

**ASIAN CENTRE FOR LIVER DISEASES &  
TRANSPLANTATION PTE. LTD.**

(Incorporated in the Republic of Singapore)

Co. Reg. No. 199405221E

**Financial Statements**

**For The**

**Half Year Ended 28<sup>th</sup> February 2009**

**ASIAN CENTRE FOR LIVER DISEASES & TRANSPLANTATION PTE. LTD.**

(Incorporated in the Republic of Singapore)

Co. Reg. No. 199405221E

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**ASIAN CENTRE FOR LIVER DISEASES & TRANSPLANTATION PTE. LTD.**

(Incorporated in the Republic of Singapore)

Co. Reg. No. 199405221E

**STATEMENT BY DIRECTORS**

In the opinion of the directors,

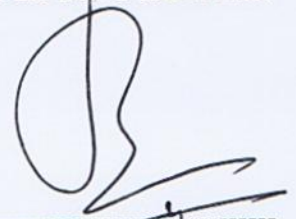
(a) the accompanying financial statements set out in the following sections of the financial statements:

- Income Statement
- Balance Sheet
- Cash Flow Statement
- Notes, comprising a summary of significant accounting policies and other explanatory notes

are drawn up so as to give a true and fair view of the state of affairs of the Company as at 28 February 2009 and the results, and cash flows of the Company for the financial period then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors



Caesarian Tan Kai Chah



Pamela Anne Jenkins

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Our ref: RC/TKT/II

Date: 18 September 2009

Asian Centre For Liver Diseases  
& Transplantation Pte. Ltd.  
6A Napier Rd  
Gleneagles Hospital Annexe Block  
#02-37  
Singapore 258500

Via Fax & Mail  
(Fax No. 6337 2197)

Dear Sirs

**Asian Centre For Liver Diseases & Transplantation Pte. Ltd.**

We have reviewed the accompanying balance sheet of Asian Centre For Liver Diseases & Transplantation Pte. Ltd. as of 28 February 2009 and the related income statement (collectively referred to as the "Interim Financial Information") for the six-month period then ended. Management is responsible for the preparation and presentation of the Interim Financial Information in accordance with Singapore Financial Reporting Standards. Our responsibility is to express a conclusion on the Interim Financial Information based on our review.

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the Interim Financial Information is not prepared, in all material respects, in accordance with Singapore Financial Reporting Standards.

Yours faithfully



Foo Kon Tan Grant Thornton

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**ASIAN CENTRE FOR LIVER DISEASES & TRANSPLANTION PTE LTD**  
**BALANCE SHEET**  
**AS AT 28 FEBRUARY 2009**

		<b>FOR THE PERIOD ENDED 28-Feb-09</b>	<b>FOR THE PERIOD ENDED 29-Feb-08</b>
<b>ASSETS</b>	<b>Note</b>	<b>S\$</b>	<b>S\$</b>
<u>NON-CURRENT ASSETS</u>			
PROPERTY, PLANT & EQUIPMENT	3	101,742.30	18,545.55
<u>CURRENT ASSETS</u>			
INVENTORIES AT COST		350,267.88	515,967.44
TRADE AND OTHER RECEIVABLES	4	7,429,476.97	5,852,416.32
FIXED DEPOSIT	5	36,315.66	35,280.00
CASH AND BANK BALANCE	5	352,055.10	509,097.69
TOTAL CURRENT ASSETS		8,168,115.61	6,912,761.45
TOTAL ASSETS		8,269,857.91	6,931,307.00
<b>EQUITY AND LIABILITIES</b>			
<u>CAPITAL AND RESERVES</u>			
SHARE CAPITAL	6	10.00	2.00
ACCUMULATED PROFITS		3,064,721.47	636,900.03
PROFIT AND LOSS FOR HALF YEAR		705,925.61	1,134,581.85
TOTAL EQUITY		3,770,657.08	1,771,483.88
<u>NON-CURRENT LIABILITIES</u>			
DEFERRED TAX LIABILITIES		3,950.28	2,452.86
<u>CURRENT LIABILITIES</u>			
TRADE AND OTHER PAYABLES	7	4,376,622.96	4,869,984.63
GST ACCOUNT		(14,725.43)	153,063.21
TAX PAYABLE		133,353.02	134,322.42
TOTAL CURRENT LIABILITIES		4,495,250.55	5,157,370.26
TOTAL EQUITY & LIABILITIES		8,269,857.91	6,931,307.00

**ASIAN CENTRE FOR LIVER DISEASES  
& TRANSPLANTION PTE LTD  
INCOME STATEMENT FOR THE PERIOD ENDED 28 FEBRUARY 2009**

	FOR THE PERIOD ENDED FEB'09 S\$	FOR THE PERIOD ENDED FEB'08 S\$
<b>SERVICE INCOME</b>	7,539,241.66	9,321,684.13
<b>LESS : COST OF SALES</b>		
OPENING INVENTORIES	299,314.45	656,866.79
COS - PHARMACEUTICAL & RELATED EXPS	697,158.73	749,620.56
COS - OTHERS	92,735.89	237,381.48
COS - RADIOLOGY & LAB CHARGES	796,666.34	1,174,794.44
COS - 3RD PARTY CONSULTATION FEES	834,663.42	2,002,891.19
COS - HOSPITAL & RELATED EXPS	2,254,779.66	1,916,829.98
LESS : CLOSING INVENTORIES	<u>(350,267.88)</u>	<u>(515,967.44)</u>
	4,625,050.61	6,222,417.00
<b>GROSS PROFIT</b>	2,914,191.05	3,099,267.13
ADD: OTHER INCOME		
INTEREST INCOME	1,035.66	-
OTHER INCOME	<u>5,918.86</u>	<u>1,617.88</u>
	2,921,145.57	3,100,885.01
<b>LESS : EXPENSES</b>		
ACCOUNTING FEES	13,804.00	3,332.00
ADMINISTRATIVE & HANDLING FEE	500.00	1,086.84
AUDIT FEES	1,500.00	4,500.00
ADVERTISING	25,764.03	2,471.04
BANK CHARGES	619.87	1,199.66
BANK OVERDRAFT INTEREST	-	71.78
CREDIT CARD CHARGES	34,698.62	38,682.29
DEPRECIATION - COMPUTERS	3,401.68	1,863.10
DEPRECIATION - FURNITURE & FITTING	1,664.86	477.50
DEPRECIATION - SURGICAL EQUIPMENT	-	100.00
DEPRECIATION - OFFICE EQUIPMENT	1,898.85	1,216.70
DEPRECIATION - RENOVATION	5,067.47	-
DIRECTOR - BONUS	50,000.00	50,000.00
DIRECTOR - CPF	12,112.00	12,386.00
DIRECTOR - SALARY	1,380,000.00	1,260,000.00
ENTERTAINMENT	2,399.35	17,250.94
FILING & STAMP FEES	20.00	150.00
GENERAL EXPENSES	7,093.25	1,093.73
GIFT & DONATION	297.47	4,368.95
INSURANCE	2,934.22	2,042.28
IT EXPENSES	6,971.20	3,134.98
MEDICAL EXPENSES	153.00	264.10
MINOR OFFICE EQUIPMENTS	351.41	974.76
NEWSPAPER & PERIODICALS	5,195.06	4,093.41
OFFICE CLEANING	3,000.00	2,900.00
OFFICE SUPPLIES	1,699.22	9,732.39
POSTAGE & DELIVERY	699.30	924.89
PRINTING & STATIONERY	12,229.87	6,815.31
PROFESSIONAL & LEGAL FEES	-	1,580.00

CORPORATE EVENT	(50,000.00)	-
REFERRAL FEES	(24,326.05)	-
RENTAL - EQUIPMENT	750.00	750.00
RENTAL - OFFICE	76,436.66	67,200.00
RENTAL - SOFTWARE	480.00	560.00
REPAIR & MAINTENANCE - EQUIPMENT	696.50	900.00
REPAIR & MAINTENANCE - OFFICE	7,108.40	3,683.71
REVERSAL OF ACCRUALS NO LONGER REQUIRED	-	(225,276.00)
SECRETARIAL FEES	540.00	540.00
STAFF - BENEFIT	1,145.85	90.85
STAFF - BONUS	93,481.44	79,739.10
STAFF - CPF	47,147.00	39,513.00
STAFF - MEALS	638.43	80.60
STAFF - SALARY	363,136.31	348,187.01
STAFF - UNIFORM	1,416.80	-
STAMP DUTY	166.00	-
SUBSCRIPTION FEES	6,450.00	6,325.00
TAX FEES	2,768.00	1,200.00
TELEPHONE EXPENSES	20,186.29	14,857.89
TRANSPORT	553.41	2,942.93
TRAVELLING	6,206.84	7,425.04
UTILITIES	4,046.05	2,768.04
	<u>2,133,102.66</u>	<u>1,784,199.82</u>
<b>PROFIT BEFORE INCOME TAX</b>	788,042.91	1,316,685.19
INCOME TAX EXPENSE	82,117.30	182,103.34
<b>NET PROFIT FOR 1ST HALF</b>	<u><u>705,925.61</u></u>	<u><u>1,134,581.85</u></u>

**ASIAN CENTRE FOR LIVER DISEASES & TRANSPLANTION PTE LTD  
CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2009**

	<b>FOR THE 6 MONTHS ENDED FEB'09 S\$</b>
<b>Cash flow from operating activities</b>	
Profit before income tax	788,042
Adjustments for:	
Depreciation	12,033
Interest income	(1,036)
Interest expenses	-
	<hr/>
Operating profit before working capital changes	799,039
Inventories	(50,954)
Trade and other receivables	(1,717,683)
Trade and other payables	(629,516)
	<hr/>
Cash (used in) / generated from operations	(1,599,115)
Interest paid	-
Income tax paid	(436,810)
Interest received	1,036
	<hr/>
Net cash (used in) / from operating activities	(2,034,889)
	<hr style="border-top: 1px dashed black;"/>
<b>Cash flow from investing activities</b>	
Purchase of property, plant and equipment	(89,421)
	<hr/>
Net cash (used in) / from investing activities	(89,421)
	<hr style="border-top: 1px dashed black;"/>
<b>Net Cash flow from financing activities</b>	-
	<hr style="border-top: 1px dashed black;"/>
<b>Net (decrease) / increase in cash and cash equivalents</b>	(2,124,310)
<b>Cash and cash equivalents at beginning of year</b>	2,476,365
	<hr/>
<b>Cash and cash equivalents at end of year</b>	352,055
	<hr style="border-top: 3px double black;"/>

**ASIAN CENTRE FOR LIVER DISEASES & TRANSPLANTATION PTE. LTD.**

(Incorporated in the Republic of Singapore)

Co. Reg. No. 199405221E

**NOTES TO THE FINANCIAL STATEMENTS – 28 FEBRUARY 2009**

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

**1. GENERAL CORPORATE INFORMATION**

Asian Centre for Liver Diseases & Transplantation Pte. Ltd. is a limited liability company incorporated and domiciled in the Republic of Singapore. The registered office is located at 10 Anson Road #13-16 International Plaza Singapore 079903. The address of its principal place of business is at 6A Napier Road #02-37 Gleneagles Hospital Annexe Block Singapore 258500.

The principal activities of the Company are to carry on the business of medical practitioners and to provide specialist medical consultation and services in hepatology practice and related fields.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(a) Basis of Preparation

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (FRS) and the applicable requirements of the Singapore Companies Act.

The financial statements, which are presented in Singapore dollars have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The functional currency of the Company is the Singapore dollars. As revenues and costs are denominated primarily in Singapore dollars and receipts from operations are usually retained in Singapore dollars, the directors are of the opinion that the Singapore dollars reflect the economic substance of the underlying events and circumstances relevant to the Company.

During the financial year, the Company adopted the new or revised FRS that are mandatory for application in the current financial year. Changes to the Company's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS. The adoption of the new or revised FRS did not result in any substantial changes to the Company's accounting policies.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### (a) Basis of Preparation (Cont'd)

The preparation of financial statements in conformity with FRS requires management to exercise judgement in the process of applying the Company's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis.

### (b) Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognized upon disposal or when no economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement in the financial year the asset is derecognized.

Depreciation is computed on the straight line method to write off the cost of property, plant and equipment over the estimated useful lives. The estimated useful lives of the property, plant and equipment are as follows:

Office equipment	5 years
Surgical equipment	5 years
Computers	5 years
Furniture & fittings	5 years

Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of these assets.

### (c) Inventories

Inventories are stated at the lower of costs (first in first out method) and net realisable value.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### (d) Financial Assets

Financial assets are recognized on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are initially recognized at fair value, plus directly attributable transaction costs and subsequently carried at amortised cost using the effective interest method. Gains and losses are recognized in the income statement when the loans and receivables are derecognized or impaired, and through the amortization process.

A financial asset is derecognized when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in the income statement.

### (e) Trade and Other Receivables

Trade and other receivables are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note 2(d).

An allowance for impairment of trade and other receivables is established when there is no objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the receivable, probability that the receivable will enter into bankruptcy of financial reorganization, and default and delinquency are considered indicators that the receivable is impaired. The amount of the allowance is recognised in the income statement.

### (f) Cash and Cash Equivalents

For purpose of the cash flow statement, cash and cash equivalents are shown net of outstanding bank overdraft which is repayable on demand and which forms an integral part of the Company's cash management.

### (g) Impairment

#### *Impairment of Financial Assets*

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the income statement.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### (g) Impairment (Cont'd)

#### *Impairment of Financial Assets (Cont'd)*

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously impairment loss is reversed to the extent that the carrying amount of the financial asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the income statement.

#### *Impairment of Non-Financial Assets*

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in the income statement except for assets that are previously revalued where the revaluation was taken to equity. In this case, the impairment is also recognised in equity up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of an asset cannot exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognised for the asset in prior financial years. Such reversal is recognised in the income statement unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

### (h) Financial Liabilities

Financial liabilities include trade payables and other payables. Financial liabilities are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value of consideration received plus directly attributable transaction costs and subsequently measured at amortised cost using the effective method.

Gains and losses are recognised in the income statement when the financial liabilities are derecognized and through the amortization process. A financial liability is derecognised when the obligation under the financial liability is discharged or cancelled or expired.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### (i) Leases

#### *Operating Leases*

Leases under significant portion of the risks and rewards of ownership is retained by the lessor are classified as operating leases. Operating lease payments are charged to the income statement on a straight-line basis over the period of the lease.

### (j) Revenue Recognition

Revenue is recognised to the extent that is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and the following specific recognition criteria must also be met before revenue can be recognised:

Revenue from rendering of services is recognised upon completion and delivery of services to the customer.

Interest income is recorded on a time proportion basis taking into account the effective yield.

### (k) Employee Benefits

#### *Defined Contribution Plan*

As required by law, the Company in Singapore makes contribution to the Central Provident Fund (CPF) scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as compensation expenses in the same period as the employment that gives rise to these contributions.

### (l) Income Tax Expenses

#### (i) *Current Tax*

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the Income Tax Authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

#### (ii) *Deferred Tax*

Deferred tax is provided, using the liability method on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the financial year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

**ASIAN CENTRE FOR LIVER DISEASES & TRANSPLANTION PTE LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT 28 FEBRUARY 2009**

3. Property, plant and equipment

	<u>Office equipment</u>	<u>Surgical equipment</u>	<u>Computers</u>	<u>Furniture &amp; fittings</u>	<u>Renovations</u>	<u>Total</u>
Cost:						
At 1.9.2008	21,994.00	50,929.00	71,249.69	5,730.00	-	149,902.69
Additions	6,917.37	-	8,400.03	13,293.55	60,810.00	89,420.95
At 28.2.2009	28,911.37	50,929.00	79,649.72	19,023.55	60,810.00	239,323.64
Accumulated depreciation:						
At 1.9.2008	19,325.14	50,929.00	53,642.84	1,651.50	-	125,548.48
Depreciation for the period	1,898.85	-	3,401.68	1,664.86	5,067.47	12,032.86
At 28.2.2009	21,223.99	50,929.00	57,044.52	3,316.36	5,067.47	137,581.34
Net book value At 28.2.2009	7,687.38	-	22,605.20	15,707.19	55,742.53	101,742.30

4. Trade and other receivables

	<u>Feb'09</u>
External parties	3,255,261.34
Amount due from a director	4,124,514.86
Amount due from holding company	2,484.20
Deposits	22,673.00
Prepayments	24,543.57
	<u>7,429,476.97</u>

The non-trade amounts due from a director and related parties are unsecured, interest-free and repayable on demand.

5. Cash and cash equivalents

	<u>Feb'09</u>
	\$
Cash and bank balances	352,055.10
Fixed deposit	36,315.66
	<u>388,370.76</u>
Less: Fixed deposit pledged	(36,315.66)
	<u>352,055.10</u>

6.	Share capital	<u>Feb'09</u>
		\$
	Issued and fully paid	
	10 (2007 - 2) ordinary shares at \$1	10.00
		<hr/> <hr/>

7.	Trade and other payables	<u>Feb'09</u>
		\$
	Trade payables	3,241,666.99
	Accruals & other payables	216,049.22
	Amount due to a director	918,906.75
		<hr/> <hr/>
		4,376,622.96
		<hr/> <hr/>

The non-trade amount due to a director is unsecured, interest-free and repayable on demand.

8.	Commitments	
	Operating Lease Commitments	
		<u>Feb'09</u>
		\$
	Lease which expire:	
	Within one year	154,800.00
	Later than one year but within five years	184,398.00
		<hr/> <hr/>
		339,198.00
		<hr/> <hr/>

Operating Lease payments recognised in the income statement during the period are as follows:

		<u>Feb'09</u>
		\$
	Rental of office	76,436.66
	Rental of equipment	750.00
		<hr/> <hr/>
		77,186.66
		<hr/> <hr/>

9.	Significant related party disclosures	
	Transactions with Directors	
		<u>Feb'09</u>
		\$
	Directors' remuneration	
	Salaries and other related costs	1,430,000.00
	Employer's contribution to Central Provident Fund	12,112.00

10. Subsequent events

On 3rd March 2009, the directors approved an exempt one-tier interim dividend of \$3,206,000.00 which were used to offset against the amount owing from (to) the directors.

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