ASIAMEDIC LIMITED

Co. Reg. No.: 197401556E

ASIAMEDIC LIMITED
Half Year Financial Statements Announcement for the six months ended 30 June 2017

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 2017	1H 2016	Increase/(Decrease)	
	S$	S$	S$	%
Revenue	**9,965,776**	**10,633,129**	**(667,353)**	**-6%**
Other income	186,917	698,908	(511,991)	-73%
Items of expenses				
Consumables used	(1,091,565)	(1,138,735)	(47,170)	-4%
Personnel expenses	(5,772,684)	(5,954,642)	(181,958)	-3%
Depreciation of property, plant and equipment	(756,960)	(810,448)	(53,488)	-7%
Operating lease expenses	(1,090,626)	(1,032,607)	58,019	6%
Maintenance of equipment	(403,158)	(336,263)	66,895	20%
Laboratory and consultancy fees	(845,817)	(991,691)	(145,874)	-15%
Finance costs	(49,182)	(75,327)	(26,145)	-35%
Other operating expenses	(1,232,660)	(1,344,003)	(111,343)	-8%
Total operating expenses	(11,242,652)	(11,683,716)	(441,064)	-4%
Loss from operations	**(1,089,959)**	**(351,679)**	**738,280**	**NM**
Share of results of associate	133,494	184,460	(50,966)	-28%
Loss for the period	**(956,465)**	**(167,219)**	**789,246**	**NM**
Attributable to:				
Owners of the Company	**(956,465)**	**(177,983)**	**778,482**	**NM**
Non-controlling interests	-	10,764	(10,764)	-100%
	(956,465)	**(167,219)**	**789,246**	**NM**

1(a)(ii) Statement of Comprehensive Income

STATEMENT OF COMPREHENSIVE INCOME FOR HALF YEAR ENDED 30 JUNE 2017

	1H 2017	1H 2016	Increase/(Decrease)	
	S$	S$	S$	%
Loss for the period	(956,465)	(167,219)	789,246	NM
Other comprehensive income:				
Foreign currency translation reserve	(43,325)	(15,544)	27,781	NM
Total comprehensive income for the period	**(999,790)**	**(182,763)**	**817,027**	**NM**
Attributable to:				
Owners of the Company	**(999,790)**	**(193,527)**	**806,263**	**NM**
Non-controlling interests	-	10,764	(10,764)	-100%
Total comprehensive income for the period	**(999,790)**	**(182,763)**	**817,027**	**NM**

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

	1H 2017	1H 2016	Increase/(Decrease)	
	S$	S$	S$	%
Grant income	119,300	273,467	(154,167)	-56%
Rental income	38,338	233,087	(194,749)	-84%
Interest income	17,249	31,485	(14,236)	-45%
Foreign exchange gain / (loss)	34,172	(1,107)	35,279	NM
Gain on disposal of property, plant and equipment	-	46,035	(46,035)	-100%
Gain on closure of East Coast clinic	-	65,000	(65,000)	-100%
Gain on disposal of investment in associate	-	50,000	(50,000)	-100%
Property, plant and equipment written off	(5,313)	-	5,313	100%
Recovery / (impairment) of doubtful receivables	16	(35,793)	35,809	100%
Amortisation of intangible asset	(6,593)	(6,593)	-	0%

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1(b)(i) Balance Sheets

	Group		Company	
	30 Jun 2017	31 Dec 2016	30 Jun 2017	31 Dec 2016
	S$	S$	S$	S$
Non-Current Assets				
Property, plant and equipment	7,089,625	7,693,945	75,117	94,208
Investments in subsidiaries	-	-	2,477,573	2,477,573
Investments in associates	1,507,573	1,662,640	181,500	470,060
Intangible asset	10,988	17,581	-	-
Goodwill	1,524,311	1,524,311	-	-
Deferred tax assets	730,911	730,911	-	-
	10,863,408	**11,629,388**	**2,734,190**	**3,041,841**
Current Assets				
Inventories	283,673	309,369	-	-
Trade receivables	1,192,579	942,194	-	-
Other receivables and deposits	755,037	809,792	5,588,628	4,616,622
Prepayments	248,847	153,217	72,147	28,925
Cash and short term deposit pledged as security	274,750	274,750	-	-
Cash and short term deposits	5,223,677	7,088,192	3,896,086	4,815,901
	7,978,563	**9,577,514**	**9,556,861**	**9,461,448**
Current Liabilities				
Trade payables	1,277,248	1,096,590	-	-
Other payables and accruals	1,604,805	1,696,930	644,327	724,000
Provision	241,552	241,552	241,552	241,552
Deferred income	1,049,913	954,584	-	-
Current tax payable	1,420	1,517	-	-
Put options granted to non-controlling interests	-	807,862	-	439,412
Loans and borrowings	230,599	279,377	-	-
Obligations under finance leases	953,395	1,199,883	-	-
	5,358,932	**6,278,295**	**885,879**	**1,404,964**
Net Current Assets	**2,619,631**	**3,299,219**	**8,670,982**	**8,056,484**
Non-Current Liabilities				
Loans and borrowings	114,052	204,142	-	-
Obligations under finance leases	941,357	1,320,002	-	-
Deferred tax liabilities	22,568	22,568	-	-
	1,077,977	**1,546,712**	**-**	**-**
Net Assets	**12,405,062**	**13,381,895**	**11,405,172**	**11,098,325**
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	(603,012)	(582,644)	57,721	34,764
Accumulated losses	(11,750,087)	(10,793,622)	(13,410,710)	(13,694,600)
Total Equity	**12,405,062**	**13,381,895**	**11,405,172**	**11,098,325**

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

Loans and borrowings

	Maturity	Group	
		30 Jun 2017	31 Dec 2016
		S$	S$
Amount repayable in one year or less, or on demand:			
Interest-bearing bank loans	2017	230,599	279,377
Amount repayable after one year:			
Interest-bearing bank loans	2018 - 2019	114,052	204,142
Total loans		**344,651**	**483,519**

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

Obligations under finance leases

	Group			
	30 Jun 2017		31 Dec 2016	
	Minimum payments	Present value of minimum payments	Minimum payments	Present value of minimum payments
	S$	S$	S$	S$
Not later than one year	1,004,060	953,395	1,266,476	1,199,883
Later than one year but not later than five years	966,545	941,357	1,367,767	1,320,002
Total minimum lease payments	1,970,605	1,894,752	2,634,243	2,519,885
Less: Amounts representing finance charges	(75,853)	-	(114,358)	-
Present value of minimum lease payments	**1,894,752**	**1,894,752**	**2,519,885**	**2,519,885**

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

1(c) Consolidated Cash Flow Statement

Six Months Ended 30 June 2017

	Group	
	1H 2017 S$	1H 2016 S$
Operating activities:		
Loss before income tax	**(956,465)**	**(167,219)**
Adjustments:		
Depreciation of property, plant and equipment	756,960	810,448
Amortisation of intangible asset	6,593	6,593
Property, plant and equipment written off	5,313	-
Gain on disposal of property, plant and equipment	-	(46,035)
(Recovery) / impairment of doubtful receivables	(16)	35,793
Gain on disposal of investment in associate	-	(50,000)
Currency translation reserve	(43,325)	(15,544)
Interest expense	49,182	75,327
Interest income	(17,249)	(31,485)
Grant of equity-settled share options to employees	22,957	-
Expenses in connection with proposed acquisition	61,492	-
Share of results of associate	(133,494)	(184,460)
Operating cash (outflow) / inflow before changes in working capital	**(248,052)**	**433,418**
Changes in working capital:		
Decrease in inventories	25,696	16,022
(Increase) / decrease in trade and other receivables and prepayments	(571,832)	84,856
Increase in trade and other payables	161,279	173,878
Increase in deferred income	95,329	176,777
Cash (outflow) / inflow from operations	**(537,580)**	**884,951**
Income tax paid	(98)	-
Net cash (outflow) / inflow from operating activities	**(537,678)**	**884,951**
Investing activities:		
Interest received	17,249	31,485
Purchase of property, plant and equipment	(157,953)	(515,816)
Proceeds from disposal of property, plant and equipment	-	46,035
Repayment of long term loan from associate	288,560	198,000
Purchase of minority interests' stakes	(527,275)	-
Payment of proposed acquisition expenses	(134,236)	-
Proceed from disposal of investment in associate	-	50,000
Net cash flows used in investing activities	**(513,655)**	**(190,296)**
Financing activities:		
Decrease of short term deposit pledged as security	-	(274,750)
Interest paid	(49,182)	(75,327)
Repayment of obligations under finance leases and loans and borrowings	(764,000)	(934,433)
Proceeds from private placement	-	2,810,500
Net cash flows from / (used in) financing activities	**(813,182)**	**1,525,990**
Net (decrease) / increase in cash and short term deposits	(1,864,515)	2,220,645
Cash and short term deposits at beginning of period	7,088,192	5,642,145
Cash and short term deposits at end of period	**5,223,677**	**7,862,790**

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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 2016	21,950,527	(599,166)	(2,866)	(9,165,182)	**12,183,313**	(8,423)	**12,174,890**
Loss 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**
Balance as at 1 January 2017	24,761,027	(582,644)	(2,866)	(10,793,622)	**13,381,895**	–	**13,381,895**
Loss for the period	–	–	–	(956,465)	**(956,465)**	–	**(956,465)**
Foreign currency translation	–	(43,325)	–	–	**(43,325)**	–	**(43,325)**
Grant of equity-settled share options to employees	–	22,957	–	–	**22,957**	–	**22,957**
Balance as at 30 June 2017	24,761,027	(603,012)	(2,866)	(11,750,087)	**12,405,062**	–	**12,405,062**

Company

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

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 2017 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 2017, there were outstanding options for conversion into 3,001,000 (30 June 2016: 4,156,000) 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 2017, the number of ordinary shares in issue was 390,488,125 excluding 100,000 treasury shares (30 June 2016: 390,488,125 ordinary shares excluding 100,000 treasury shares). The issued share capital as at 30 June 2017 was S$24,761,027 (30 June 2016: 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 2017, the number of ordinary shares in issue was 390,488,125 excluding 100,000 treasury shares (31 December 2016: 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 2017	Share buyback	Sales	Transfers	Disposal	Cancellation or use	At 30 June 2017
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 2017. 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 2017	**1H 2016**
(a) Based on weighted average number of ordinary shares on issue	(0.25) cent	(0.05) cent
(b) On a fully diluted basis	(0.25) cent	(0.05) cent

Notes:

(a) The basic earnings per share for 1H 2017 is computed based on weighted average share capital of 390,488,125 (30 June 2016: 384,828,784) 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 2017	**31 Dec 2016**
The Group		
Net asset backing per ordinary share based on issued share capital	3.18 cents	3.43 cents
The Company		
Net asset backing per ordinary share based on issued share capital	2.92 cents	2.84 cents

Note:
The total number of shares used for the computation of net asset value per share as at 30 June 2017 is 390,488,125 (31 December 2016: 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$667,000 or 6% from S$10.6 million for the half year ended 30 June 2016 ("**1H 2016**") to S$10 million for the half year ended 30 June 2017 ("**1H 2017**"). The decrease was due mainly to lower revenue from the imaging business as a result of increased competition and lower specialist visitations by private patients.

Other income decreased from S$699,000 in 1H 2016 to S$187,000 in 1H 2017 due mainly to lower rental income and government grants received.

Total operating expenses decreased by S$441,000 or 4%. Personnel expenses decreased by S$182,000 or 3% due mainly to lower headcount. Depreciation decreased by S$53,000 or 7% due mainly to medical equipment being fully depreciated. Laboratory and consultancy fees decreased by S$146,000 or 15% and other operating expenses decreased by 8% or S$111,000 in line with the decrease in revenue. Finance costs decreased by S$26,000 or 35% due to the repayment of loans and finance lease obligations. The increase in maintenance of equipment expenses of S$67,000 or 20% was due to the expiry of the warranty period of medical equipment acquired in previous years. The share of results of associate decreased by S$51,000 or 28% due to its lower sales and hence, profit.

As a result of the lower volume of the imaging business and other income, the Group recorded a loss of S$956,000 in 1H 2017 compared with a loss of S$167,000 in 1H 2016.

Non-Current Assets

Non-current assets decreased from S$11.6 million as at 31 December 2016 to S$10.9 million as at 30 June 2017 due mainly to depreciation of property, plant and equipment.

Current Assets

Current assets decreased from S$9.6 million as at 31 December 2016 to S$8 million as at 30 June 2017 due mainly to the decrease in cash and short term deposits, partially offset by the increase in trade receivables. Cash and short term deposits decreased from S$7.1 million as at 31 December 2016 to S$5.2 million as at 30 June 2017. Trade receivables increased from S$0.9 million as at 31 December 2016 to S$1.2 million as at 30 June 2017 due mainly to the health screening projects.

Current Liabilities

Current liabilities decreased from S$6.3 million as at 31 December 2016 to S$5.4 million as 30 June 2017 due mainly to decrease in put option liabilities of S$0.8 million. The Group settled the put option liabilities in 1H 2017. The increase in trade payables from S$1.1 million as at 31 December 2016 to S$1.3 million as at 30 June 2017 was due to the timing of payments. Obligations under finance leases decreased from S$1.2 million as at 31 December 2016 to S$1 million as at 30 June 2017 due to repayments made by the Group.

Net Current Assets

Net current assets decreased from S$3.3 million as at 31 December 2016 to S$2.6 million as at 30 June 2017.

Non-Current Liabilities

Non-current liabilities decreased from S$1.5 million as at 31 December 2016 to S$1.1 million as at 30 June 2017 due to repayments of loans and borrowings and obligations under finance leases.

Cash Flow

The Group has a cash outflow from operating activities of S$538,000 in 1H 2017 compared with an inflow of S$885,000 in 1H 2016 due mainly to higher operating loss. The increase in cash flows used in investing activities from S$190,000 in 1H 2016 to S$514,000 in 1H 2017 was due mainly to the purchase of minority interests' stakes following the exercise of put options by them. Cash flows from financing activities decreased as there was a private placement in the previous year.

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

The results were consistent with our profit guidance announcement dated 18 July 2017. Other than this, 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 operating environment of the Group continues to be challenging. In view of this, the Group has taken initiatives to enhance operational efficiencies and manage operating costs to remain competitive. As announced by the Company on 20 April 2017, the Company has entered into a sale and purchase agreement for the proposed acquisition of the entire share capital of LuyeEllium Healthcare Co., Ltd, a South Korean medical services company that provides hospital management and consultancy services to hospitals in South Korea and China, and also owns and operates a post-partum care centre in Busan, South Korea (the "Proposed Acquisition"). The Company will release such further announcements, in compliance with the requirements of the Catalist Rules, when there are material updates or developments in respect of the Proposed Acquisition.

11. If a decision regarding dividend has been made:

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

Nil

b) N/A

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

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

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

N/A

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

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

N/A

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

No dividend has been declared.

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

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

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	417	2,393

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 2017 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

04 August 2017

*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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