



ASIAMEDIC LIMITED

Co. Reg. No.: 197401556E

ASIAMEDIC LIMITED

Financial statements announcement for the half year ended 30 June 2020

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

1(a)(i) Consolidated Income Statement

An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	HY2020	HY2019	Increase/(Decrease)	
	S\$	S\$	S\$	%
Revenue	6,116,849	9,130,432	(3,013,583)	-33%
Other income	930,517	121,791	808,726	664%
Items of expenses				
Consumables used	(565,990)	(836,458)	(270,468)	-32%
Personnel expenses	(4,952,727)	(5,466,596)	(513,869)	-9%
Depreciation and amortization of non-current assets	(1,249,684)	(1,201,713)	47,971	4%
Operating lease expenses	(86,182)	(81,459)	4,723	6%
Maintenance expenses	(477,501)	(386,085)	91,416	24%
Laboratory and consultancy fees	(467,710)	(765,578)	(297,868)	-39%
Finance costs	(97,752)	(270,312)	(172,560)	-64%
Other operating expenses	(992,147)	(1,173,239)	(181,092)	-15%
Total operating expenses	(8,889,693)	(10,181,440)	(1,291,747)	-13%
Loss from operations	(1,842,327)	(929,217)	913,110	98%
Share of results of associate	163,446	265,672	(102,226)	-38%
Loss for the period attributable to owners of the Company	(1,678,881)	(663,545)	1,015,336	153%

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1(a)(ii) Statement of Comprehensive Income

STATEMENT OF COMPREHENSIVE INCOME FOR HALF YEAR ENDED 30 JUNE 2020

	HY2020	HY2019	Increase/(Decrease)	
	S\$	S\$	S\$	%
Loss for the period	(1,678,881)	(663,545)	1,015,336	153%
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period attributable to owners of the Company	(1,678,881)	(663,545)	1,015,336	153%

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

	HY2020	HY2019	Increase/(Decrease)	
	S\$	S\$	S\$	%
Grant income	845,821	52,315	793,506	NM
Rental income	64,086	64,086	-	0%
Interest income	20,610	2,990	17,620	589%
Foreign exchange gain/(loss)	226	(52)	278	NM

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1(b)(i) Balance Sheets

	Group		Company	
	30 Jun 2020 S\$	31 Dec 2019 S\$	30 Jun 2020 S\$	31 Dec 2019 S\$
Non-Current Assets				
Property, plant and equipment	3,040,723	2,460,066	37,086	47,408
Investments in subsidiaries	-	-	306,547	306,547
Investments in associate	2,170,916	2,007,470	181,500	181,500
Goodwill	523,864	523,864	-	-
Reinstatement asset	107,818	119,798	-	-
Right-of-use assets	4,613,720	6,347,253	4,613,720	5,345,828
	10,457,041	11,458,451	5,138,853	5,881,283
Current Assets				
Inventories	291,266	269,727	-	-
Trade receivables	1,250,461	2,892,323	-	-
Other receivables and deposits	487,618	480,841	4,860,736	3,306,747
Prepayments	287,855	325,706	42,308	137,036
Cash and short term deposits pledged as security	1,058,182	855,682	-	-
Cash and short term deposits	6,034,614	2,889,527	4,022,725	1,527,190
	9,409,996	7,713,806	8,925,769	4,970,973
Current Liabilities				
Trade payables	762,163	1,291,599	-	-
Other payables and accruals	1,913,466	1,683,877	847,294	633,915
Deferred income	1,206,227	1,271,117	-	-
Lease liability	1,443,983	1,506,554	1,443,983	1,415,238
	5,325,839	5,753,147	2,291,277	2,049,153
Net Current Assets	4,084,157	1,960,659	6,634,492	2,921,820
Non-Current Liabilities				
Provision for reinstatement	549,215	547,898	241,552	241,552
Deferred tax liabilities	22,568	22,568	-	-
Lease liability	3,298,606	4,034,970	3,298,606	4,034,970
Shareholder's loans	-	5,000,000	-	5,000,000
	3,870,389	9,605,436	3,540,158	9,276,522
Net Assets	10,670,809	3,813,674	8,233,187	(473,419)
Equity Attributable to Owners of the Company				
Share capital	33,284,437	24,761,027	33,284,437	24,761,027
Treasury shares	(2,866)	(2,866)	(2,866)	(2,866)
Other reserves	(548,515)	(561,121)	112,218	99,612
Accumulated losses	(22,062,247)	(20,383,366)	(25,160,602)	(25,331,192)
Total Equity	10,670,809	3,813,674	8,233,187	(473,419)

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

Loans from Controlling Shareholder

	Maturity	Group	
		30 Jun 2020	31 Dec 2019
Amount repayable after one year:		S\$	S\$
Interest-bearing loans	-	-	5,000,000

Details of any collateral:

Nil.

The loans were repaid in January 2020 under the Offsetting Arrangement in connection with the Company's Rights Issue.

Under the Offsetting Arrangement, the Company and Luye Medical Group Pte Ltd (the "Undertaking Shareholder") have mutually agreed that the subscription monies due from the Undertaking Shareholder to the Company for the subscription of 381,725,584 rights shares and 34,941,082 excess rights shares will be offset entirely against the aggregate outstanding loan amount owing by the Company to the Undertaking Shareholder.

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1(c) Consolidated Cash Flow Statement

Half year ended 30 June 2020

	Group	
	HY2020 S\$	HY2019 S\$
Operating activities:		
Loss before income tax	(1,678,881)	(663,545)
Adjustments:		
Depreciation of property, plant and equipment	505,596	508,349
Amortisation of reinstatement asset	11,980	11,983
Depreciation of right-of-use assets	732,108	693,364
Interest expense	97,752	270,312
Interest income	(20,610)	(2,990)
Grant of equity-settled share options to employees	12,606	12,606
Share of results of associate	(163,447)	(265,672)
Operating cash (outflow)/inflow before changes in working capital	(502,896)	564,407
Changes in working capital:		
(Increase)/decrease in inventories	(21,541)	16,516
Decrease/(increase) in trade and other receivables and deposits and prepayments	1,659,361	(421,942)
Decrease in trade and other payables	(84,620)	(209,990)
Decrease in deferred income	(64,890)	(22,752)
Net cash inflow/(outflow) from operating activities	985,414	(73,761)
Investing activities:		
Interest received	20,610	2,990
Payments for property, plant and equipment	(286,477)	(75,594)
Net cash flows used in investing activities	(265,867)	(72,604)
Financing activities:		
Increase in short term deposits pledged as security	(202,500)	(130,320)
Interest paid	(96,435)	(92,923)
Payment of principle portion of lease liabilities	(707,619)	(803,744)
Net proceeds from Rights Issue	3,523,410	-
Repayment of obligations under loans and borrowings and finance leases	(91,316)	(305,849)
Loan from controlling shareholder	-	2,000,000
Net cash flows from financing activities	2,425,540	667,164
Net increase in cash and short term deposits	3,145,087	520,799
Cash and short term deposits at beginning of period	2,889,527	2,946,069
Cash and short term deposits at end of period	6,034,614	3,466,868

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

Group

S\$	Share Capital	Other Reserves	Treasury Shares	Accumulated Losses	Total Equity
Balance as at 1 January 2019	24,761,027	(586,333)	(2,866)	(19,795,133)	4,376,695
Loss for the period	–	–	–	(663,545)	(663,545)
Grant of equity-settled share options to employees	–	12,606	–	–	12,606
Balance as at 30 June 2019	24,761,027	(573,727)	(2,866)	(20,458,678)	3,725,756
Balance as at 1 January 2020	24,761,027	(561,121)	(2,866)	(20,383,366)	3,813,674
Loss for the period	–	–	–	(1,678,881)	(1,678,881)
Proceeds from Rights Issue	8,523,410	–	–	–	8,523,410
Grant of equity-settled share options to employees	–	12,606	–	–	12,606
Balance as at 30 June 2020	33,284,437	(548,515)	(2,866)	(22,062,247)	10,670,809

Company

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

Balance as at 1 January 2020	24,761,027	99,612	(2,866)	(25,331,192)	(473,419)
Profit for the period	–	–	–	170,590	170,590
Proceeds from Rights Issue	8,523,410	–	–	–	8,523,410
Grant of equity-settled share options to employees	–	12,606	–	–	12,606
Balance as at 30 June 2020	33,284,437	112,218	(2,866)	(25,160,602)	8,233,187

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1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of share for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of corresponding period of the immediately preceding financial year.

On 14 January 2020, the Company completed the Rights Issue of 729,034,145 new ordinary shares in the capital of the Company. The issued share capital of the Company increased from S\$24,761,027 comprising 390,488,125 ordinary shares (excluding 100,000 treasury shares) as at 31 December 2019 to S\$33,284,437 comprising 1,119,522,270 ordinary shares (excluding 100,000 treasury shares) as at 30 June 2020.

There were no additional share options granted under the AsiaMedic Employees Share Option Scheme 2016 since the end of the previous period reported on. The number of share options increased by 196,645 in HY2020 as a result of the Rights Issue. The adjustment has not been reviewed or audited by the Company's auditors.

As at 30 June 2020, there were outstanding options for conversion into 1,720,645 (30 June 2019: 1,524,000) ordinary shares. The options were granted on 15 June 2016 and are subject to a vesting schedule and are exercisable in tranches from 15 June 2018.

As at 30 June 2020, the number of ordinary shares in issue was 1,119,522,270 excluding 100,000 treasury shares (30 June 2019: 390,488,125 ordinary shares excluding 100,000 treasury shares). The issued share capital as at 30 June 2020 was S\$33,284,437 (30 June 2019: S\$24,761,027).

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

As at 30 June 2020, the number of ordinary shares in issue was 1,119,522,270 excluding 100,000 treasury shares (31 December 2019: 390,488,125 ordinary shares excluding 100,000 treasury shares).

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

At 1 January 2020	Share buyback	Sales	Transfers	Disposal	Cancellation or use	At 30 June 2020
100,000	-	-	-	-	-	100,000

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

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

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

Not applicable.

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

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

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

The Group and the Company have adopted all the applicable new and revised Financial Reporting Standards (FRS) that become effective for accounting periods beginning 1 January 2020. The adoption of these new and revised FRS does not have any material impact to the Group and the Company's financial statements.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	HY2020	HY2019
(a) Based on weighted average number of ordinary shares on issue	(0.15) cent	(0.17) cent
(b) On a fully diluted basis	(0.15) cent	(0.17) cent

Notes:

(a) The basic loss per share for HY2020 is computed based on weighted average share capital of 1,067,448,403 (HY2019: 390,488,125) ordinary shares.

(b) There were no dilutive potential ordinary shares.

7. Net asset value (for the issuer and Group) per ordinary share based on issued share capital excluding treasury shares of the issuer at the end of the:

- (a) current financial period reported on; and
(b) immediately preceding financial year

	30 Jun 2020	31 Dec 2019
The Group		
Net asset backing per ordinary share based on issued share capital	0.95 cent	0.98 cent
The Company		
Net asset backing per ordinary share based on issued share capital	0.74 cent	(0.12) cent

Note:

The total number of shares used for the computation of net asset value per share as at 30 June 2020 is 1,119,522,270 (31 December 2019: 390,488,125) ordinary shares.

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

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The Group's revenue decreased by S\$3.0 million or 33% to S\$6.1 million for the half year ended 30 June 2020 ("HY2020") from S\$9.1 million for the half year ended 30 June 2019 ("HY2019") due mainly to the Covid-19 outbreak. The executive health screening and aesthetics businesses were not permitted to operate and the onsite school and community screenings were suspended during the circuit breaker period. Although our imaging and international clinic businesses were permitted to operate during this period, the number of patients decreased substantially. Conditions were also difficult in the months before the lockdown as many customers and patients avoided visits to our clinics as a precaution. Patient and customer volumes have also not returned to the previous corresponding period's level in June 2020.

Other income increased to S\$931,000 in HY2020 from S\$122,000 in HY2019 due mainly to the grants received from the Job Support Scheme.

Total operating expenses decreased by S\$1.3 million or 13% in HY2020 as compared to HY2019 due to the decrease in revenue. The percentage decrease in total operating expenses was lower than the percentage decrease in revenue as the Group continued to incur fixed expenses such as depreciation, rental and payroll expenses (which were partially subsidised by the Job Support Scheme). Maintenance expenses increased by S\$91,000 or 13% due mainly to the expiry of warranty of equipment purchased in prior year. The share of results of associate decreased by S\$102,000 or 38% as a result of lower sales due to Covid-19.

As a result, the Group recorded a higher loss attributable to shareholders of S\$1.7 million in HY2020 compared to a loss of S\$0.7 million in HY2019.

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Non-Current Assets

Non-current assets decreased to S\$10.5 million as at 30 June 2020 from S\$11.5 million as at 31 December 2019 due mainly to depreciation during the period. The increase in property, plant and equipment (“PPE”) to S\$3.0 million as at 30 June 2020 from S\$2.5 million as at 31 December 2019 was due mainly to an asset under finance lease being reclassified from right-of-use assets to PPE upon its full settlement in HY2020.

Current Assets

Current assets increased to S\$9.5 million as at 30 June 2020 from S\$7.7 million as at 31 December 2019 due mainly to the increase in cash and short term deposits as a result of the Rights Issue. Trade receivables decreased to S\$1.3 million as at 30 June 2020 from S\$2.9 million as at 31 December 2019 due mainly to receipt of payments for health screening projects with government agencies and reduced business activities.

Current Liabilities

Current liabilities decreased to S\$5.3 million as at 30 June 2020 from S\$5.8 million as at 31 December 2019 due mainly to the decrease in trade payables as a result of the lower level of activities during the period due to Covid-19.

Net Current Assets

As a result of the increase in current assets and decrease in current liabilities, net current assets increased to S\$4.1 million as at 30 June 2020 from S\$2.0 million as at 31 December 2019.

Non-Current Liabilities

Non-current liabilities decreased to S\$3.9 million as at 30 June 2020 from S\$9.6 million as at 31 December 2019 due mainly to the conversion of the shareholder’s loans as a result of the Rights Issue.

Cash Flow

The Group has a cash inflow from operations of S\$1.0 million in HY2020 compared to an outflow of S\$74,000 in HY2019 due mainly to the collection of trade receivables from government agencies. Cash outflows in investing activities were S\$266,000 in HY2020 compared with an outflow of S\$73,000 in HY2019 due mainly to payment for property, plant and equipment. Cash flows from financing activities were S\$2.4 million in HY2020 compared to S\$0.7 million in HY2019 due mainly to the Rights Issue.

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

The results were consistent with the Company's announcement dated 17 June 2020.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

The business conditions continue to be challenging against the backdrop of the Covid-19 pandemic. Our immediate task is to navigate through this unprecedented and unpredictable pandemic crisis and to prepare ourselves operationally and financially to tap opportunities when the situation recovers. On a mid-term basis, we are reviewing and reformulating our strategic plans. We will look into every aspect of the businesses including the need for rationalising underperforming businesses, implement cost control measures and continue to identify business opportunities.

11. If a decision regarding dividend has been made:

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

Nil

b) N/A

(1) Amount per share: Nil cents

(2) Previous corresponding period: Nil cents

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

N/A

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

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

N/A

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

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

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

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Brookline Medical Pte. Ltd.	Associate of controlling shareholder	Nil	S\$75,260 (Provision of imaging services under a general mandate)

14. Use of proceeds from Rights Issue.

The Company issued 729,034,145 new ordinary shares on 14 January 2020 in connection with its Rights Issue. The net proceeds have been utilised as follows:

Use of proceeds	Net proceeds S\$'000	Amount utilised as at the date of this announcement S\$'000	Balance S\$'000
Reducing indebtedness of the Group ⁽¹⁾	5,000	5,000	-
For general corporate and working capital purposes including but not limited to operating costs, capital expenditure and making strategic investments and/or acquisitions if opportunities arise	3,523	-	3,523
Total	8,523	5,000	3,523

Note:

- ⁽¹⁾ Reducing indebtedness of the Group in relation to the Offsetting Arrangement (as defined in the Company's circular to shareholders dated 14 November 2019).

Under the Offsetting Arrangement, the Company and Luye Medical Group Pte Ltd (the "Undertaking Shareholder") have mutually agreed that the subscription monies due from the Undertaking Shareholder to the Company for the subscription by the Undertaking Shareholder of 381,725,584 rights shares and 34,941,082 excess rights shares will be offset entirely against the aggregate outstanding loan amount owing by the Company to the Undertaking Shareholder of S\$5 million.

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15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

Undertakings have been obtained from the Directors and executive officers.

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

We, Charles Wang Chong Guang and Tan Soo Kiat, being two Directors of AsiaMedic Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the half year financial period ended 30 June 2020 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Foo Soon Soo (Ms)
Company Secretary

14 August 2020

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

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