



UNFOLDING

the new future

ANNUAL REPORT 2022



UNFOLDING THE NEW FUTURE



DEDICATED TO HEALING POWERED BY INNOVATION

Asian American
Medical Group Limited

ABN NUMBER 42 091 559 125

Annual Report for the year
ended 31 August 2022

TABLE OF CONTENTS

- 03 Corporate directory
- 05 Corporate profile
- 07 Chairman's message
- 08 Profile of Board of Directors
- 10 Profile of Key Management
- 11 Financial Review
- 14 Corporate Governance Statement
- 20 Directors' Report
- 29 Auditor's Independence Declaration
- 31 Consolidated Statement of Profit or Loss and Other Comprehensive Income
- 32 Consolidated Statement of Financial Position
- 33 Consolidated Statement of Changes in Equity
- 34 Consolidated Statement of Cash Flows
- 35 Notes to the Financial Statements
- 69 Directors' Declaration
- 70 Independent Auditor's Report
- 74 Shareholder Information

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Dato' Dr Kai Chah Tan
 (Executive Director and Chairman)
 - Deceased on 5 December 2021

Mr Kong Meng Ang
 (Non-Executive Director and Chairman)
 - Appointed on 9 December 2021

Mr Evgenii Tugolukov
 (Non-Executive Director)

Ms Jeslyn Jacques Wee Kian Leong
 (Independent Non-Executive Director)

Mr Pang Fey Yu
 (Independent Non-Executive Director)
 - resigned on 13 May 2022

Mr Peter Hurley
 (Independent Non-Executive Director)
 - resigned on 16 November 2021

AUDIT COMMITTEE

Mr Kong Meng Ang (Chairman)
 Ms Jeslyn Jacques Wee Kian Leong
 Mr Evgenii Tugolukov
 Mr Pang Fey Yu (Chairman)
 - resigned on 13 May 2022
 Mr Peter Hurley
 - resigned on 16 November 2021

NOMINATION AND REMUNERATION COMMITTEE

Mr Evgenii Tugolukov
 Ms Jeslyn Jacques Wee Kian Leong
 Mr Pang Fey Yu (Chairman)
 -resigned on 13 May 2022
 Mr Peter Hurley
 - resigned on 16 November 2021

COMPANY SECRETARY

Mr Dario Nazzari

REGISTERED OFFICE

25 Peel Street
 Adelaide SA 5000
 Tel: +61 8 8110 0999
 Fax: +61 8 8110 0900
 Website: www.aamg.co

AUDITORS

BDO Audit (SA) Pty Ltd
 Level 7, 420 King William Street
 Adelaide SA 5000
 Tel: +61 8 7324 6000
 Fax: +61 8 7324 6111

BANKERS

DBS Bank Ltd
 12 Marina Boulevard
 DBS Asia Central, Marina Bay Financial
 Centre Tower 3
 Singapore 018982

Westpac Banking Corporation
 114 William Street
 Melbourne VIC 3000

SHARE REGISTRY

Computershare Investor Services Pty Ltd
 Level 5, 115 Grenfell Street
 Adelaide SA 5000
 Tel: +61 8 8236 2300
 Fax: +61 8 9473 2408

STOCK EXCHANGE LISTING

The Company's shares are quoted on the
 Official List of the Australian Securities
 Exchange Limited.
 ASX Code : AJJ



CORPORATE PROFILE

Asian American Medical Group Limited (AAMG or the Group), based in Singapore, has been listed on the Australian Securities Exchange (ASX) since September 2009. The Group's main clinical operations include the Asian American Liver Centre Pte Ltd (AALC), established 1994 in Singapore.

AALC, one of Asia's foremost liver centres, was led by the late renowned hepatobiliary expert and liver transplant surgeon, Dato' Dr Kai Chah Tan (Dr KC Tan), who helped start the Liver Transplant Programme at King's College Hospital in London, United Kingdom (U.K.), and pioneered the highly successful Living Donor Liver Transplantation (LDLT) programme in Singapore.

In March 2018, AAMG completed the acquisition of Hippocrates Development Sdn Bhd (HDSB). HDSB owns a 5-acre plot of land in Iskandar Puteri, in the Southern Malaysian state of Johor, which has been earmarked to be developed into Medical hub, which will include an international cancer centre to be built in memory of the Late Johor Prince Almarhum Tunku Abdul Jalil Iskandar ibni Sultan Ibrahim Ismail.

OUR VISION

To develop AAMG into an international healthcare brand through organic growth and geographical expansion.

OUR MISSION

To deliver excellent multi-disciplinary medical care through clinical excellence, technological innovation and patient-centric care.

OUR VALUES

Excellence	We always strive to excel and take pride in all that we do.
Innovation	We practise the most up-to-date clinical techniques, employ the latest technology and keep abreast of advancements in medical treatment.
Integrity	Honesty and integrity are fundamental to our organisation. We take pride in our ethical conduct and comply strictly with legal requirements.
Transparency	We carefully communicate to our patients what their care will entail so that they clearly understand the medical process.
Compassion	Patients are our top priority, and we work hard to meet their diverse needs. Empathy and compassion are integral to our mission to provide the best quality care.

KEY BUSINESS SEGMENTS

LIVER

AAMG's liver segment operates under AALC and is headquartered at Gleneagles Hospital in Singapore. Today, AALC is one of Asia's foremost liver centres dedicated to treatment of all liver, pancreas and bile duct diseases in adults and children.

HEALTHCARE REAL ESTATE

This segment is managed under AAMG's subsidiary Asian American Healthcare Ventures Pte Ltd (AAHV) (formerly known as Million Health Ventures Pte. Ltd), which owns HDSB in Malaysia. HDSB is undertaking the development of a cancer centre on its 5-acre land in Johor, Malaysia.

Kong Meng Ang
Non-Executive Director
and Chairman



CHAIRMAN'S MESSAGE

Dear Shareholders,

On behalf of the Board of Directors of Asian American Medical Group (AAMG), I am pleased to present the Annual Report for the financial year ended 31 August 2022 (FY2022).

STRATEGIC REVIEW

With the easing of Covid-19 related travel restriction since November 2021 foreign patients gradually returned to Singapore for medical treatment, but number of patients the Clinic received was far from the pre-Covid level. The sudden passing of the late Dr KC Tan in early December 2021 severely affected the overall business and particularly the expansion project in Hainan, China. Subsequent resignation of our resident doctor in March added more interim stress to the clinic operation.

Under such severe uncertainties I have decided to focus on Singapore clinical operation, maintain cost at low level while exploring opportunities to re-establish and reinvigorate the medical services business with the injection of funds by new sophisticated investors for working capital. I had taken action to:

1. On 18 April 2022, move the clinic operations to a shared facilities to provide medical consultations to existing patients who require regular periodic review.
2. Terminate the Hainan, China expansion project permanently and wrote off the investment in full in February 2022.
3. Terminate the collaboration agreement with Kings College Hospital (KCH) to set up a liver specialist clinic at Hainan, China, the Group had decided to abandon the development program and focus on the Singapore clinic operation. Subsequent to the year end, the Group entered into a Deed of Termination and Release with KCH with a full and final settlement payment of GBP100,000.

FINANCIAL PERFORMANCE

Patient transactions for the Group's liver treatment and transplant segment, operating under wholly-owned subsidiary Asian American Liver Centre (AALC), declined 24.3% to 630 in FY2022 from 832 in FY2021. For FY2022, Group revenues were all from liver segment, accordingly revenue fell 34.9% to \$0.8 million from \$1.2 million in the previous year. Net loss for the Group amounted to \$0.8 million compared with \$5.8 million in FY2021. (The higher FY2021 net loss was due primarily to the write-off of \$2.5 million in preliminary expenses connected with the planned cancer centre in Johor Bahru).

BOARD CHANGES

On behalf of the Board, I would like to express my deepest appreciation to Mr Peter Hurley, our Independent Non-Executive Director, who stepped down as of 16 November 2021, and to Mr Pang Fey Yu, our Independent Non-Executive Director, who stepped down as of 13 May 2022, for their time and valuable counsel to the Board. I wish them all the best in their future endeavours.

APPRECIATION

Finally, my heartfelt gratitude goes to our patients, partners, shareholders, associates and Board of Directors for their continued support over the years and through challenging times. Thanks to AAMG's management team and staff who have remained with the Group during a very trying year due to the unfortunate events.



Kong Meng Ang
Non-Executive Director and Chairman

PROFILE OF BOARD OF DIRECTORS



Mr Kong Meng Ang

Non-Executive Director and Chairman

Mr Kong Meng Ang is the founder and Partner at Ang & Co., an independent accounting and business advisory firm established in 1980, and has 40 years of experience in finance and accounting.

Mr Ang graduated from the National University of Singapore with a Bachelor of Accountancy in 1976. Mr Ang is a fellow and practising member of the Institute of Singapore Chartered Accountants (“ISCA”) and a fellow member of the Association of Chartered Certified Accountants (United Kingdom) (“ACCA”).

Mr Ang is also an accredited tax advisor (Income Tax, GST) from the Singapore Institute of Accredited Tax Professionals.

Mr Ang Kong Meng was appointed as Non-Executive Director and Chairman of AAMG on 9 December 2021. He was a Non-Executive Director of AAMG Ltd from 22 February 2016 to 5 February 2018.

PROFILE OF BOARD OF DIRECTORS



Mr Evgenii Tugolukov

Non-Executive Director
B Econ

Mr Evgenii Tugolukov holds a degree in Economics and Enterprise Management from the Ural State Technical University (USTU) in Russia. He is the President and Founder of Strongbow Investments Pte Ltd (Strongbow) which was founded to create more linkages between Russia and Singapore/Southeast Asia to create new business visions and ideas as well as strengthen bilateral cultural communications.

Mr Tugolukov has over 20 years of rich entrepreneurial background in various businesses. Under his management, several sizeable holdings were created, including one of Russia's largest power machine-building companies, PJSC EMAlliance. He is currently involved in industries such as agriculture, healthcare and real estate development. Having established a successful track record in the business field, Mr Tugolukov became an Honorary Business Representative of Enterprise Singapore in Russia.

Mr Tugolukov was appointed as Non-Executive Director of AAMG on 3 June 2013 and is also a member of the Nomination and Remuneration Committee.

Ms Jeslyn Jacques Wee Kian Leong

Independent Non-Executive Director

Ms Jeslyn Leong holds a professional body qualification with Association of Chartered Certified Accountants (United Kingdom). She has more than 26 years of extensive experience in the field of corporate finance, which included tenure as a Financial Accountant of Teys Australia Pty Ltd, Australia's leading beef processor and exporter.

She is currently an Accountant with Orrcon Steel, a wholly-owned subsidiary of BlueScope Steel Limited (listed on ASX), a leading Australian distributor and manufacturer of steel, tubes and pipes. In this role, she obtained extensive experience in manufacturing management. She is currently an Independent Director of Botanical Services Pty Ltd, a property management company in Australia.

Ms Leong joined AAMG as an Independent Non-Executive Director on 1 January 2012 and is a member of the Audit Committee.

PROFILE OF KEY MANAGEMENT



Angela Choong

Group Chief Financial Officer
CA (S'pore), FCMA (U.K.)

Ms Angela Choong joined AAMG as its Chief Commercial Officer in August 2015 and was promoted to Group Chief Financial Officer on 1 March 2020.

She has more than 25 years of regional business experience with a strong track record in finance, risk management, management of new factories under construction and implementation of business improvement projects across China, Taiwan, Hong Kong and Southeast Asia. She is a fellow member of the Institute of Singapore Chartered Accountants and the Chartered Institute of Management Accountants in the UK.

Ms Choong started her career in 1989 at the International Paint Sdn Bhd (now a subsidiary of global paints and coatings company Akzo Nobel NV) as an accountant. She rose rapidly through the ranks within the group's finance department. As the Regional Finance Manager (Asia), she performed due diligence, recruited, trained and managed a team for the initial takeover process of a joint-venture business in Taiwan. In 1995, she was promoted to Finance Director of the group's Singapore manufacturing plant, overseeing finance, internal control and compliance, IT system, logistics and warehousing operations.

She became the SBU (Regional) Financial Controller of Marine & Protective Coatings business unit in 2000 for China, India and Southeast Asia. Between 2005 and 2007, she was a member of the company's project steering committee for the construction of a new factory in China. She was responsible for the project's finance, legal, tax planning (exemption and grant), worked closely with the project manager (construction) to commission the plant on time. She later became the Regional Controller for Marine Coatings Asia, where she was responsible for operations in Asia, covering six legal entities in five countries. She took on several key management and process improvement projects for the company during this time, and was extensively involved in negotiations for the extension of a JV contract in China and the extension of land use rights for the JV.

FINANCIAL REVIEW

Year ended 31 August	2022	2021	Changes
	S\$'000	S\$'000	%
Revenue from continuing operations	808	1,242	(34.9)
Other income	11	320	(96.6)
Direct costs and operating expenses	(1,609)	(7,215)	(77.8)
Share of results of associates	-	-	-
Loss before income tax from continuing operations	(790)	(5,653)	(86.0)
Taxation	-	-	-
Loss after income tax from continuing operations	(790)	(5,653)	(86.0)
Discontinued operations			
Profit/(Loss) from discontinued operation	-	(156)	n.m
Loss after taxation	(790)	(5,809)	(86.0)

Loss attributable to:

	2022	2021	
	S Cents	S Cents	
Members of the parent entity	(791)	(5,649)	(86.0)
Non-controlling interest	1	(160)	n.m
	(790)	(5,809)	(86.4)
Total share capital and reserves	5,511	5,373	2.5

	2022	2021
	S Cents	S Cents
Basic loss per share for operations	(0.21)	(1.62)
Basic loss per share for continuing operations	(0.21)	(1.57)
Net asset value per share	1.45	1.55
Net tangible asset value per share	1.45	1.55

n.m - not meaningful

Since the lifting of Covid-19 related travel restrictions at the end of 2021 foreign patients were returning to Singapore for follow up review and medical treatment. Currently the Group could provide consultations and investigative tests and procedures but not surgical services as we do not have a medical specialist team and capacity to provide surgical services yet. The sudden demise of the late Dr KC Tan in early December 2021 caused severe adverse interim disruption to clinic operations.

After Dr KH Lee resigned in March 2022 to re-join public services the Group contracted two visiting specialist medical consultants to continue the provision of medical healthcare consultation services to mainly existing patients for regular follow up review. The Group relocated its clinical operations to a shared facility located at Gleneagles Medical Centre in May 2022 and retained two full time staff.

Subsequent to the half year reporting the Group decided to cease all works relating to the expansion project at Hainan and impaired the investment and cost on the project up to 28 February 2022 in full.

For the financial year ended 31 August 2022, (FY2022) Group revenue fell 34.9% to S\$0.81 million from S\$1.24 million in the previous year, revenue was recorded in the Liver segment for both financial years. Net loss for the Group for the financial year under review was S\$0.79 million, a decrease of S\$5.02 million over FY2021's net loss of S\$5.81 million.

FINANCIAL REVIEW

A review of the Group's operations is as follows:

LIVER SEGMENT

Patient transactions for the Group's liver treatment and transplantation segment, operating under its wholly-owned subsidiary Asian American Liver Centre (AALC), declined 24.3% to 630 in FY2022 from 832 in FY2021. Accordingly, AALC's clinical revenue fell 34.9% to S\$0.81 million in FY2022.

Clinical and surgical activities declined further led to lower revenue in FY2022. There were no surgical cases (zero cases in 2021) and zero living donor liver transplantations (LDLTs). The absence of surgical case and lower patient visits due to the absence of resident medical doctor in the second half year contributed to the drop in revenue across the board. In FY2022 59.2% of revenue was from sale of medicine and 3rd party laboratory services, 40.9% from professional fees.

Direct costs decreased 17.7%, from S\$0.58 million in FY2021 to S\$0.48 million in FY2022 this was directly related to lower revenue. Operating expenses were 72.7% lower at S\$0.6million (FY2021: S\$2.3 million) from significant decline in employment costs as AALC laid off all employees in March 2022, and termination of lease of clinic premises in April 2022. Net loss before tax for the liver segment was S\$0.14 million compared with S\$1.3 million in FY2021.

MANAGEMENT AND CONSULTANCY SEGMENT

The Management and Consultancy segment, operated under Asian American Medical Group Pte Ltd (AAMGPL), did not generate any revenue in FY2022 (2021: Nil).

There were no operation activities after termination of Hainan, China project, operating costs were only S\$0.023 million of employee costs.

MULTY-SPECIALTY MEDICAL CLINIC - BOAO, HAINAN

Up until the passing of the late Dr KC Tan in early December 2021, minimal progress was made and no development works were carried out with Kings College Hospital (KCH). Operations at Hainan clinic were suspended since late December 2021. In February 2022 the Group initiated discussion with KCH to terminate the project. In late July 2022 an amicable settlement was agreed with KCH. Subsequent to the year end, the Group entered into a Deed of Termination and Release with KCH with a full and final settlement payment of GBP 100,000.

At reporting the Group had fully impaired the investment value in the entity of S\$0.82 million and waived total inter-company loans receivable of S\$2.25 million from this entity.

FINANCIAL REVIEW

REVIEW OF FINANCIAL POSITION

Net assets for the Group increased to S\$5.5 million from S\$5.4 million in FY2021. The Group recorded a net loss of S\$0.8 million for the year and raised S\$1.3 million from the issue of 34,775,275 shares via placement during the year. Cash and cash equivalents were maintained at a similar level year on year.

Significant changes during the year under review were:

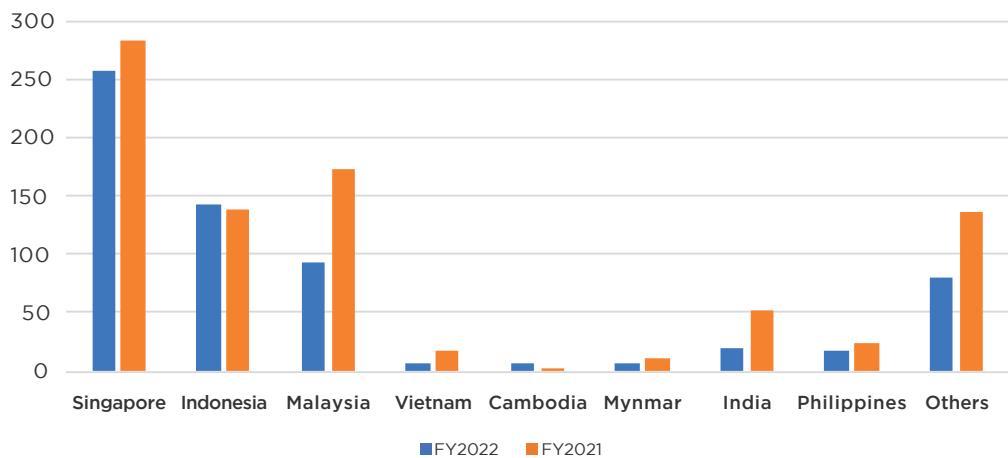
- a) Repayment of DBS bank loan S\$0.2 million.
- b) Decrease in trade and other payables by S\$0.5 million, to S\$1.3 million in FY2022 from lower purchase of services, materials and consumables in line with lower revenue and payment to trade creditors.
- c) Decrease in trade and other receivables by S\$0.3 million to S\$0.1 million from decline in revenue.
- d) Increase in foreign currency reserves of S\$0.4 million (2021: increase of S\$1.2 million).

As a result of the above, net asset value per share decreased by S\$0.11 cent (7%) to S\$1.44 cents in FY2022 from S\$1.55 cents last financial year.

PATIENT NATIONALITY MIX FOR LIVER SEGMENT

Total number of patient visits in FY2022 was 24.3% lower, with fewer foreign patients, the Singaporean patients made up a higher % of total patients, increasing from 34% to 40% in FY2022. Indonesian patients maintained at 2nd highest at 23% (2021: 17%), Malaysian patients dropped to 15% from 21% in FY2021.

PATIENTS VISITS BY NATIONALITY



CORPORATE GOVERNANCE STATEMENT

The Board of Asian American Medical Group Limited (AAMG) seeks to practice the highest ethical and commercial standards while executing its responsibilities in directing the business and affairs of the Company on behalf of its shareholders.

The Board of AAMG has considered the principles of good corporate governance and best practice recommendations as published by the ASX Corporate Governance Council (ASXCGC). ASX Listing Rule 4.10.3 requires the Company to disclose the extent to which it follows or diverges from these best practice recommendations in its Annual Report. This report discloses corporate governance practices the Board would like to highlight to stakeholders.

Additional information relating to corporate governance practices that the Company has adopted can be found on the Company's web site: www.aamg.co.

THE ROLE OF THE BOARD & MANAGEMENT

The Company has formalised and disclosed the roles and responsibilities of the Board and those delegated to senior management.

The Board of the Company is responsible for the overall corporate governance of AAMG, including its ethical behavior, strategic direction, establishing goals for management and monitoring the achievement of those goals with a view to optimising Company performance and maximising shareholder value.

The role of management is to support the Non-Executive Director and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

Full details of the matters reserved to the Board and to senior management are available on the Company's web site at www.aamg.co.

Scheduled meetings of the Board are held at least four times a year and the Board meets on other occasions to deal with matters that require attention between scheduled meetings. The responsibility for the operation and administration of the consolidated entity is delegated by the Board to the senior management.

The Board is responsible for:

- Setting the strategic direction of the Company and establishing goals to ensure these strategic objectives are met;
- Appointing the senior management, setting objectives for the senior management and reviewing performance against those objectives, ensuring appropriate policies and procedures are in place for recruitment, training, remuneration and succession planning;
- Monitoring financial performance including approval of the annual and half-yearly financial reports and liaison with the Company's auditors;
- Ensuring that risks facing the company and its controlled entities have been identified ensuring that appropriate and adequate controls, monitoring and reporting mechanisms are in place;
- Receiving detailed briefings from senior management on a regular basis during the year;
- Approving the Board of directors of subsidiary companies; and
- Ensuring the Company complies with the law and conforms to the highest standards of financial and ethical behavior.

AAMG has obligations to its stakeholders to ensure the Company is managed with appropriate due diligence and that all necessary processes are implemented to minimise risk and maximise business opportunities.

To this end, all commercial arrangements, capital expenditure, operational expenditure and other commitments are appropriately documented and have been authorised by either the Executive Director or the Board as appropriate.

The composition of the Board is determined in accordance with the Company's constitution and the following principles and guidelines:

- The Board should comprise of at least three directors with at least two non-executive directors;
- The Board should comprise of directors with an appropriate range of qualifications and expertise; and
- The Board should meet formally at least four times per annum and informally on an "as required" basis with all directors being made aware of, and having available, all necessary information, to participate in an informed discussion of all agenda items.

CORPORATE GOVERNANCE STATEMENT

DIRECTORS IN OFFICE

At the date of this statement the following directors are considered independent by the Board:

Name	Position	Independent
Ms Jeslyn Jacques Wee Kian Leong	Non-Executive Director	Yes

The skills, experience, expertise and tenure of each director are disclosed in the Directors' Report within this Annual Report.

DIRECTOR INDEPENDENCE

The Board considers one of AAMG's directors as independent under the guidelines.

In assessing the independence of directors, the Board follows the ASX guidelines as set out:

An independent director is a non-executive director (i.e. is not a member of management) and:

- Is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- Within the last three years has not been employed in an executive capacity by the Company or another Group member, or been a director after ceasing to hold any such employment;
- Within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another Group member, or an employee materially associated with the service provided;
- Is not a material supplier or customer of the Company or other Group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- Has no material contractual relationship with the Company or another Group member other than as a director of the Company;
- Has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company; and
- Is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

ASXCGC Recommendation 2.1 states that the majority of directors of the Company should be independent and AAMG does not comply with that recommendation on the reporting date, action is underway to appoint new independent directors.

Where additional skills are considered necessary for specific purposes, access is made to independent professional advice at the expense of the Company. Such advice is to be shared amongst the directors.

CHAIRMAN

Due to the size of the Company, Mr Kong Meng Ang is the Company's Chairman. While recognising that the ASXCGC recommends that the chairperson be independent, the Company feels that the strong independence exercised by the other Board members mitigates any negative impact on the Company that it may have.

APPOINTMENT TO THE BOARD

Where a casual vacancy arises during the year, the Board has procedures to select the most suitable candidate with the appropriate experience and expertise to ensure a balanced and effective board. Any director appointed during the year to fill a casual vacancy or as an addition to the current board, holds office until the next Annual General Meeting and is then eligible for re-election by the shareholders.

New directors receive a letter of appointment which sets out the terms of their appointment. On appointment, an induction programme is available to directors that include one-on-one sessions with members of the senior management team.

CORPORATE GOVERNANCE STATEMENT

EVALUATION OF SENIOR EXECUTIVES

Senior executives, including the Group Chief Financial Officer have a formal job description and letter of appointment describing their term of office, duties, rights, responsibilities and entitlements upon termination.

The performance of senior executive is reviewed annually before the budgets are approved for the next financial year. This process is a formal one with the executive's performance assessed against Company, division and personal benchmarks by the Nomination and Remuneration Committee. Benchmarks are agreed with the respective senior executives and reviews are based upon the degree of achievement against those benchmarks.

Induction procedures are in place to allow new senior executives to participate fully and actively in management decision-making. The induction program includes orientation of:

- The Company's financial position, strategies, operations and risk management policies.
- The respective rights, duties, responsibilities and roles of the board and senior executives.

ETHICAL BUSINESS PRACTICES

The Company has adopted a Code of Conduct to maintain confidence in the Company's integrity, its legal obligations and the expectations of its stakeholders. The Company is committed to being a socially responsible corporate citizen, using honest and fair business practices, to act in the best interests of clients so as to achieve the best outcome for shareholders.

The Board has procedures in place for reporting any matters that may give rise to unethical practices or conflicts between the interests of a director or senior executive and those of the Company. These procedures are reviewed as required by the Board. To this end, the Company has adopted a Conflict of Interest Policy that clarifies the processes for directors and senior executives to determine and disclose when a conflict of interest exists.

DIVERSITY POLICY

The Company values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. Our recruitment processes encourage the development of diversity in our workplace, bearing in mind that employees must have the required skills to be successful in their positions.

In accordance with this policy and ASX Corporate Governance Principles, the Board has established the following objectives in relation to gender diversity. We currently meet our objectives but will continue to monitor and improve on our objectives to be in line with our Company's needs and direction. A written diversity policy has been developed by the Board to ensure gender diversity.

	Objective	Actual
	%	%
Number of women employees in the whole organisation	75	100
Number of women in senior executive positions	29	100
Number of women on the Board	33	33

SHAREHOLDING AND TRADING

The Board encourages directors and senior executives to own shares in the Company to further link their interests with the interests of all shareholders. Trading of shares by directors or senior executives is prohibited under certain circumstances and as described in the ASX Listing Rules and during certain periods of the financial year. A director or senior executive must not deal in the Company shares at any time when he or she has unpublished information which, if generally available, might affect the share price. Directors are required to notify the Company Secretary following any dealing.

SAFEGUARD INTEGRITY

The Board has established an Audit Committee (AC) comprised of the three non-executive directors. This committee operates under a charter to enable it to perform its roles and responsibilities. Where considered appropriate, the Company's external auditors and the Company's management are invited to attend meetings.

CORPORATE GOVERNANCE STATEMENT

Due to the recent resignation of two directors the current members of the AC are all the directors:

- Mr Kong Meng Ang (Chairman)
- Ms Jeslyn Jacques Wee Kian Leong
- Mr Evgeneii Tugolukov

The qualifications of members of the committee together with their attendances at committee meetings are disclosed in the Directors' Report within this Annual Report.

The role of the AC is to assist the Board fulfill its responsibilities in relation to the identification of the areas of significant business risks and the monitoring of the following:

- Effective management of financial and other business risks;
- Reliable management reporting;
- Compliance with laws and regulations in respect to financial reporting;
- Maintenance of effective and efficient audits;
- Meeting with external auditors on a twice-yearly basis and informally as circumstances require; and
- Recommending to the Board the appointment, rotation, removal and remuneration of the external auditors, and review their terms of engagement, and the scope and quality of the audit. Periodically, the AC reviews the appointment of the external audit engagement partners using a formal process of evaluation to determine the most appropriate level of skills and experience to suit the size and complexity of the Company.

AC provides the Board with additional assurances regarding the reliability of financial information for inclusion in the financial statements.

The committee is chaired by an independent chair who is not the chairman of the Board.

TIMELY AND BALANCED DISCLOSURE

The Board recognises the need to comply with ASX Listing Rule 3.1 concerning continuous disclosure.

At each meeting of directors, consideration is given as to whether notice of material information concerning the Company, including its financial position, performance, ownership and governance has been made available to all investors.

The Continuous Disclosure Policy also requires senior executives in possession of disclosable information to comply with that policy.

COMMUNICATION WITH SHAREHOLDERS

The Board aims to ensure that shareholders, on behalf of whom they act, are informed of all major developments affecting the Company's activities and its state of affairs, including information necessary to assess the performance of the directors.

Communication with shareholders is achieved through the distribution of the following information:

- The Annual Report distributed to shareholders;
- The Half Yearly Report which is available on the Company's web site;
- The Annual General Meeting and other meetings called to obtain shareholder approval for Board action as appropriate. Shareholders are encouraged to attend and participate at the Company's Annual General Meeting and other General Meetings;
- Letters to shareholders when considered to be appropriate and informative;
- Announcements to the Australian Securities Exchange; and
- Investor information through the Company's internet portal at www.aamg.co.

The Company strives to ensure that Company announcements via the ASX are made in a timely manner, are factual, do not omit material information and are expressed in a clear and objective manner.

SHAREHOLDERS' ROLE

The shareholders of the Company are responsible for voting on the election of directors at the Annual General Meeting in accordance with the constitution.

All directors (other than a Managing Director) are subject to re-election by rotation, no later than every three years.

CORPORATE GOVERNANCE STATEMENT

The Annual General Meeting also provides shareholders with the opportunity to express their views on matters concerning the Company and to vote on other items of business for resolution by shareholders.

RISK MANAGEMENT

The Board is responsible for overseeing the risk management function. The Company believes that it is crucial for all Board members to be a part of the process and as such has established risk management as a component of the AC.

The Board is responsible for ensuring the risks and opportunities are identified on a timely basis.

The Board has a number of mechanisms in place to ensure the management's objectives and activities are aligned with the risks identified by the Committee. These include the following:

- Implementation of Board approved operating plans and budgets;
- Board monitoring of progress against these budgets, including the monitoring of key performance indicators of both a financial and non-financial nature; and
- The establishment of committees to report on specific risk as identified.

INTERNAL RISK MANAGEMENT SYSTEM COMPLIANCE

Management is accountable to the Board to ensure that operating efficiency, effectiveness of risk management procedures, internal compliance control systems and controls and policies are all being monitored. Management has designed and implemented a risk management and internal control system to manage the Company's material business risks and reports to the Board at each meeting on the effective management of those risks. The Company has developed a series of operational risks which the Company believes to be inherent in the industry in which the Company operates. These include:

- Changed operating, market or regulatory environments;
- Fluctuations in demand volumes;
- Fluctuations in exchange rates; and
- Increasing costs of operations.

These risk areas are provided here to assist investors better understand the nature of the significant risks faced by the Company.

MONITORING PERFORMANCE

The Board and senior management monitor the performance of all divisions through the preparation of monthly management accounts. The monthly management accounts are prepared using accrual accounting techniques and report each business unit's result as contribution after overhead allocation. These monthly management accounts are compared to monthly budgets, which have been set allowing for the seasonality of anticipated revenues and costs in each of the divisions.

The monitoring of the Company's performance by the Board and management assists in identifying the correct allocation of resources and staff to maximise the overall return to shareholders.

A performance evaluation for senior management was undertaken during the year and was in accordance with the process developed by the Board for that purpose.

Details of the structure of non-executive directors' and senior executives' remuneration are included in the Remuneration Report within the Directors' Report in this Annual Report.

CORPORATE GOVERNANCE STATEMENT

NOMINATION AND REMUNERATION

The Nomination and Remuneration Committee (NRC) is comprised of two non-executive directors. The members of the NRC are:

- Mr Kong Meng Ang
- Mr Evgenii Tugolukov

The qualifications of members of the committee together with their attendances at committee meetings are disclosed in the Directors' Report within this Annual Report.

The role of the NRC is to make decisions on the following matters:

- Determine the appropriate size and composition of the Board;
- Determine the terms and conditions of appointment to and retirement from the Board;
- Develop appropriate criteria for Board membership;
- Reviewing membership of the Board and proposing candidates for consideration by the Board;
- Arranging a review of the Board's own performance;
- Determine the Company's remuneration plans, policies and practices, including compensation arrangements for the non-executive directors, executive directors, Group Chief Financial Officer and senior executives; and
- Responsible for considering general remuneration policies and practices, recruitment and termination policies and superannuation requirements.

The Board believes that it has the right numbers and skill sets within its Board members for the current size of the Company, and is confident that each non-executive director brings independent judgement to bear on Board decisions.

The Company does not have a policy to preclude its executives from entering into transactions to limit their economic risk from investing in Company shares, options or rights and has made executives aware of their obligations in relation to financial commitments against shares issued under the executive securities plan and has requested that they take sufficient professional advice in relation to their individual financial position.

There are no retirement schemes or retirement benefits other than statutory benefits for non-executive directors.

DIRECTORS' REPORT

The directors present their report, together with the financial statements of the Asian American Medical Group Limited (AAMG or the Group) for the year ended 31 August 2022.

Directors

The directors of the Group at any time during or since the end of the financial year are as set out below.

Mr Kong Meng Ang (Non-executive Director and Chairman. (appointed on 9 December 2021)

Mr Evgenii Tugolukov (Non-Executive Director)

Ms Jeslyn Jacques Wee Kian Leong (Independent Non-Executive Director)

Dato' Dr Kai Chah Tan (Executive Director and Chairman) (deceased on 5 December 2021)

Mr Pang Fey Yu (Independent Non-Executive Director) (resigned on 13 May 2022)

Mr Peter Hurley (Independent Non-Executive Director) (resigned on 16 November 2021)

The skills, experience, expertise and tenure of each director are disclosed in the profile of directors' section within the Annual Report.

Below is the profile of directors who are no longer in office:

Dato' Dr Kai Chah Tan | Executive Director and Chairman (deceased on 5 December 2021)
D.P.M.P., MBBS (MAL), FRCS (EDIN), FAMS

Dr Tan graduated from the University of Malaya in 1978 before obtaining his Surgical Fellowship from the Royal College of Surgeons, Edinburgh in 1982. From 1984 to 1987, he received advanced training in paediatric surgery in Manchester and Southampton, U.K. and further training in paediatric hepatobiliary surgery and liver transplant surgery at King's College Hospital (KCH), London. Dr Tan was Consultant Liver Surgeon at KCH and taught surgery at the University of London from 1988 to 1994.

Pioneering various liver transplant procedures in the U.K. for both adults and paediatric patients from the first 'split-liver' transplant and the first auxiliary liver graft to five liver-kidney and two heart-liver transplants.

Having completed more than 400 liver transplant procedures in the U.K. under his belt, Dr Tan set up his practice, the Asian Centre for Liver Diseases & Transplantation (ACLDT), in Gleneagles Hospital, Singapore in 1994. Dr Tan was also appointed the Director of the Liver Transplant Programme, National University Hospital (NUH), Singapore from 1995 to 2002.

In April 2002, the first successful adult-adult LDLT in Southeast Asia was performed in Gleneagles Hospital, Singapore. Dr Tan and his team have successfully performed more than 200 LDLTs - the only private centre in Southeast Asia to reach this historic milestone. He has published extensively, including co-editing a textbook on 'The Practice of Liver Transplantation', and lectured on the subjects of hepatobiliary and liver transplantation surgery.

Mr Pang Fey Yu | Independent Non-Executive Director (resigned on 13 May 2022)
B Acc

Mr Pang Fey Yu studied at the University of Singapore (now known as NUS) and graduated with a degree in Accountancy in 1977. He joined Price Waterhouse (now known as Price Waterhouse Coopers) as a fresh graduate and left as a Senior Audit Manager to join the Singapore Turf Club, the operator of horse racing and legal wagering on horse races in Singapore, as Deputy General Manager in 1988.

Mr Yu led the Singapore Turf Club as the President and Chief Executive from 1991 to 2017. Prior to his retirement, Mr Yu was a member of the Executive Council of the Asia Racing Federation and a member of the Executive Council of the International Federation of Horseracing Authorities.

Mr Yu was appointed to the Board on 8 January 2019 as an Independent Non-Executive Director and is a member of the Audit Committee.

Mr Peter Hurley | Independent Non-Executive Director (resigned on 16 November 2021)
B Eng (Hons)

Mr Hurley founded Aspire Strategy, a real estate advisory and investment firm, in 2011. For fourteen years prior to that, he was Managing Director and Owner of Valad Property Group, an ASX-listed real estate investment group whose core business is value-adding real estate.

Mr Hurley joined Valad as co-owner in 1997, and grew the business from Assets Under Management of approximately A\$5 million to approximately A\$20 billion with more than 30 offices in Australia, New Zealand, Japan, Canada and 14 European countries. He was Founder and Chairman of Valad's European operations.

Before joining Valad, Mr Hurley held senior positions at Lend Lease in a 10 year career that included establishing their funds management operations in Paris, London and Singapore.

Mr Hurley was appointed to the Board on 15 March 2019 as an Independent Non-Executive Director and is a member of the Nomination and Remuneration Committee.

DIRECTORS' REPORT

Principal activities

The principal activity of AAMG and its controlled entities are that of provision of specialised medical services for liver diseases and transplantation, cancer treatment, lung diseases healthcare project management, consultancy services and healthcare real estate.

There has been no change in the principal activity of the Group during the financial year other than the termination of the expansion project into a multi-specialty medical centre in Hainan, China.

Company Secretary

The following person held the position of company secretary at the end of the financial year:

Mr Dario Nazzari

Mr Nazzari has a Bachelor of Commerce, a Diploma in Financial Planning and has more than 20 years professional experience. He is a Chartered Accountant and a member of the Chartered Accountants Australia and New Zealand.

Review and results of operations

Details of the Operations of AAMG during the year, the financial position and the strategies and prospects for the future years can be found in the Chairman's message found on pages 5 and Financial Review section on pages 8 to 11, which forms part of this Annual Report.

Directors' meetings

The following table sets out the number of director's meetings (including meetings of Committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, twelve (12) Board meetings, two (2) Audit Committee meetings and one (1) Nomination and Remuneration Committee meetings were held

	Directors' Meetings		Audit Committee Meetings		Nomination and Remuneration Committee Meetings	
	Number Eligible to attend	Number Attended	Number Eligible to attend	Number Attended	Number Eligible to attend	Number Attended
Dato' Dr Kai Chah Tan	2	2	-	-	-	-
Mr Evgenii Tugolukov	12	12	-	-	1	1
Ms Jeslyn Jacques Wee Kian Leong	12	12	2	2	-	-
Mr Kong Meng Ang (^2)	9	9	1	1	-	-
Mr Pang Fey Yu	9	9	2	2	1	1
Mr Peter Hurley	1	1	-	-	1	1

^{^1} Dr Kai Chah Tan passed away on 5 December 2021

^{^2} Mr Kong Meng Ang was appointed on 9 December 2021

^{^3} Mr Pang Fey Yu resigned on 13 May 2022

^{^4} Mr Peter Hurley resigned on 16 November 2021

Directors' interest

The relevant interests of each director in the shares of the parent entity at the date of this report are as follows:

Director	Number of shares
The late Dato' Dr Kai Chah Tan	116,640,180
Mr Evgenii Tugolukov	^ 21,000,000
Ms Jeslyn Jacques Wee Kian Leong	-
Mr Kong Meng Ang	46,062,300
Mr Pang Fey Yu	-
Mr Peter Hurley	* 4,000,000

[^] Indirect interest through RusSing Med Holdings Pte Ltd.

* Indirect interest through Aspire Strategy Pte Ltd.

None of the directors have share options in the Company.

DIRECTORS' REPORT

Dividends paid or recommended

No interim or final dividend has been paid or recommended by the Directors for the financial year ended 31 August 2022 (2021 : Nil).

Significant changes in state of affairs

There were no significant changes in the state of affairs of the Group during the year other than those reported in the Principal activities section above.

Events subsequent to balance sheet date

Other than the share subscription via placement reported in Note 19d, the signing of Deed of Termination & Release with Kings College Hospital, the remedy of DBS loan breach of covenant and the understanding with Parkway Hospital Singapore reported in Note 25, there are no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Likely developments

Likely developments, future prospects and business strategies of the operations of the Group and the expected results of those operations in future years are reported in the Chairman's message on page 5. The Board of Directors and the new Executive Management team is determined to reinvigorate the medical services business and plan to implement strategic medical services changes and upgrades to the Group's historical strong focus on liver transplant. After the capital raising is completed the Group is expected to have sufficient working capital funds and intend to introduce and implement the following expanded new medical services platforms:

1. AAMG International Transplant & Cancer Care Centre (ITCC)
ITCC is planned to offer a full spectrum of surgical care for advanced stage cancers, including:
 - Living donor liver transplants with hepatology support
 - Living donor kidney transplants with nephrology support
 - Oncologic liver surgery
 - Peritonectomy and Hyperthermic Intraperitoneal Chemotherapy
 - Radiation and Medical Oncology (through an existing Singapore hospital provider)
2. AAMG International Bariatric & Cosmetic Rectification Surgery Centre (IBCR)
IBCR is planned to offer health and lifestyle surgery solutions, including:
 - Bariatric surgery (obesity)
 - Plastic surgery – skin reduction and cosmesis, post bariatric surgery procedures
 - Plastic Surgery - post-major cancer surgery & major injury, scar tissue rectification
3. New International Medical Specialists Involvement
The Company has been actively engaging with a number of internationally accredited and recognised cancer care medical specialists and surgeons in Australia, Asia and the USA to join the Company's new ITCC and IBCR medical services businesses.

Options

At the date of this report, there are no unissued ordinary shares of AAMG.

There have been no unissued shares or interests under option of any controlled entity within the Group during or since reporting date.

Environmental regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

The directors are not aware of any particular or significant environmental issues which have been raised in relation to the Company's operations during the financial year. The directors are also not aware of any breach in the environmental regulations in China, Singapore, Malaysia and Myanmar during the financial year.

DIRECTORS' REPORT

REMUNERATION REPORT (Audited)

The Directors of Asian American Medical Group Limited (AAMG or the Group) present the Remuneration Report for Non-Executive Directors, Executive Directors and other KMP, prepared in accordance with the *Corporations Act 2001* and the *Corporations Regulations 2001*.

Details of Members of Key Management Personnel

The key management personnel of the Group during the financial year ended 31 August 2022 are listed below

Directors:

Dato' Dr Kai Chah Tan – Executive Director and Chairman (deceased 5 December 2021)
Mr Kong Meng Ang Non-Executive Director and Chairman (appointed 9 December 2021)
Mr Evgenii Tugolukov - Non-Executive Director
Ms Jeslyn Jacques Wee Kian Leong - Independent Non-Executive Director
Mr Pang Fey Yu - Independent Non-Executive Director (resigned 13 May 2022)
Mr Peter Hurley - Independent Non-Executive Director (resigned 16 November 2021)

Other key management personnel:

Ms Angela Chiew Foong Choong – Group Chief Financial Officer

The skills, experience, expertise and tenure of each director and KMP are disclosed in the profile of directors and KMP sections respectively within the Annual Report.

The Remuneration Report is set out under the following main headings:

- a. principles used to determine the nature and amount of remuneration;
- b. details of remuneration;
- c. service agreements;
- d. share-based remuneration; and
- e. other information.

DIRECTORS' REPORT

A. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

The principles of the Group's executive strategy and supporting incentive programs and frameworks are:

- to align rewards to business outcomes that deliver value to shareholders;
- to drive a high performance culture by setting challenging objectives and rewarding high performing individuals; and
- to ensure remuneration is competitive in the relevant employment market place to support the attraction, motivation and retention of executive talent.

AAMG has structured a remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The Board has established a Nomination and Remuneration Committee (NRC) which operates in accordance with its charter as approved by the Board and is responsible for determining and reviewing compensation arrangements for the Directors and the Executive Team.

The NRC, consisting of at least two non-executive directors, is responsible for making recommendations on remuneration policies and packages applicable to Board members and for approval of remuneration for executive officers of the Group taking into account the financial position of the Consolidated Group. The Board remuneration policy per the formal Charter is to ensure the remuneration package properly reflects the person's duties and responsibilities, and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

The Constitution of the Company specifies that the aggregate remuneration of directors, other than salaries paid to executive directors, shall be determined from time to time by general meeting. An amount not exceeding the amount determined is divided between those directors as they agree. The latest determination was at the Annual General Meeting held on 23 November 2009 when shareholders approved an aggregate remuneration pool of A\$200,000 per annum.

The Board as a whole determines the amount of the fees paid to each non-executive director. The amount proposed to be paid to each non-executive director during the year is A\$4,801-A\$13,905 (2021: A\$5,867-A\$13,905).

The remuneration structure that has been adopted by the Group consists of the following components:

- fixed remuneration being annual salary; and
- short term incentives, being employee share schemes and bonuses.

The NRC assess the appropriateness of the nature and amount of remuneration on a periodic basis by reference to recent employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and Executive Team.

The payment of bonuses, share options and other incentive payments are reviewed by the NRC annually as part of the review of executive remuneration and a recommendation is put to the Board for approval. All bonuses, options and incentives must be linked to pre-determined performance criteria.

SHORT TERM INCENTIVE (STI)

AAMG performance measures involve the use of annual performance objectives, metrics, performance appraisals and continuing emphasis on living the Company values.

The performance measures are set annually after consultation with the Directors and executives and are specifically tailored to the areas where each executive has a level of control. The measures target areas the Board believes hold the greatest potential for expansion and profit and cover financial and non-financial measures.

The Key Performance Indicators (KPI's) for the Executive Team are summarised as follows:

Performance area:

- **financial** – operating profit and earnings per share; and
- **non-financial** – strategic goals set by each individual business unit based on job descriptions.

The STI Program incorporates both cash and share-based components for the Executive Team and other employees.

The Board may, at its discretion, award bonuses for exceptional performance in relation to each person's pre-agreed KPIs.

DIRECTORS' REPORT

VOTING AND COMMENTS MADE AT THE COMPANY'S LAST ANNUAL GENERAL MEETING

AAMG received 91.12% of 'yes' votes on its Remuneration Report for the financial year ended 31 August 2021. The Company received no specific feedback on its Remuneration Report at the Annual General Meeting.

CONSEQUENCES OF PERFORMANCE ON SHAREHOLDER WEALTH

In considering the Group's performance and benefits for shareholder wealth, the Board have regard to the following indices in respect of the current financial year and the previous four financial years:

Item	2022	2021	2020	2019	2018
EPS (S cents)*	(0.21)	(1.57)	(0.74)	(0.60)	0.62
Dividends (S cents per share)	-	-	-	-	-
Net (loss)/profit (S\$000)	(790)	(5,809)	(2,402)	(2,061)	2,067
Net (loss)/profit (S\$000) continuing operations	(790)	(5,653)	(2,576)	(2,034)	2,067
Share price (A\$)	0.038	0.034	0.034	0.08	0.11

*continuing operation

Note: this is the last traded price before the voluntary suspension in November 2021

USE OF REMUNERATION CONSULTANTS

AAMG did not make use of Remuneration Consultants during the financial year.

B. DETAILS OF REMUNERATION

Details of the nature and amount of each element of the remuneration of each KMP of AAMG are shown in the table below:

	Short Term Employee Benefit			Central Provident Fund/Superannuation	Total	Performance based percentage of remuneration
	Cash salary and fees	Cash bonus	Non-monetary Benefits			
31 August 2022	S\$	S\$	S\$	S\$	S\$	%
Executive Director						
Dato' Dr Kai Chah Tan ⁽³⁾	95,151	-	-	1,668	96,819	-
Non-Executive Directors						
Mr Kong Meng Ang ⁽⁴⁾	-	-	-	-	-	-
Mr Evgenii Tugolukov	13,617	-	-	-	13,617	-
Ms Jeslyn Jacques Wee Kian Leong	12,256	-	-	1,361	13,617	-
Mr Stuart L Dean ⁽¹⁾	4,701	-	-	-	4,701	-
Mr Pang Fey Yu ⁽⁵⁾	13,617	-	-	-	13,617	-
Mr Peter Hurley ⁽²⁾	12,256	-	-	1,361	13,617	-
Other Key Management Personnel						
Ms Angela Chiew Foong Choong	135,400	7,120	-	6,440	148,960	4.8%
	286,998	7,120	-	10,830	304,948	-

(1) Mr Stuart L Dean resigned on 4 January 2021

(2) Mr Peter Hurley resigned on 16 November 2021

(3) Dr Kai Chah Tan passed away on 5 December 2021

(4) Mr Kong Meng Ang appointed on 9 December 2021

(5) Mr Pang Fey Yu resigned on 13 May 2022

DIRECTORS' REPORT

B. DETAILS OF REMUNERATION (CON'T)

	Short Term Employee Benefit			Post-employment benefit	Total	Performance based percentage of remuneration
	Cash salary and fees	Cash bonus	Non-monetary Benefits			
31 August 2021	S\$	S\$	S\$	S\$	S\$	%
Executive Director						
Dato' Dr Kai Chah Tan	856,800	-	-	5,400	862,200	-
Non-Executive Directors						
Mr Evgenii Tugolukov	13,845	-	-	-	13,845	-
Mr Heng Boo Fong	5,842	-	-	-	5,842	-
Ms Jeslyn Jacques Wee Kian Leong	12,530	-	-	1,315	13,845	-
Mr Stuart L Dean ⁽¹⁾	13,845	-	-	-	13,845	-
Mr Pang Fey Yu	13,845	-	-	-	13,845	-
Mr Peter Hurley	12,530	-	-	1,315	13,845	-
Other Key Management Personnel						
Ms Angela Chiew Foong Choong	170,880	7,120	-	7,121	185,121	4%
	1,100,117	7,120	-	15,151	1,122,388	-

(1) Mr Stuart L Dean resigned on 4 January 2021

The cash bonus relates to the contractual additional wage and is paid between November and December every year and no part of the bonus is payable in the future years. There was no bonus that was forfeited during the year.

C. SERVICE AGREEMENTS

Remuneration and other terms of employment for the Executive Directors and other KMP are formalised in a service agreement. The major provisions of the agreements relating to remuneration are set out below:

Name	Base salary per month (S\$) [^]	Term of agreement	Notice period
Dato' Dr Kai Chah Tan - Note 1	30,000	No fixed term	3 months
Ms Angela Chiew Foong Choong - Note 2	8,000	No fixed term	1 month

Note 1: Adjusted with effect from 1 July 2021, service agreement terminated upon Dt KC Tan's demise on 5 December 2021

Note 2: adjusted with effect from 1 February 2022

D. SHARE-BASED REMUNERATION

All directors and executives may be allocated options to acquire shares in the Group under the Incentive Option Scheme approved by shareholders from time to time. The last such scheme was approved by shareholders at the Annual General Meeting of shareholders held on 6 December 2010.

DIRECTORS' REPORT

E. OTHER INFORMATION

KMP OPTIONS AND RIGHT HOLDINGS

All KMP may be allocated options to acquire shares in the Group under the Incentive Option Scheme approved by shareholders from time to time. The last such scheme was approved by shareholders at the Annual General Meeting of shareholders held on 6 December 2010.

No options were granted, exercised, lapsed/cancelled or vested by any director or KMP of the Group during the financial year (2021: Nil).

KMP SHAREHOLDINGS

The number of ordinary shares in Asian American Medical Group Limited held by each KMP of the Group during the financial year is as follows:

31 August 2022	Balance at beginning of year	Issued during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
Dato' Dr Kai Chah Tan	116,640,180	-	-	-	116,640,180
Mr Evgenii Tugolukov ^	21,000,000	-	-	-	21,000,000
Ms Jeslyn Jacques Wee Kian Leong	-	-	-	-	-
Mr Kong Meng Ang ⁽¹⁾	46,062,300	-	-	-	46,062,300
Mr Pang Fey Yu ⁽²⁾	-	-	-	-	-
Mr Peter Hurley # ⁽³⁾	4,000,000	-	-	-	4,000,000
Ms Angela Chiew Foong Choong	-	-	-	-	-
	187,702,480	-	-	-	187,702,480

[^] Indirect interest through Russing Med Holdings Pte Ltd

Indirect interest through Aspire Strategy Pte Ltd

⁽¹⁾ Mr Kong Meng Ang was appointed on 9 December 2021

⁽²⁾ Mr Pang Fey Yu resigned on 13 May 2022

⁽³⁾ Mr Peter Hurley resigned on 16 November 2021

31 August 2021	Balance at beginning of year	Issued during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
Dato' Dr Kai Chah Tan	116,640,180	-	-	-	116,640,180
Mr Evgenii Tugolukov ^	21,000,000	-	-	-	21,000,000
Ms Jeslyn Jacques Wee Kian Leong	-	-	-	-	-
Mr Stuart L Dean ⁽⁴⁾	-	-	-	-	-
Mr Pang Fey Yu	-	-	-	-	-
Mr Peter Hurley #	4,000,000	-	-	-	4,000,000
Ms Angela Chiew Foong Choong	-	-	-	-	-
	141,640,180	-	-	-	141,640,180

[^] Indirect interest through Russing Med Holdings Pte Ltd

Indirect interest through Aspire Strategy Pte Ltd

⁽⁴⁾ Mr Stuart L Dean resigned on 12 January 2021

DIRECTORS' REPORT

OTHER KMP TRANSACTIONS

There are no other related party transactions in the current financial year.

End of audited remuneration report.

INDEMNIFICATION AND INSURANCE OF OFFICERS EVENT AFTER BALANCE SHEET DATE

On 3 November 2022 AAMG took up a Directors & Officers Liability Policy with AIG Australia Ltd, the cover includes officers of the Group and all Directors.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group.

The Group has not, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer of the Group against a liability incurred as such by an officer.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. There were no such proceedings brought or interventions on behalf of the Company with leave from the Court under section 237 of the Corporations Act 2001.

NON-AUDIT SERVICES

During the year, BDO, the Group's auditors, did not perform any other services in addition to their statutory audit duties.

The Board will consider non-audit services to be provided by the auditor and, in accordance with written advice provided by resolution of the Audit Committee, is satisfied that the provision of those non-audit services during the year is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Audit Committee to ensure they do not impact upon the impartiality and objectivity of the auditor; and
- The non-audit services do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Details of the amounts paid to the auditors of the Group, BDO, and its related practices for audit and non-audit services provided during the year are set out in note 8 to the Financial Statements.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required by section 307C of the Corporations Act 2001 for the year ended 31 August 2022 has been received as set out immediately following the end of the Directors' report.

The Report of Directors is signed in accordance with a resolution of the Board of Directors.



Kong Meng Ang
Non Executive Director and Chairman

28 November 2022



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DECLARATION OF INDEPENDENCE
BY PAUL GOSNOLD
TO THE DIRECTORS OF ASIAN AMERICAN MEDICAL GROUP LIMITED

As lead auditor of Asian American Medical Group Limited for the year ended 31 August 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Asian American Medical Group Limited and the entities it controlled during the period.

Paul Gosnold
Director

BDO Audit (SA) Pty Ltd

Adelaide, 28 November 2022



Asian American Medical Group Limited

ABN NUMBER 42 091 559 125

Financial Report for the year ended
31 August 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 August 2022

	Note	Consolidated Group	
		2022	2021
		S\$	S\$
Continuing operations			
Revenue	3	807,572	1,241,608
Other operating income	3	11,398	320,396
Changes in inventories		(29,920)	(30,960)
Raw materials and consumables used		(422,759)	(551,771)
Employee benefits expense		(557,038)	(2,440,224)
Depreciation on property, plant and equipment	14	(8,200)	(101,514)
Depreciation on right of use assets	16	(97,528)	(599,191)
Directors' fees		(59,170)	(75,717)
Advertising and marketing expenses		-	(8,010)
Professional fees		(313,226)	(514,147)
Short-term and variable lease expense	4	(23,160)	(4,728)
Interest: Finance expense	5	(29,645)	(84,880)
Other expenses		(67,974)	(2,803,361)
Loss before income tax from continuing operations		(789,650)	(5,652,499)
Income tax expense	6	-	-
Loss for the year from continuing operations		(789,650)	(5,652,499)
Discontinued operations			
(Loss)/Profit for the year from discontinued operations		-	(155,780)
Loss for the year		(789,650)	(5,808,279)
Other comprehensive income			
<i>Items that may be reclassified to Profit or Loss:</i>			
Net effect of foreign currency translation		(402,294)	(361,942)
Total comprehensive loss for the year		(1,191,944)	(6,170,221)
Loss attributable to:			
Members of the parent entity		(790,496)	(5,648,290)
Non-controlling interest		846	(159,989)
Total comprehensive loss attributable to:		(789,650)	(5,808,279)
Members of the parent entity		(1,192,790)	(6,010,232)
Non-controlling interest		846	(159,989)
Total comprehensive loss for the year		(1,191,944)	(6,170,221)
Loss per share			
Basic loss per share (S cents)	10	(0.21)	(1.62)
Diluted loss per share (S cents)	10	(0.21)	(1.62)
Loss per share for continuing operations			
Basic loss per share (S cents)	10	(0.21)	(1.57)
Diluted loss per share (S cents)	10	(0.21)	(1.57)

These financial statements should be read in conjunction with the accompany notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 August 2022

		Consolidated Group	
	Note	2022	2021
		S\$	S\$
ASSETS			
Current assets			
Cash and cash equivalents	11	891,300	874,422
Trade and other receivables	12	123,848	436,729
Inventories	13	44,099	74,020
		<u>1,059,247</u>	<u>1,385,171</u>
TOTAL CURRENT ASSETS		1,059,247	1,385,171
Non-current assets			
Property, plant and equipment	14	6,574,934	6,775,794
Right of use assets	16	-	473,710
TOTAL NON-CURRENT ASSETS		6,574,934	7,249,504
TOTAL ASSETS		7,634,181	8,634,675
LIABILITIES			
Current liabilities			
Trade and other payables	15	1,303,502	1,773,437
Lease liability	16	-	160,073
Borrowings	17	743,027	193,342
TOTAL CURRENT LIABILITIES		2,046,529	2,126,852
Non- current liabilities			
Deferred tax liability	18	75,922	75,922
Lease liability	16	-	315,611
Borrowings	17	-	743,071
Total non-current liabilities		75,922	1,134,604
Total liabilities		2,122,451	3,261,456
Net assets		5,511,730	5,373,219
EQUITY			
Equity attributable to members of the parent entity:			
Issued capital	19	19,553,590	18,223,133
Reserves	20	(1,634,778)	(1,232,482)
Accumulated losses		(12,643,465)	(11,852,969)
		5,275,347	5,137,682
Non-controlling interest		236,383	235,537
Total equity		5,511,730	5,373,219

These financial statements should be read in conjunction with the accompany notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 August 2021

	Issued capital	Accumulated losses	Foreign currency translation reserve	Non-controlling interest	Total
	S\$	S\$	S\$	S\$	S\$
Balance at 1.9.2020	18,223,133	(6,178,697)	(870,540)	792,567	11,966,463
Total comprehensive income:					
Loss for the year from continuing operations	-	(5,468,485)	-	(184,014)	(5,652,499)
Discontinued operations	-	(179,805)	-	24,025	(155,780)
Other comprehensive loss	-	-	(361,942)	-	(361,942)
	-	(5,648,290)	(361,942)	(159,989)	(6,170,221)
De-recognition of NCI upon disposal of discontinued operation	-	(25,982)	-	(397,041)	(423,023)
Balance at 31.8.2021	18,223,133	(11,852,969)	(1,232,482)	235,537	5,373,219
Balance at 1.9.2021	18,223,133	(11,852,969)	(1,232,484)	235,537	5,373,217
Total comprehensive income:					
Loss for the year from continuing operations	-	(790,496)	-	846	(789,650)
Discontinued operations	-	-	-	-	-
Other comprehensive loss	-	-	(402,296)	-	(402,296)
	-	(790,496)	(402,296)	846	(1,191,944)
Transactions with the owners in their capacity as owners:					
Issue of share capital, net of transaction costs	1,330,457	-	-	-	1,330,457
Balance at 31.8.2022	19,553,590	(12,643,465)	(1,634,778)	236,383	5,511,730

These financial statements should be read in conjunction with the accompany notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For year ended 31 August 2022

	Note	Consolidated Group	
		2022	2021
		S\$	S\$
Cash flows from operating activities			
Receipts from customers		1,077,942	3,812,290
Payments to suppliers and employees		(1,982,539)	(5,270,419)
Net cash used in continuing operations	24	(904,597)	(1,458,129)
Cash flows from investing activities			
Interest income		9	17
Purchase of property, plant and equipment	14	(66,188)	(17,556)
Proceeds from disposal of property, plant and equipment		6,876	329,012
Disposal of subsidiary, net of cash		-	(912,099)
Net cash used in investing activities		(59,303)	(600,626)
Cash flows from financing activities			
Interest expense	5	(29,645)	(84,880)
Repayment of obligations under leases	16	(92,380)	(604,782)
Decrease in Right of Use Asset		376,181	-
Issuance of shares		1,330,457	-
Proceeds from borrowings		-	1,000,000
Repayment of loan		(193,386)	(63,587)
Net cash generated from /(used in) financing activities		1,015,046	246,751
Net change in cash and cash equivalents held		51,146	(1,812,004)
Cash and cash equivalents at beginning of financial year		874,422	2,690,875
Effect of exchange rate change on cash held in foreign currencies		(34,268)	(4,449)
Cash and cash equivalents at end of financial year	11	891,300	874,422

These financial statements should be read in conjunction with the accompany notes.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

1. PRINCIPAL ACTIVITIES

Asian American Medical Group Limited (AAMG or Company) is a company domiciled in Australia. The consolidated financial report of the Company as at and for year ended 31 August 2022 comprises the Company and its controlled entities (together referred to as the Group). The principal activity of AAMG is that of provision of specialised medical services for liver diseases and transplantation, healthcare project management and consultancy services and healthcare real estate. There has been no change in the principal activity of the Group during the financial year under review.

AAMG is a for-profit entity for the purpose of preparing financial statements.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the consolidated financial statements and notes of AAMG and controlled entities (Consolidated Group or Group).

(a) Basis of preparation

The consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the Corporation Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The consolidated final report is presented in Singapore Dollars (SGD or \$) as a significant portion of the group's activity is denominated in Singapore Dollars.

These consolidated financial statements have been approved for issue by the Board of Directors on 28 November 2022.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 31 August 2022. The consolidated entity has assessed that these new or amended Accounting Standards and Interpretations are not expected to have material impact on the group's financial position or performance in the future reporting periods.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, revenue declined from \$1,241,608 in FY2021 to \$807,572 in FY2022, the Group made a net loss of \$789,650 compared to \$5,808,279 in FY2021 after recognising cash outflow from operating activities of \$904,597 in FY2022 compared to \$1,458,129 in the prior year. Cash balance increased slightly from \$874,422 on 31 August 2021 to \$891,300 on 31 August 2022 mainly attributed to the capital of S\$1,330,457 raised during the year. At 31 August 2022 the Group had net current liabilities of S\$989,282 compared to net current liabilities of \$741,681 at 31 August 2021.

The reported net loss and net current liability position as at 31 August 2022, indicate that there exists a material uncertainty that may cast significant doubt over the Group's ability to continue as a going concern and the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors are confident that there are reasonable grounds to believe the Group will be able to continue as a going concern after consideration of the following factors:

- As set out in Note 19(d), subsequent to the reporting date the Company entered into subscription agreements to raise additional \$3.0m capital, partly conditional on reinstatement on quotation on the ASX and on shareholder approval.
- As set out in Note 25, subsequent to the reporting date the Group entered into a Deed of Termination and Release in relation to outstanding invoices received from Kings Management Limited, totalling \$394,205, under which the Group will make a full and final single settlement payment of GBP 100,000.
- As set out in Note 25, subsequent to reporting date the Group reached agreement with DBS Bank that upon completion of the \$3.0m ASX Capital Raise, the Company would become the new Corporate Guarantor for the DBS Loan, to replace the guarantee previously provided by Dr Tan, and DBS Bank confirmed that the loan will mature in April 2026, and monthly repayments of \$17,528 will continue until the maturity date.
- As set out in Note 25, subsequent to reporting date the Group reached an understanding with Parkway Hospitals Singapore, that upon completion of the Group's current new \$3.0m Capital Raising, the Group will remit full payment of \$757,829 to Parkway, for amounts owing for rental arrears and medical consumable arrears.
- The Group will appoint new executive and non-executive directors and management team to re-establish and reinvigorate the medical clinic operations in Singapore. Management expects the Group's business activities in Singapore to improve with the return of overseas patients, especially those from neighbouring countries.

The directors have prepared cash flow projections for 12 months from the date of the financial statements that support the ability of the Group to continue as a going concern, and that the Group's cash flows can adapt to the changes in circumstances as the Group works through the above action plans.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis of preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group were not to operate as a going concern.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(b) Principles of consolidation

The Group financial statements consolidate those of the Parent company and all of its subsidiaries as of 31 August 2022. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 31 August.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intragroup asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

(c) Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the entity interest issued by the acquirer.

Reverse acquisition, where the cost of the business combination is deemed to have been incurred by the legal subsidiary (i.e. the acquirer for accounting purposes) in the form of equity instruments issued to the owners of the legal parent (i.e. the acquiree for accounting purposes), are accounted for under AASB 3: Business Combinations. The method calculates the fair value of the instruments issued by the legal parent on the basis of existing instruments of the legal subsidiary.

All transaction costs incurred in relation to the business combination are expensed to the profit or loss.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(d) Income tax

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates that have been enacted, or substantially enacted, as at reporting date.

Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

(e) Inventories

Inventories are initially measured at cost and subsequently measured at the lower of cost and net realisable value, assigned on a first-in-first-out basis.

The cost of inventories includes direct costs associated with the purchase of inventory including transportation costs.

(f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Property, plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

Depreciation

The depreciation of all fixed assets, other than freehold land and buildings under construction, is depreciated on a straight line basis over the asset's useful life to the Consolidated Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation Rate
Office equipment	5 years
Medical equipment	5 years
Computers	5 years
Furniture and fittings	5 years
Renovations	5 years
Leasehold Improvements	4 years

The asset's residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

(g)

Right of Use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the lease term or the estimated useful life of the asset, whichever is the shorter. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(h) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(i) Impairment of assets

At each reporting date, the Group reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss.

(j) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Singapore dollars.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of profit or loss and other comprehensive income.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of profit or loss and other comprehensive income depending on the nature of the non-monetary items.

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the year; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences are charged or credited to other comprehensive income and recognised in the foreign currency translation reserve in equity.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(k) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year are measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year are measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on high quality corporate bond rate with terms to maturity that match the expected timing of cash flows.

Central Provident Fund (CPF) contributions/Superannuation contributions: The Group makes contributions to the Central Provident Fund scheme in Singapore and Superannuation scheme in Australia, a defined contribution post-employment or pension scheme. Contributions to post-employment benefits under defined contribution plans are recognised as an expense in the profit or loss as incurred.

Equity-settled compensation: The Group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a binomial option pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(l) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(m) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits held with banks, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values.

(n) Patients' deposits

Patients' deposits represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customers. Patients' deposits are included in Trade and other payables.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(o) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable. It is recognised when the Group satisfies a performance obligation (PO) by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

(a) Provision of services

Revenue from provision of services are assessed to be a series of treatments which are distinct in each and every treatment. Revenue that relates to medical consultation, surgery and transplantation is recognised at a point in time. Revenue that relates to radiation procedure is recognised over time as the services are rendered, based on the amount of the expected contract costs allocated to each PO. Significant payment terms: Invoices are issued upon completion of services and are payable within 30 days.

(b) Sales of medication

Revenue from sale of medication is recognised upon delivery of the medication to the patient. Significant payment terms: Invoices are issued upon completion of services and are payable within 30 days.

(c) Management fee

Management fees revenue is recognised by reference to the completion of performance obligations over time. Significant payment terms: Invoices are issued on a monthly basis and are payable within 30 days.

(d) Interest received

Interest is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

(e) Other income

Other income is recognised when it is received or when the right to receive payment is established. All revenue is stated net of goods and services tax (GST).

(p) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting year for goods and services received by the Group during the reporting year which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of initial recognition.

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(q) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO) or Inland Revenue Authority of Singapore (IRAS). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated in the statement of financial position inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO or IRAS is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO or IRAS are classified as operating cash flows.

(r) Transaction costs on the issue of equity instruments

Transaction costs arising from the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

(s) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Estimates and Judgements

Impairment

The Group assesses impairment at each reporting date by evaluating conditions and events specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculations and valuations from independent valuers are performed and used in assessing recoverable amounts, these calculations and valuations incorporate a number of key estimates.

Please refer to Note 12 with respect to Management's consideration of impairment of receivables as at 31 August 2022.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

(t) Earnings per share

Basic earnings per share is calculated by dividing income by the weighted-average number of shares outstanding during the year. Diluted earnings per share is calculated by dividing income by the weighted-average number of shares outstanding during the year, assuming that all potentially dilutive securities were exercised, if dilutive.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

3 REVENUE

	Consolidated Group	
	2022	2021
	S\$	S\$
Operating activities		
Provision of services	330,280	861,659
Medical supply income (a)	-	80,000
Sale of medication	477,292	299,949
Total revenue from operating activities	807,572	1,241,608

(a) Medical supply income in FY2021 was derived from trading of Covid-19 test kits, there was no such sales in FY2022.

Other operating income

Interest received	14	94
Grant received from Singapore government	-	305,403
Other income	11,384	14,899
Total other operating income	11,398	320,396

a. Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

Consolidated - 31 August 2022	Liver	Management and Consultancy	Total
	S\$	S\$	S\$
<i>Sectors</i>			
Healthcare	807,572	-	807,572
	807,572	-	807,572

Geographical regions

Singapore	807,572	-	807,572
Asia (ex-Singapore)	-	-	-
	807,572	-	807,572

Timing of revenue recognition

Goods and services recognised at a point in time	807,572	-	807,572
Services rendered over time	-	-	-
	807,572	-	807,572

Consolidated - 31 August 2021	Liver	Management and Consultancy	Total
	S\$	S\$	S\$
<i>Sectors</i>			
Healthcare	1,240,631	977	1,241,608
<i>Geographical regions</i>			
Singapore	1,100,331	-	1,100,331
Asia (ex-Singapore)	140,300	977	141,277
	1,240,631	977	1,241,608
<i>Timing of revenue recognition</i>			
Goods transferred at a point in time	1,240,631	977	1,241,608
Services rendered over time	-	-	-
	1,240,631	977	1,241,608

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

4 LOSS FOR THE YEAR

The loss for the year has been arrived at after (charging)/crediting the following items:

	Consolidated Group	
	2022	2021
	S\$	S\$
Expenses		
Cost of sales	(452,679)	(582,731)
Net foreign exchange gain	126,293	292,984
Administrative expenses include rental expense on short term and variable leases as follows:		
- premises	(23,160)	(4,728)
Depreciation on property, plant and equipment	(8,200)	(101,514)
Depreciation on right of use assets	(97,529)	(599,191)
Professional fees		
- Professional fees	(169,370)	(196,372)
- KCH Brand Fee	(143,865)	(317,775)
Credit card charges	(7,946)	(10,099)
Impairment of investment in joint venture	-	(62,000)
Provision for expected credit losses (Note 12)	-	(7,074)
Write off of property, plant and equipment (Note 14)	(64,318)	(2,455,003)
Central Provident Fund/Superannuation	(43,283)	(97,501)

5 FINANCE EXPENSES

	Consolidation Group	
	2022	2021
	S\$	S\$
Interest on loans		
Interest on loans	17,043	6,524
Interest on lease liabilities (Note 16)	12,602	78,356
	29,645	84,880

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

6 INCOME TAX EXPENSE/(BENEFIT)

	Consolidated Group	
	2022	2021
	S\$	S\$
a. The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
Under provision in respect of prior years	-	-
	-	-
	-	-
b. The prima facie tax on loss before income tax is reconciled to the income tax as follows:		
Prima facie tax refundable on loss before income tax at Australian tax rate of 25% (2021: 25%)	(197,413)	(1,413,125)
Effect of tax rates in foreign jurisdiction	(18,021)	129,183
Add:		
Tax effect of:		
- non-deductible expenses (Note 1)	242,705	753,362
- non-taxable incomes	(48,920)	(49,885)
- (under)/over provision for income tax in prior years	-	-
- withholding tax deducted at source	-	-
- utilisation of deferred tax assets previously not recognised	-	(5,490)
- deferred tax asset not recognised (Note 2)	21,649	585,955
- deferred tax asset recognised	-	-
- other	-	-
Income tax expense	-	-
	-	-

Note 1: Non-deductible expenses were net amount of investment in China project written off (2021: \$733,620 building development costs in Johor Bahru written off).

Note 2: Deferred tax in FY2021 not recognised related to legal entity in Hainan, China and AALC. there was no similar write off in FY2022.

The value of tax losses not recognised is S\$10,267,028 (2021: S\$12,996,460). No capital allowances were unrecognised in the current financial year (2021: NIL).

7 KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel (KMP) compensation included in employment expenses includes:

	2022	2021
	S\$	S\$
Short-term benefits	294,118	1,107,237
Post-employment benefit	10,830	15,151
Total compensation	304,948	1,122,388

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

8 AUDITOR'S REMUNERATION

	Consolidation Group	
	2022	2021
	S\$	S\$
Audit and review of financial statement fees:		
- Paid to auditors of the Company	39,172	42,935
- Paid to other auditors	21,316	43,463
Non Audit fees:		
- Paid to other auditors (i)	11,625	14,253

(i) Tax fee \$10,325 (2021: \$12,953), medical audit \$1,300 (2021: \$1,300)

9 DIVIDENDS

No interim or final dividend has been paid during the year or recommended by the Directors following the completion of accounts for the financial year ended 31 August 2022 (2021: Nil).

10 EARNINGS PER SHARE

Basic earnings or loss per share amounts are calculated by dividing the profit or loss for the year attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings or loss per share amounts are calculated by dividing the profit or loss for the year attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the profit and loss and share data used in the computation of basic and diluted earnings per share for the year ended 31 August:

	Consolidation Group	
	2022	2021
	S\$	S\$
Loss attributable to ordinary equity holders of the parent:		
Continuing operations	(790,496)	(5,468,485)
Discontinued operations	-	(179,805)
Loss attributable to ordinary equity holders of the parent adjusted for the effect of dilution	(790,496)	(5,648,290)
Number of shares		
Weighted average number of ordinary shares during the year used in calculating basic/diluted EPS	379,193,414	347,752,754
Number of shares		
Basic loss per share for operations (S cents)	(0.21)	(1.62)
Diluted loss per share for operations (S cents)	(0.21)	(1.62)
Basic loss per share for continuing operations (S cents)	(0.21)	(1.57)
Diluted loss per share for continuing operations (S cents)	(0.21)	(1.57)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

11 CASH AND CASH EQUIVALENTS

	Consolidation Group	
	2022	2021
	S\$	S\$
Cash and bank balances	891,300	874,422
Cash and cash equivalents	891,300	874,422

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 August:

Cash and bank balances	891,300	874,422
Cash and cash equivalents	891,300	874,422

12 TRADE AND OTHER RECEIVABLES

	Consolidation Group	
	2022	2021
	S\$	S\$
Current		
Trade receivables	28,644	88,083
Less: Provision for expected credit losses (Note 4)	-	(7,074)
Other receivables	28,644	81,009
Deposits	25,532	213,298
Total current trade and other receivables	69,672	142,422
	123,848	436,729

a Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

According to the Group's internal, historical credit loss data and past due receivables, there are no underlying indicators of expected credit losses using an allowance matrix. Furthermore, we have taken into consideration the probabilities of credit default and do not deem any expected credit losses being necessary.

b Credit risk

Management has assessed that the loss allowance provision as at 31 August 2022 is adequate as the Group has no significant default in trade receivables based on historical experience.

There impairment loss is recognised on trade receivables for the financial year ended 31 August 2022 (2021: Nil).

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2022	2021	2022	2021	2022	2021
Consolidated	%	%	S\$	S\$	S\$	S\$
Not overdue	0%	0%	1,104	31,799	-	-
Due 1 – 30 days	0%	0%	-	30,683	-	-
Due 31 – 60 days	0%	0%	-	264	-	-
Due over 60 days	0%	0%	27,540	25,337	-	(7,074)
			28,644	88,083	-	(7,074)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

13 INVENTORIES

	Consolidated Group	
	2022	2021
	S\$	S\$
Medical Supplies	44,099	74,020

14 PROPERTY, PLANT AND EQUIPMENT

	Consolidated Group	
	2022	2021
	S\$	S\$
Office equipment		
At cost	1,220	2,695
Accumulated depreciation	(1,220)	(2,335)
Total office equipment	-	360
Medical equipment		
At cost	3,465	5,455
Accumulated depreciation	(1,848)	(1,653)
Total medical equipment	1,617	3,802
Computers		
At Cost	2,467	95,378
Accumulated depreciation	(1,528)	(83,621)
Total computers	939	11,757
Land		
At Cost	6,572,378	6,759,875
Accumulated depreciation	-	-
Total land	6,572,378	6,759,875
Total property, plant and equipment	6,574,934	6,775,794

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

PROPERTY, PLANT AND EQUIPMENT (CON'T)

	Office equipment S\$	Medical equipment S\$	Computers S\$	Furniture and fittings S\$	Land S\$	Renovation S\$	Total S\$
Balance at 31 August 2021	360	3,802	11,757	-	6,759,875	-	6,775,794
Additions	-	-	1148	-	-	65,040	66,188
Write-off	(313)	(1,293)	(3,091)	-	-	(59,621)	(64,318)
Exchange Difference	-	-	55	-	(187,497)	-	(187,442)
Depreciation expense	(47)	(892)	(1,842)	-	-	(5,419)	(8,200)
Disposal	-	-	(7,088)	-	-	-	(7,088)
Carrying amount at 31 August 2022	-	1,617	939	-	6,572,378	-	6,574,934
	Office equipment S\$	Medical equipment S\$	Computers S\$	Furniture and fittings S\$	Land S\$	Work in progress S\$	Total S\$
Balance at 31 August 2020	501	4,893	7,607	-	6,803,785	3,241,204	10,057,990
Additions	57,588	-	16,609	757,355	-	(813,996)	17,556
Write-off	-	-	(514)	-	-	(2,454,489)	(2,455,003)
Exchange Difference	-	-	93	-	(43,910)	27,281	(16,536)
Depreciation expense	(6,860)	(1,091)	(5,205)	(88,358)	-	-	(101,514)
Disposal	(50,869)	-	(6,835)	(668,997)	-	-	(726,699)
Carrying amount at 31 August 2021	360	3,802	11,757	-	6,759,875	-	6,775,794

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

15 TRADE AND OTHER PAYABLES

	Consolidated Group	
	2022	2021
	S\$	S\$
Current		
Trade payables	509,817	670,549
Patients' deposits (Note 15a)	297	56,444
Provision for employee benefits	5,336	32,739
Sundry payables and accrued expenses		
- Parkway Hospitals Singapore Pte Ltd	232,699	343,572
- Others	555,353	670,133
Total current trade and other payables	1,303,502	1,773,437

The provision for employee benefits relates to the provision of contractual additional wages to employees for the period from January to August 2022 (2021: January to August 2021) and is payable by December 2022 (2021: December 2021).

a. Contract liabilities

Contract liabilities relate to patients' deposits for medical services. Revenue from medical services is recognised when the services are rendered.

	2022	2021
	S\$	S\$
Patients' deposits at the beginning of the period recognised as revenue. <i>Deposits refunded to patients during FY2022 was \$52,328.</i>	4,115	25,648

16 LEASES

Group as a lessee

Set out below are the carrying amounts of right of use assets recognised and the movements during the period:

	Clinical Premises
	S\$
At 1 September 2021	
Depreciation	473,710
Early termination (Note 16a)	(97,528)
	(376,182)
At 31 August 2022	-

Note 16a: On 18 April 2022 Gleneagles Hospital Singapore terminated the lease for the clinic as the Group's subsidiary Asian American Liver Centre Pte Ltd did not settle rental arrears.

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	Clinical Premises
	S\$
At 1 September 2021	
Early termination	475,684
Interest expense	(383,304)
Lease payments	12,603
	(104,983)
At 31 August 2022	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

16 LEASES (CON'T)

	2022	2021
	\$	\$
Of which:		
Lease liabilities - current	-	160,073
Lease liabilities - non-current	-	315,611
	<hr/>	<hr/>
	-	475,684

The following are the amounts recognised in profit or loss of continuing operations:

	2022	2021
	\$	\$
Short-term lease expense	23,160	4,728
Depreciation on right of use assets	97,528	599,191
Interest expense on lease liabilities	<hr/>	<hr/>
	12,603	78,356

The Group had total cash outflows for leases of 104,983 (2021: \$683,138) during the year ended 31 August 2022.

17 INTEREST BEARING LOANS AND BORROWINGS

	2022	2021
	\$	\$
Current		
Unsecured - temporary bridging loan	743,027	193,342
Non-current		
Unsecured - temporary bridging loan	-	743,071
	<hr/>	<hr/>
	743,027	936,413

Bridging loan from DBS Bank through its subsidiary under Enterprise Singapore's special financial support scheme for SMEs was supported by a personal guarantee from the late Executive Chairman Dr KC Tan. After the demise of Dr Tan, DBS requested for a new corporate guarantor. The Group has not been able to find an appropriate guarantor replacement. The breach of the loan agreement had not been remedied on or before the end of the reporting period and as a result, the full amount payable under the loan agreement has been classified as current as at 31 August 2022. See Note 25 Events after reporting date: DBS Bank confirmed the loan will mature in April 2026.

The currency profile of borrowings as at the end of the reporting period is Singapore dollar.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

18 TAXATION

	Consolidated Group	
	2022	2021
	S\$	S\$
Current assets		
Income tax refundable		
		-
Non-current	1 September 2020	
		Utilised
		Written off
		31 August 2022
	S\$	S\$
Deferred tax asset and liability		
Tax liability arising from land revaluation	75,922	-
Net deferred tax liability / (asset)	75,922	-
		75,922

19 ISSUED CAPITAL

	Consolidated Group	
	2022	2021
	S\$	S\$
Opening share balance	18,223,133	18,223,133
Shares issued during the year	1,330,457	-
Total capital	19,553,590	18,223,133
	Consolidated Group	
	2022	2021
	Number of shares	Number of shares
a. Ordinary Shares		
At the beginning of reporting year	347,752,754	347,752,754
Shares issued during year	34,775,275	-
At reporting date	382,528,029	347,752,754

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

b. Capital Management

Management controls the capital of the Group in order to provide shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

There are no externally imposed capital requirements.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year. At 31 August 2022 gearing ratio of the Group is 13.38% (2021: 17.26%).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

c. Shares issued during the year

During the reporting period 34,775,275 new ordinary shares were issued at A\$0.0388 per share via private placement to a sophisticated investor under the Company's 15% annual issuing capacity for the purpose of ASX Listing Rule 7.1 and therefore shareholder approval for the Placement shares was not required. The net proceeds from the Placement were used for Singapore clinic and general corporate working capital purposes.

d. Event after Reporting: Shares subscription via placement

On 7 November 2022 the Company entered into subscription agreements to raise capital through the placement of a total of 70,175,439 new fully paid ordinary shares in the Company (New Shares) to a sophisticated investor in Australia at an issue price of A\$0.0285 per New Share (Placement) and the issue of 1,000,000 convertible notes at a face value of \$1.00 each (Convertible Notes), raising a total of A\$3.0 million before transaction-related expenses.

The New Shares will rank pari passu with the Company's existing fully paid ordinary shares (Shares) on issue as at their date of issue. Upon completion of the Placement, the Company's issued share capital will increase from 382,528,029 Shares to 452,703,468 Shares.

The Placement is conditional on the Reinstatement to quotation on ASX and on shareholder approval. On Reinstatement the Company will appoint four new directors to the Board, three are Australian residents.

20 RESERVES

a. Nature and purpose of reserve

(i) Foreign currency translation

Exchange difference arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in note 2(l) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

b. Movements in reserves

	Consolidated Group	
	2022	2021
	S\$	S\$
(i) Foreign currency translation reserve		
Beginning of financial year	(1,232,482)	(870,540)
Net currency translation difference of financial statements of foreign subsidiaries	(402,294)	(361,942)
End of financial year	(1,634,776)	(1,232,482)
Total as at the end of financial year	(1,634,776)	(1,232,482)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

21 SHARED-BASED EMPLOYEE REMUNERATION

As at 31 August 2022, the Group maintained an equity settled share-based payment scheme for employee remuneration.

There are no outstanding share options at the end of the current and previous reporting years.

22 CONTROLLED ENTITIES

a Controlled entities consolidated

	Country of incorporation	Percentage owned (%)	2022	2021
Asian American Medical Group Limited	Australia			
<i>Subsidiary of Asian American Medical Group Limited:</i>				
Asian American Medical Group Inc.	British Virgin Islands	100	100	
<i>Subsidiaries of Asian American Medical Group Inc.</i>				
Asian American Liver Centre Pte. Ltd.	Singapore	100	100	
Asian American Medical Group Pte. Ltd.	Singapore	100	100	
Asian American Healthcare Ventures Pte Ltd (formerly known as Million Health Ventures Pte. Ltd.)	Singapore	100	100	
<i>Subsidiary of Asian American Health Ventures Pte. Ltd.:</i>				
Asian American Oncology Management Sdn. Bhd.	Malaysia	100	100	
Hippocrates Development Sdn. Bhd.	Malaysia	95	95	
<i>Subsidiary of Asian American Medical Group Pte. Ltd.:</i>				
Gold Bell Asia American Healthcare Ventures Company Limited	Myanmar	-	51	
Asian American Healthcare Services (Qionghai) Pte Ltd	China	-	100	

⁽¹⁾ Investment cost fully impaired the JV is terminated

⁽²⁾ Investment cost fully impaired, operation closed in January 2022

23 COMMITMENTS AND CONTINGENCIES

a Capital commitments

There is no capital commitment as at reporting date which was not recognised in the financial statements (2021: \$Nil).

b Contingent liabilities

Under the Sale and Purchase Agreement (SPA) of the land owned under HDSB, HDSB will pledge up to 20% of the Net Profits earned by TLJCC to be paid to the land vendor or the vendor's named beneficiary for a period of 10 years.

Other than the above, there are no other contingent liabilities as at reporting date which was not recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

24 CASH FLOW INFORMATION

Reconciliation of cash flow from operations with loss after income tax

	Consolidated Group	
	2022	2021
	S\$	S\$
Loss after income tax	(789,650)	(5,808,279)
Loss on sale of Discontinued operation	-	232,360
Write off of property, plant and equipment	64,319	2,455,003
Depreciation on property, plant and equipment	8,200	102,077
Depreciation on right of use assets	97,529	644,811
Interest expense	29,646	87,352
Gain on lease modification / termination	(77,800)	(67,494)
Inventory written off	-	-
Impairment of investment in joint venture	-	62,000
Bad debts written off	7,026	-
Loss on disposal of property, plant and equipment	212	397,687
Provision for expected credit loss		7,074
Foreign exchange gain - net	(126,293)	(292,984)
Finance income	(9)	(17)
Changes in assets and liabilities:		
<i>Decrease in trade and other receivables</i>	258,986	819,250
Decrease in inventories	29,921	42,262
Decrease in trade and other payables	(406,684)	(139,231)
Net cash used in operating activities	<u>(904,597)</u>	<u>(1,458,129)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

25 EVENTS AFTER THE BALANCE SHEET DATE

Other than the Indemnification and insurance of officers reported in the Directors' Report (page 26) and the share subscription via placement reported in Note 19d above and Note 25a, Note 25b and Note 25c below, there are no other matters or circumstances have arisen since the end of the financial year, which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

a. Kings College Hospital (KCH) – Accrued Expenses

At 31 August 2022 the Group has fully accounted for all outstanding invoice received from Kings Management Limited, totalling \$394,205. This amount is presented as 'Trade and Other payables' in the statement of financial position.

Subsequent to the reporting date, on 17 November 2022, the Group and KCH Management Limited entered into a Deed of Termination and Release. Under the terms of this signed agreement, it was mutually agreed by the Group and KCH Management Limited that the Group will make a full and final single settlement payment of 100,000 British Pounds to KCH Management Limited, on or before 13 January 2023.

This is a non-adjusting event and the reversal of the difference between the liabilities recognised as at 31 August 2022 and final settlement amount will be accounted for in the 2023 financial year.

b. DBS Bank Loan

The Group has a bridging loan with DBS Bank which was previously personally guaranteed by the Group's Executive Chairman Dr KC Tan. After Dr Tan passed away, DBS requested a new guarantor which the Group had not been able to provide until recently. This breach of the loan agreement had not been remedied on or before the end of the reporting period and as a result, the full amount of the bridging loan (\$743,027) had been classified as a current liability as at 31 August 2022.

Subsequent to the reporting date, in November 2022 the Group reached agreement with DBS Bank that upon completion of its current new \$3.0m ASX Capital Raise, the Company would become the new replacement Corporate Guarantor for the DBS Loan. It has been confirmed by DBS that the loan will mature in April 2026, and monthly repayments of \$17,528 will continue until the maturity date.

c. Parkway Hospital Singapore (PHS) – Amount Owing

The Group has reached an understanding with Parkway Hospitals Singapore, that upon completion of the Group's current new \$3.0m Capital Raising, the Group will remit full payment of \$757,829 to PHS, for amounts owing for rental arrears and medical consumable arrears.

26 RELATED PARTY

The Group's related parties include its associates and joint venture, Key Management Personnel (KMP) and post-employment benefit plans for the Group's employees.

Balances and transactions between the Company and its subsidiaries, which are related to the Company and set out in Note 22, have been eliminated on consolidation and are not disclosed in this note.

Disclosures relating to KMP are set out in Note 7.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

27 OPERATING SEGMENTS

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Consolidated Group that are regularly reviewed by the chief operating decision maker, the Board of Directors (chief operating decision makers), in order to allocate resources to the segment and to assess its performance. The Consolidated Group has identified its operating segments to be as follows based on distinct operational activities:

- (i) Provision of medical consultation and services in the hepatology and related fields (liver segment);
- (ii) Provision of healthcare management and consultancy services (management and consultancy segment);
- (iii) Development of real estate projects (healthcare real estate segment), established through acquisition of HDSB in 2018; and
- (iv) Provision of corporate management services (corporate segment).

This is the basis on which internal reports are provided to the Board of Directors for assessing performance and determining the allocation of resources within the Consolidated Group. Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the group.

The current Consolidated Group operates primarily in three businesses, namely the provision of medical consultation and services in the hepatology, healthcare management and its related field advisory and healthcare real estate. The corporate segment relates to administrative expenses at Group level.

Details of the performance of each of these operating segments for the financial years ended 31 August 2022 and 31 August 2021 are set out in the following pages:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(i) Segment Performance

	Liver	Multi-specialty	Management and Consultancy	Healthcare Real Estate	Corporate	Total
	S\$	S\$	S\$	S\$	S\$	S\$
31 August 2022						
External sales revenue	807,572	-	-	-	-	807,572
Inter-segment revenue	-	-	-	-	-	-
Total segment revenue	807,572	-	-	-	-	807,572
Inter-segment eliminations						-
Total Group revenue						807,572
	Liver	Multi-specialty	Management and Consultancy	Healthcare Real Estate	Corporate	Total
31 August 2022	S\$	S\$	S\$	S\$	S\$	S\$
Other income	11,384	-	-	-	-	11,384
Finance income	-	-	-	-	14	14
Finance expenses	29,645	-	-	-	-	29,645
Depreciation on property, plant and equipment	7,282	603	315	-	-	8,200
Depreciation on right of use assets	97,529	-	-	-	-	97,529
Segment net (loss)/profit before tax	(144,254)	3,416,906	1,087,641	(89,926)	(5,060,017)	(789,650)
Income tax expense						-
Total Group net loss after tax						(789,650)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(i) Segment Performance (Con't)

	Liver	Multi-specialty	Management and Consultancy	Healthcare Real Estate	Corporate	Total
	S\$	S\$	S\$	S\$	S\$	S\$
31 August 2021						
External sales revenue	1,240,631	977	-	-	-	1,241,608
Inter-segment revenue	-	-	-	-	-	-
Total segment revenue	1,240,631	977	-	-	-	1,241,608
Inter-segment eliminations						-
Total Group revenue						1,241,608
	Liver	Multi-specialty	Management and Consultancy	Healthcare Real Estate	Corporate	Total
31 August 2021	S\$	S\$	S\$	S\$	S\$	S\$
Other income	309,131	11,522	90	-	(441)	320,302
Finance income	-	-	-	-	94	94
Finance expenses	56,235	28,645	-	-	-	84,880
Depreciation on property, plant and equipment	3,548	97,310	656	-	-	101,514
Amortization on right of use assets	442,250	156,941	-	-	-	599,191
Segment net (loss)/profit before tax	(1,306,727)	(1,797,307)	(39,023)	(2,479,275)	(30,167)	(5,652,499)
Income tax expense						-
Total Group net loss after tax from continuing operations						(5,652,499)
Profit from discontinued operation						(155,780)
Total Group net loss after tax						(5,808,279)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(ii) Segment assets

	Liver	Multi-specialty	Management and Consultancy	Healthcare Real Estate	Corporate	Total
	S\$	S\$	S\$	S\$	S\$	S\$
31 August 2022						
Non-current segment assets	6,191,470	-	-	5,053,933	5,240,021	16,485,424
Current segment assets	301,998	-	6,485	150,836	9,351,393	9,810,712
Total segment assets	6,493,468	-	6,485	5,204,769	14,591,414	26,296,136

Reconciliation of segment assets to Group assets:

Inter-segment eliminations	(18,661,955)
Total Group assets	7,634,181

	Liver	Multi-specialty	Management and Consultancy	Healthcare Real Estate	Corporate	Total
	S\$	S\$	S\$	S\$	S\$	S\$
31 August 2022						
Non-current segment assets	480,175	7,635	3,056,286	5,241,430	19,284,881	28,070,407
Current segment assets	2,135,474	67,285	4,661,816	161,481	5,491,492	12,517,548
Total segment assets	2,615,649	74,920	7,718,102	5,402,911	24,776,373	40,587,955

Reconciliation of segment assets to Group assets:

Inter-segment eliminations	(31,988,280)
Total Group assets	8,634,675

	Liver	Multi-specialty	Management and Consultancy	Healthcare Real Estate	Corporate	Total
	S\$		S\$	S\$	S\$	S\$
31 August 2021						
Segment asset increases in the year						
Capital expenditure	66,188	-	-	-	-	66,188
Total	66,188	-	-	-	-	66,188

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(iii) Segment liabilities

	Liver	Multi-specialty	Management & Consultancy	Healthcare Real Estate	Corporate	Total
	S\$	S\$	S\$	S\$	S\$	S\$
31 August 2022						
Segment liabilities	(8,102,155)	-	(439,727)	(2,220,394)	(357,368)	(11,119,644)

Reconciliation of segment liabilities to Group liabilities:

Inter-segment eliminations		8,997,195
Total Group liabilities		(2,122,449)

	Liver	Multi-specialty	Management & Consultancy	Healthcare Real Estate	Corporate	Total
	S\$	S\$	S\$	S\$	S\$	S\$
31 August 2021						
Segment liabilities	(4,057,862)	(3,685,108)	(8,420,607)	(2,216,799)	(6,607,301)	(24,987,677)

Reconciliation of segment liabilities to Group liabilities:

Inter-segment eliminations		21,726,221
Total Group liabilities		(3,261,456)

(iv) Revenue by geographical location

Revenue attributable to external customers is disclosed below, based on the location of where the revenue was derived:

	Consolidated Group	
	2022	2021
	S\$	S\$
Singapore	807,572	1,100,331
Asia (ex-Singapore)	-	141,277
Others	-	-
Total revenue	807,572	1,241,608

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(v) Assets by geographical location

	Consolidated Group	
	2022	2021
	S\$	S\$
<i>Non-current assets by geographical location:</i>		
Singapore	2,555	481,993
Malaysia	6,572,379	6,759,876
China	-	7,635
Total non-current assets	6,574,934	7,249,504
<i>Current assets by geographical location:</i>		
Australia	599,917	365,691
Singapore	302,699	693,281
Malaysia	156,631	162,727
Myanmar	-	96,187
China	-	67,285
Total current assets	1,059,247	1,385,171

(vi) Major Customers

The group is not reliant on any one major customer to whom it provides its products or services to.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

28 FINANCIAL RISK MANAGEMENT POLICIES

The Group's financial instruments consist mainly of cash at bank and accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to the financial statements, are as follows.

	Consolidated Group	
	2022	2021
	S\$	S\$
Financial assets at amortised cost		
Cash and cash equivalents	891,300	874,422
Trade and other receivables	54,176	294,307
Total financial assets at amortised cost	945,476	1,168,729
Financial liabilities at amortised cost		
Trade and other payables	(1,303,502)	(1,773,441)
Lease liabilities	-	(475,684)
Borrowings	(743,027)	(936,413)
Total financial liabilities at amortised cost	(2,046,529)	(3,185,538)

Financial risk management policies

The Board is responsible for monitoring and managing financial risk exposures of the Group.

Specific financial risk exposures and management

The main risk the Group is exposed to include foreign exchange risk, credit risk, liquidity risk and treasury management risk.

(a) Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the functional currency of the Group which is the Singapore dollar.

(i) Risk management

The Group's transactions are predominantly in its functional currency which is the Singapore dollar. The amount of assets and liabilities held in foreign currency is not considered material to the Group and hence does not hedge these asset or liability.

(ii) Sensitivity analysis

Foreign exchange risk

A 10% strengthening of the Australian Dollar (AUD) against the functional currency of the Group would increase/(decrease) profit or loss by the amount shown below. Similarly, a 10% weakening would have equal but opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant.

	2022	2021
	S\$	S\$
AUD	600	4,090

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

28 FINANCIAL RISK MANAGEMENT POLICIES (CON'T)

(b) Credit risk exposures

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

The credit risk on financial assets of the entity which have been recognised in the statement of financial position, is the carrying amount, net of any allowance for credit losses.

Credit risk is managed through the maintenance of procedures which ensure to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment.

The Group consider the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. Financial assets are deemed to default when counterparty fails to make contractual payments, within 60 days when they fall due, which are derived based on the Group's historical information.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation

Apart from the provision for credit losses as disclosed in Note 12, no other receivables are considered past due or impaired.

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised on the statement of financial position.

The Group provides for 12-month expected credit losses, for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on geographical region and revenue segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information such as forecast of economic conditions where the healthcare consumer price index will increase over the next year, leading to an increased number of defaults. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed. Management has assessed that the loss allowance provision as at 31 August 2022 is negligible as the Group has no significant default in trade receivables based on historical experience.

There is no significant change made to the estimation techniques.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

28 FINANCIAL RISK MANAGEMENT POLICIES (CON'T)

(c) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

All financial assets and liabilities as disclosed above have maturities within one year for the 31 August 2021 financial year. All cash and cash equivalents are held with the two bankers being DBS Bank Ltd and Westpac Banking Corporation who are both AA rated.

The following are the contractual maturities of financial assets and liabilities based on the remaining period from the reporting date to the contractual maturity date.

	Less than 1 month	Between 1 - 3 months	Between 3 - 6 months	Between 6 - 12 months
	S\$	S\$	S\$	S\$
Trade and other receivables	28,644	25,532	-	69,672
Trade and other payables	(50,023)	(300,000)	(729,271)	(224,208)

The Group manages liquidity risk by monitoring forecasted cash flows.

(d) Treasury risk management

The Board meets on a regular basis to analyse financial risk exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The Board's overall risk management strategy seeks to assist the Consolidated Group in meeting its financial targets, whilst maintaining the effects on financial performance. Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the Board has otherwise cleared as being financially sound.

(e) Fair values of financial assets and liabilities

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date.

The carrying values of financial instruments approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

29 PARENT COMPANY INFORMATION

	2022 S\$	2021 S\$
Parent entity		
Assets		
Current assets	5,547,445	5,388,216
Non-current assets	-	-
Total assets	<u>5,547,445</u>	<u>5,388,216</u>
Liabilities		
Current liabilities	(35,715)	(14,999)
Total liabilities	<u>(35,715)</u>	<u>(14,999)</u>
Total net assets	<u>5,511,730</u>	<u>5,373,217</u>
Equity		
Issued capital	19,553,590	18,223,133
Accumulated losses	(12,796,004)	(11,826,463)
Foreign currency revaluation reserve	<u>(1,245,856)</u>	<u>(1,023,453)</u>
Total equity	<u>5,511,730</u>	<u>5,373,217</u>
Financial performance		
Loss for the year	(969,541)	(6,338,249)
Other comprehensive loss	-	-
Total comprehensive loss	<u>(969,541)</u>	<u>(6,338,249)</u>

Included in the loss for the year is S\$712,676, the actual investment and intercompany write off during the year for FY2022 (2021: S\$6,227,296) of investment in subsidiary to the net asset of the Group, which does not have an impact on the Group's consolidated results for the current or prior year.

The parent entity provided guarantee to Kings College Hospital (KCH) for contractual liability relating to its subsidiary Asian American Medical Group Pte Ltd (AAMGPL). The liability was fully provided in the book of AAMGPL. There is no other contingent liabilities, contractual commitments or guarantees in relation to its subsidiary entities.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

30 COMPANY DETAILS

The registered office of the Company is:
25 Peel Street
Adelaide SA 5000

The principal place of business is:
Asian American Medical Group Limited
6 Napier Road,
Gleneagles Medical Centre #05-02,
Singapore 258499

SINGAPORE CENTRES:

Asian American Liver Centre Pte Ltd
6 Napier Road,
Gleneagles Medical Centre #05-02,
Singapore 258499

Asian American Healthcare Ventures Pte Ltd
6 Napier Road,
Gleneagles Medical Centre #05-02,
Singapore 258499

Asian American Medical Group Pte Ltd
10 Anson Road,
International Plaza #17-04,
Singapore 079903

DIRECTORS' DECLARATION

The directors of Company declare that:

- (a) the financial statements and notes, as set out on pages 31 to 68, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position as at 31 August 2022 and of the performance for the year ended on that date of the Consolidated Group; and
 - (ii) complying with Accounting Standards.
- (b) the Non-Executive Director and Chairman and Group Chief Financial Officer have declared that:
 - (i) the financial records of the Company for the financial year have been properly maintained in accordance with s286 of the Corporations Act 2001;
 - (ii) The financial statements and notes for the financial year comply with the Accounting Standards; and
 - (iii) The financial statements and notes for the financial year give a true and fair view.
- (c) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (d) complying with International Financial Reporting Standards as disclosed in Note 2 to the financial statements;

This declaration is made in accordance with a resolution of the Board of Directors.



Kong Meng Ang
Non Executive Director and Chairman

28 November 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASIAN AMERICAN MEDICAL GROUP LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Asian American Medical Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 August 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 31 August 2022 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2(a) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

There are significant judgements involved with the assumptions made over the cash flow forecast and future operational results of the Group. Our audit procedures to address this matter focus on assessing the reliability and integrity of the cash flow forecast model, and evaluating the reasonableness of key judgements and assumptions made, performing a sensitivity analysis over the cash flow forecast and considering the impact, if any, on the going concern assessment, and assessing the appropriateness and accuracy of the disclosures to the financial statements.



Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined that there are no other key audit matters to communicate in our report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 31 August 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.



Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 23 to 28 of the directors' report for the year ended 31 August 2022.

In our opinion, the Remuneration Report of Asian American Medical Group Limited, for the year ended 31 August 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO

BDO Audit (SA) Pty Ltd

Paul Gosnold

Paul Gosnold
Director

Adelaide, 28 November 2022

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 13 October 2022.

A. Distribution of holders of equity securities

	Ordinary Shares	Employee Options
1 - 1,000	159	-
1,001 - 5,000	36	-
5,001 - 10,000	46	-
10,001 - 100,000	51	-
100,001 and over	37	-
	329	-

There were 249 holders of less than marketable parcel of ordinary shares.

The percentage of the total holdings of the twenty largest holders of ordinary shares was 98.75 per cent.

SHAREHOLDER INFORMATION

B. Equity security holders

The names of the twenty largest holders of quoted equity securities are listed below:

Name	Ordinary shares	
	Number held	Percentage
Citicorp Nominees Pty Limited	158,152,227	41.34
Kong Meng Ang	46,062,300	12.04
Sultan Ibrahim Ibni Almarhum Sultan Iskandar Al-Haj	40,000,000	10.46
Utama Wilayah Sdn Bhd	34,775,275	9.09
Russing Med Holdings Pte Ltd	21,000,000	5.49
HSBC Custody Nominees (Australia) Limited	18,802,500	4.92
HSBC Custody Nominees (Australia) Limited	14,006,491	3.66
Zhi Cheng Ang	12,062,300	3.15
BNP Paribas Noms Pty Ltd (DRP)	7,546,385	1.97
Chin Soon Ong	7,000,000	1.83
Tye Wee Thin	5,000,000	1.31
Aspire Strategy Pte Ltd	4,000,000	1.05
Khai Ping Wun	3,000,000	0.78
Dr Kang Hoe Lee	2,500,040	0.65
Dr Huat Seong Saw	1,000,000	0.26
Hiroshi Tatara	1,000,000	0.26
Ravindran Govindan	699,483	0.18
Harry Vui Khiun Lee	561,915	0.15
Arabesque Unit Trust Pty Ltd	317,400	0.09
Rakhee Ram Dev	211,589	0.06

C. Substantial holders

Substantial holders in the company are set out below:

	Number held	Percentage
Citicorp Nominees Pty Limited	158,152,227	41.34
Kong Meng Ang	46,062,300	12.04
Sultan Ibrahim Ibni Almarhum Sultan Iskandar Al-Haj	40,000,000	10.46
Utama Wilayah Sdn Bhd	34,775,275	9.09
Russing Med Holdings Pte Ltd	21,000,000	5.49

D. Voting rights

Please refer Note 19.

E. On-market buy back

There is no current on-market buy back.



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