114,751**
Balance as at 30 June 2013	21,550,530	(2,866)	(9,016,198)	**12,531,466**

Balance as at 1 January 2014	21,950,527	(2,866)	(10,214,164)	11,733,497
Total comprehensive income	–	–	140,627	140,627
Balance as at 30 June 2014	21,950,527	(2,866)	(10,073,537)	**11,874,124**

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 2014, the number of ordinary shares in issue was 338,988,125 excluding 100,000 treasury shares. The share capital was S$21,950,527. (30 June 2013: 335,225,219 ordinary shares excluding 100,000 treasury shares.)

The Company does not have any convertibles as at 30 June 2014 and 30 June 2013.

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

As at 30 June 2014, the number of ordinary shares in issue was 338,988,125 excluding 100,000 treasury shares (31 December 2013: 338,988,125 ordinary shares excluding 100,000 treasury shares).

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

At 1 January 2014	Share buyback	Sales	Transfers	Disposal	Cancellation or use	At 30 June 2014
100,000	–	–	–	–	–	100,000

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

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

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

Not applicable.

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

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

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

The Group and the Company have adopted all the applicable new and revised Financial Reporting Standards (FRS) that become effective for accounting periods beginning 1 January 2014. The adoption of these new and revised FRS 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 2014	1H 2013
(a) Based on weighted average number of ordinary shares on issue	(0.03) cent	(0.06) cent
(b) On a fully diluted basis	(0.03) cent	(0.06) cent

Notes:

(a) The basic earnings per share for the six months ended 30 June 2014 is computed based on weighted average share capital of 338,988,125 (30 June 2013 : 335,225,219) 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 2014	31 Dec 2013
The Group		
Net asset backing per ordinary share based on existing issued share capital	3.87 cents	3.92 cents
The Company		
Net asset backing per ordinary share based on existing issued share capital	3.50 cents	3.46 cents

Note:

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

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

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

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

The Group's revenue increased by 35% to S$8.9 million for the half year ended 30 June 2014 ("**1H 2014**") compared with S$6.5 million in the previous corresponding period ("**1H 2013**"). The increase was due to improved performance from core business of diagnostic imaging and wellness services. Revenue from diagnostic imaging business increased by S$0.58 million (12%) to S$5.5 million, while revenue from wellness services improved by S$0.33 million (22%) to S$1.8 million. The Group's revenue was also boosted by contributions from Complete Healthcare International Pte Ltd ("**CHI**") and AsiaMedic Astique The Aesthetic Clinic ("**Astique**") which were acquired in May 2013 and June 2013 respectively. The Group acquired 80% interest in CHI and 70% interest in Astique. CHI also opened a new branch in East Coast during 1H 2014.

The increase in other income was due mainly to wage credit scheme payout, productivity and innovation credit cash payout and grant received for certain of our initiatives.

The increase in consumables used was due mainly to the inclusion of CHI and Astique whose businesses have a proportionately higher medication and procedural contents compared with the Group's diagnostic imaging and wellness service business. Employee benefits expense increased due mainly to higher headcount and the inclusion of staff from CHI and Astique which were acquired last year. Depreciation expense decreased as some fixed assets became fully depreciated. The increase in operating lease expenses was due mainly to additional floor space at the 10th floor of Shaw House and the inclusion of CHI's rental. Maintenance of equipment expenses decreased as many of our medical equipment are new and are, therefore, under warranty period. Laboratory and consultancy costs increased in line with revenue growth. The Group obtained bank financing for the acquisition of CHI and other capital expenditure which resulted in the increase in finance costs. Other operating expenses increased due mainly to the inclusion of the operating expenses of CHI and Astique which were acquired last year and from the higher group sales volume.

The share of results of associates in 1H 2014 decreased due mainly to the start-up losses of Cryoviva Singapore Pte Ltd ("**Cryoviva**") which commenced operations during the period.

The Group registered a loss attributable to owners of the Company of S$97,000 for 1H 2014 compared with S$190,000 for 1H 2013.

The earnings before interest, taxation, depreciation and amortisation ("**EBITDA**") for 1H 2014 was 15% higher at S$603,000, compared to S$519,000 for 1H 2013. Excluding the start-up losses of the new businesses of Cryoviva and the new CHI branch clinic at East Coast, the EBITDA for 1H 2014 would have been approximately S$843,000 (1H 2013: S$519,000).

Non-Current Assets
There was no material change to non-current assets except a decrease to intangible assets due to amortisation.

Current Assets
Other receivables and deposits decreased due mainly to the receipt of proceeds from the disposal of medical equipment. The increase in short-term receivables was due to working capital loans extended to the medical and post-natal centres in Shanghai.

Current Liabilities
The decrease in other payables and accruals was due mainly to payments in 2014 for the second tranche of the purchase consideration for the CHI acquisition and the purchase of medical equipment and renovations. The increase in finance leases and loans and borrowings was due to bank borrowings obtained for the Group's capital expenditure.

Net Current Assets
As a result of the lower current liabilities, net current assets increased to S$5.1 million as at 30 June 2014 from S$4.3 million as at 31 December 2013.

Non-Current Liabilities
The increase in finance leases and loans and borrowings was due to bank borrowings obtained for the Group's capital expenditure.

Cash Flow
During the period, the Group's cash flow from operating activities increased to S$536,000 from an outflow of S$18,000 in 1H 2013. The Group's cash flow used in investing activities amounted to S$1.6 million, and cash flow from financing activities amounted to S$0.3 million. As a result, cash and short-term deposits decreased to S$6.4 million as at 30 June 2014 from S$7.2 million as at the end of FY2013.

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

There was no forecast or prospect statement 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.

Healthcare demand is expected to maintain its growth path on the back of Singapore's rising ageing population as well as its increasing affluence and attractiveness as a regional medical tourism hub. For 1H 2014, the Group noted an increase in the monthly average number of patients seeking diagnostic imaging and wellness services as compared to FY2013. The Group believes that it is positioned to benefit from the growing demand given its expansion, acquisitions and ongoing marketing efforts.

11. If a decision regarding dividend has been made:

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

Nil

b) N/A

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

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

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

N/A

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

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

N/A

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

No dividend has been declared.

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

No IPT mandate has been obtained.

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

We, Tan Wang Cheow and Andi Solaiman, 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 2014 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Tan Wang Cheow
Director

Andi Solaiman
Director

BY ORDER OF THE BOARD

Foo Soon Soo (Ms)
12 August 2014

*This announcement has been prepared by the Company and reviewed by the Company's sponsor, Asiasons WFG 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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