Company Registration No. 201117555K

RHT Health Trust Manager Pte. Ltd.

(formerly known as Religare Health Trust Trustee Manager Pte. Ltd.)

Annual Financial Statements
31 March 2017

RHT Health Trust Manager Pte. Ltd.
(formerly known as Religare Health Trust Trustee Manager Pte. Ltd.)

General information

Directors

Ravi Mehrotra
Gurpreet Singh Dhillon
Eng Meng Leong
Dr Yogendra Nath Mathur
Sydney Michael Hwang
Peter Joseph Seymour Rowe
Pawanpreet Singh

Company Secretaries

Abdul Jabbar Bin Karam Din
Chan Poh Kuan

Registered Office

9 Battery Road
#25-01 Straits Trading Building
Singapore 049910

Banker

Standard Chartered Bank
United Overseas Bank
DBS Bank

Auditor

Ernst & Young LLP

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Directors' statement

The directors are pleased to present their statement to the shareholder together with the audited financial statements of RHT Health Trust Manager Pte. Ltd. (the "Company") for the financial year ended 31 March 2017.

Opinion of the directors

In the opinion of the directors,

(i) the accompanying balance sheet, statement of comprehensive income, statement of changes in equity and statement of cash flows, together with notes thereto are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2017 and the financial performance, changes in equity and cash flows of the Company for the financial year ended 31 March 2017; and

(ii) 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.

Directors

The directors of the Company in office at the date of this statement are:

Ravi Mehrotra
Gurpreet Singh Dhillon
Eng Meng Leong
Dr Yogendra Nath Mathur
Sydney Michael Hwang
Peter Joseph Seymour Rowe
Pawanpreet Singh

Arrangements to enable directors to acquire shares and debentures

Except as disclosed in the financial statements, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

Except as disclosed in the financial statements, no director who held office at the end of the financial year end had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company. No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company. There were no unissued shares of the Company under option at the end of the financial year.

Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as Independent Auditor.

On behalf of the board of directors:

Gurpreet Singh Dhillon
Director

Pawanpreet Singh
Director

Singapore
29 May 2017

Independent auditor's report to the member of RHT Health Trust Manager Pte. Ltd.
(Formally known as Religare Health Trust Trustee Manager Pte. Ltd.)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of RHT Health Trust Manager Pte. Ltd. (the "Company"), which comprise the balance sheet as at 31 March 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2017 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for other information. The other information comprises the general information and Directors' statement set out on page 1 and 2.

Our opinion on the financial statements 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 statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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.

Independent auditor's report to the member of RHT Health Trust Manager Pte. Ltd.
(Formally known as Religare Health Trust Trustee Manager Pte. Ltd.)

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 SSAs 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 these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Auditor's responsibilities for the audit of the financial statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

29 May 2017

Statement of comprehensive income
For the financial year ended 31 March 2017

	Note	2017 $	2016 $
Revenue	4	10,457,008	6,754,023
Other revenue	5	3,947,120	562,557
Total revenue		14,404,128	7,316,580
Depreciation	9	29,424	47,764
Employee benefits expense	6	3,724,304	2,997,255
Finance cost		238,094	262,760
Directors' fee		506,250	506,250
Advisory fee		1,166,286	521,623
Other expenses		1,288,038	928,539
		(6,952,396)	(5,264,191)
Profit before tax		7,451,732	2,052,389
Income tax expense	8	330,167	104,636
Profit for the year attributable to owners of the Company		7,121,565	1,947,753
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss			
Net (loss) on fair value changes of available-for-sale financial asset		(1,032,703)	(788,618)
Other comprehensive income for the year, net of tax		(1,032,703)	(788,618)
Total other comprehensive income for the year		6,,088,862	1,159,135

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

RHT Health Trust Manager Pte. Ltd.

Balance sheet
As at 31 March 2017

	Note	2017	2016
		$	$
ASSETS			
Non-current asset			
Property, plant and equipment	9	45,185	61,507
Current assets			
Investment in available-for-sale securities	10	16,198,000	9,515,800
Amounts due from related companies	11	1,667,002	2,739,094
Other receivables		54,600	54,844
Prepayments		69,292	124,057
Cash and cash equivalents	12	46,667	356,581
Total current assets		18,035,561	12,790,376
Total assets		18,080,746	12,851,883
EQUITY AND LIABILITIES			
Current liabilities			
Payables	13	2,490,717	1,664,515
Borrowings	14	5,140,000	6,730,000
Amounts due to related companies	11	–	166,447
Tax payable		306,631	98,635
		7,937,348	8,659,597
Net current assets		10,098,213	4,130,779
Non-current liability			
Amounts due to related companies	11	–	137,750
Total liabilities		7,937,348	8,797,347
Net assets		10,143,398	4,054,536
Equity attributable to owner of the Company			
Share capital	15	1,255,557	1,255,557
Other reserve	16	(546,342)	486,361
Accumulated profit		9,434,183	2,312,618
Total equity		10,143,398	4,054,536
Total equity and liabilities		18,080,746	12,851,883

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of changes in equity
For the financial year ended 31 March 2017

	Share capital (Note 14) $	Other reserve (Note 16) $	Accumulated profit $	Total $
Balance at 31 March 2015	**1,000,000**	**1,274,979**	**364,865**	**2,639,844**
Profit for the year	–	–	1,947,753	1,947,753
Issuance of ordinary shares	255,557	–	–	255,557
Other comprehensive income:				
Net loss on fair value changes of available-for-sale securities	–	(788,618)	–	(788,618)
Total comprehensive income for the year	–	(788,618)	–	(788,618)
Balance at 31 March 2016 and 1 April 2016	**1,255,557**	**486,361**	**2,312,618**	**4,054,536**
Profit for the year	–	–	7,121,565	7,121,565
Other comprehensive income:				
Net loss on fair value changes of available-for-sale securities	–	(1,032,703)	–	(1,032,703)
Total comprehensive income for the year	–	(1,032,703)	–	(1,032,703)
Balance at 31 March 2017	**1,255,557**	**(546,342)**	**9,434,183**	**10,143,398**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

RHT Health Trust Manager Pte. Ltd.

Statement of cash flows
For the financial year ended 31 March 2017

	2017	2016
	$	$
Cash flow from operating activities:		
Profit before tax	7,451,732	2,052,389
Adjustment for:		
Depreciation	29,424	47,764
Finance cost	238,094	262,760
Dividend income from investment securities	(3,802,094)	(554,864)
Operating profit before working capital changes	3,917,156	1,808,049
Decrease / (increase) in amount due from and to related companies	767,895	(108,418)
Decrease / (increase) in other receivables	244	(20,144)
Decrease / (increase) in prepayments	54,765	(57,006)
Increase in other payables	826,202	445,811
Cash generated from operations	5,566,262	2,068,292
Income tax paid	(122,171)	(6,001)
Interest paid	(238,094)	(262,760)
Net cash generated from operating activities	5,205,997	1,799,531
Cash flow from investing activities		
Investment in available-for-sale securities	(7,714,903)	(3,218,328)
Purchase of property, plant and equipment	(13,102)	(50,522)
Dividend received from investment securities	3,802,094	554,864
Net cash used in investing activities	(3,925,911)	(2,713,986)
Cash flow from financing activities		
Repayment of borrowings	(1,590,000)	--
Proceeds from borrowings	–	840,000
Proceed from issuance of ordinary shares	–	255,557
Net cash (used in) / generated from financing activities	(1,590,000)	1,095,557
Net (decrease) / increase in cash and cash equivalents	(309,914)	181,102
Cash and cash equivalents at the beginning of the financial year	356,581	175,479
Cash and cash equivalents at the end of the financial year (Note 11)	46,667	356,581

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. Corporate information

RHT Health Trust Manager Pte. Ltd. (the "Company") is a limited liability company incorporated and domiciled in Singapore. The Company's immediate holding company is Stellant Capital Advisory Services Private Limited, a company incorporated in India and its ultimate holding company is RHC Holding Private Limited also incorporated in India.

The registered office of the Company is located at 9 Battery Road, #25-01 Straits Trading Building, Singapore 049910. The principal place of business of the Company is located at 302 Orchard Road, #18-02/03, Tong Building, Singapore 238862.

The principal activity of the Company is that of the Trustee-Manager of RHT Health Trust (the "Trust"). The Trust is a business trust constituted by a trust deed dated 29 July 2011 and amended on 25 September 2012 (the "Trust Deed") and regulated by the Business Trust Act, Chapter 31A of Singapore. The Trust was listed on the Main Board of Singapore Exchange Securities Trading Limited on 19 October 2012.

With effect from 3 August 2016, the name of the company was changed from Religare Health Trust Trustee Manager Pte. Ltd. to RHT Health Trust Manager Pte. Ltd..

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or $).

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2016. The adoption of these standards did not have any effect on the financial performance or position of the Company.

2. Summary of significant accounting policies (cont'd)

2.3 *Standards issued but not yet effective*

The Company has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 7 *Disclosure Initiative*	1 January 2017
Amendments to FRS 12 *Recognition of Deferred Tax Assets for Unrealised Losses*	1 January 2017
Improvement to FRSs (December 2016)	
- Amendments to FRS 112: *Classification and Measurement of Share-based Payment Transactions*	1 January 2017
- Amendments to FRS 28: *Measuring an Associate or Joint Venture at fair value*	1 January 2018
FRS 109 *Financial Instruments*	1 January 2018
FRS 115 *Revenue from Contracts with Customers*	1 January 2018
Amendments to FRS 115 Clarifications to FRS 115 Revenue from Contracts with Customers	1 January 2018
Amendments to FRS 40: *Transfers of Investment Property*	1 January 2018
INT FRS 122 *Foreign Currency Transactions and Advance Consideration*	1 January 2018
FRS 116 Leases	1 January 2019
Amendments to FRS 110 & FRS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

Except for FRS 109 and FRS 116, the directors expect that the adoption of the other standards above will not have material impact on the financial statements in the period of the initial application. The nature of the impending changes in accounting policy on adoption of FRS 109 and FRS 116 are described below.

<u>FRS 109 Financial Instruments</u>

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

Impairment
FRS 109 requires the Company to record expected credit losses on all of its trade receivables, either on a 12-month or lifetime basis. Upon application of the expected credit loss model, the Company does not expect a significant impact on its results, but it will need to perform a more detailed analysis which considers all reasonable and supportable information, including forward-looking elements to determine the extent of impact.

2. Summary of significant accounting policies (cont'd)

2.3 *Standards issued but not yet effective (cont'd)*

FRS 109 Financial Instruments

Transition
The Company plans to adopt the new standard on the required effective date without restating prior periods' information and recognises any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings.

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees – leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Company is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date. The Company expects the financial impact of adoption of the new standard, if applicable, will result in increase in total assets and total liabilities, EBITDA and gearing ratio.

2.4 *Foreign currency*

(a) *Functional currency*

Items included in the financial statements of the Company are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Company ("the functional currency"). The financial statements of the Company are presented in Singapore dollars, which is also the functional currency of the Company.

(b) *Transactions and balances*

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.5 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment other than freehold land and buildings are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold improvements	5 years
Computers and software	3 years
Furniture and fittings	5 years
Office equipment	3 years

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

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.6 *Loans and borrowings*

Loans and borrowings are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the end of the reporting period.

Loans and borrowings are initially recognised at the fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in statement of comprehensive income over the period of the borrowings using the effective interest method.

2.7 *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 of disposal 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 or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

2. Summary of significant accounting policies (cont'd)

2.7 *Impairment of non-financial assets (cont'd)*

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 the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.8 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process

(ii) Available-for-sale financial assets

Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

2. Summary of significant accounting policies (cont'd)

2.8 *Financial instruments (cont'd)*

(a) *Financial assets (cont'd)*

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition 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 had been recognised in other comprehensive income is recognised in profit or loss.

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.9 *Impairment* of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired.

(a) *Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred; the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

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 recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) *Available-for-sale financial assets*

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs.

2. Summary of significant accounting policies (cont'd)

2.9 *Impairment of financial assets (cont'd)*

(b) *Available-for-sale financial assets (cont'd)*

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

2.10 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand.

2.11 *Provisions*

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. Summary of significant accounting policies (cont'd)

2.12 *Revenue*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The following specific recognition criteria must also be met before revenue is recognised:

Rendering of services

Trustee-Manager fees earned from the Trust are recognized when services are rendered.

Dividend income

Dividend income is recognized when the company's right to receive payment is established.

2.13 *Taxes*

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the country where the Company operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. Summary of significant accounting policies (cont'd)

2.13 *Taxes (cont'd)*

(b) *Deferred tax (cont'd)*

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 utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2. Summary of significant accounting policies (cont'd)

2.13 *Taxes (cont'd)*

(c) *Sales tax*

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.14 *Share capital*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.15 *Leases*

As lessee

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

3. Significant accounting judgements and estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of the revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods. Management is of the opinion that there is no significant judgement made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

4. Revenue

Revenue comprise of management fee, trustee fee and acquisition fee in connection with the management of RHT Health Trust in accordance with the Trust Deed.

5. Other revenue

	2017	2016
	$	$
Dividend income	3,802,094	554,864
Miscellaneous income	145,026	7,693
	3,947,120	562,557

6. Employee benefits expense

	2017	2016
	$	$
Salaries and bonuses	3,662,142	2,931,197
CPF contributions	59,763	56,179
Staff welfare	2,399	9,879
	3,724,304	2,997,255

7. Other expenses

The following items have been included in arriving at other expenses:

	2017	2016
	$	$
Rental expense	565,649	385,894
Legal and professional fees	112,623	118,844
Insurance expense	124,180	142,125

8. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 March 2017 and 2016 are:

	2017	2016
	$	$
Income statement:		
Current income tax		
- Current income taxation	328,578	98,635
- Under provision in respect of previous years	1,589	6,001
	330,167	104,636
Income tax expense recognised in profit or loss	330,167	104,636

Relationship between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 March 2017 and 2016 is as follows:

	2017	2016
	$	$
Profit before tax	7,451,732	2,052,389
Current tax expense on profit before tax at 17% (2016:17%)	1,266,794	348,906
Adjustments:		
Income not subject to taxation	(382,307)	(55,487)
Non-deductible expenses	6,935	8,324
Effect of partial tax exemption and tax relief	(31,223)	(29,441)
Benefits from tax rebates	(10,000)	(30,000)
Effect of concessionary tax rate	(521,621)	(143,667)
Under provision in respect of previous years	1,589	6,001
Income tax expense recognised in profit or loss	330,167	104,636

The Company is an approved trustee-manager under the Singapore Income Tax Act (Chapter 134, Section 43ZD). As a result, tax shall be payable at the rate of 10% (2016: 10%) on the income for the period of 5 years from 4 July 2014 to 3 July 2019.

9. Property, plant and equipment

	Leasehold improvements $	Computers and software $	Furniture and fittings $	Office equipment $	Total $
Cost:					
At 31 March 2015	182,825	57,249	–	4,934	245,008
Additions	–	14,465	36,057	–	50,522
At 31 March 2016 and 1 April 2016	182,825	71,714	36,057	4,934	295,530
Additions	–	11,102	–	2,000	13,102
At 31 March 2017	182,825	82,816	36,057	6,934	308,632
Accumulated depreciation:					
At 31 March 2015	130,933	50,422	–	4,904	186,259
Charge for the year	36,665	5,695	5,374	30	47,764
At 31 March 2016 and 1 April 2016	167,598	56,117	5,374	4,934	234,023
Charge for the year	15,227	6,718	7,211	268	29,424
At 31 March 2017	182,825	62,835	12,585	5,202	263,447
Net carrying amount:					
At 31 March 2017	–	19,981	23,472	1,732	45,185
At 31 March 2016	15,227	15,597	30,683	–	61,507

10. Investment in available-for-sale securities

	2017 $	2016 $
Current		
Equity securities (quoted)	16,198,000	9,515,800

11. Amounts due from related companies/ Amounts due to related companies

The amounts due from related companies are denominated in SGD, trade in nature, unsecured, non-interest bearing, and are generally on 30 to 90 days' (2016: 30 to 90 days') terms.

The amounts due to related companies (current) are denominated in SGD, non-trade in nature, unsecured, non-interest bearing and repayable within the next twelve months.

The amounts due to related companies (non-current) are denominated in SGD, non-trade in nature, unsecured, non-interest bearing and not expected to be repaid within the next 12 months. The amount is to be settled in cash.

12. Cash and cash equivalents

	2017	2016
	$	$
Cash at bank (Singapore dollars)	46,667	356,581

Cash and cash equivalents earn interest at floating rates based on daily bank deposit rates.

13. Payables

	2017	2016
	$	$
Financial liabilities at amortised cost:		
Accrued operating expenses	45,493	87,400
Sundry payables	329,309	191,095
Bonus payables	2,115,915	1,386,020
	2,490,717	1,664,515

14. Borrowings

The bank borrowings are denominated in SGD and bear interest at 4.290 % (2016: 4.060 %) interest per annum. It is fully repayable within the next 12 months and is secured by a charge over all accounts held with the bank.

15. Share capital

	2017		2016	
	No. of shares	$	No. of shares	$
Issued and fully paid ordinary shares:				
At 1 April and 31 March	1,111,112	1,255,557	1,111,112	1,255,557

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

16. Other reserves

Fair value adjustment reserve

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed of or impaired.

17. Commitments and contingencies

Non-cancellable operating lease commitments – As lessee

The Company has an operating lease agreement in respect of its office. The non-cancellable lease has a remaining non-cancellable lease term of 16 months (2016: 28 months). The lease contains an option to renew. The lease term does not contain restrictions on the Company's activities concerning dividends, additional debt or further leasing. Minimum lease payments recognised as an expense in statement of comprehensive income for the financial year ended 31 March 2017 amounted to $565,649 (2016: $385,894).

Future minimum lease payments under non-cancellable leases as of 31 March are as follows:

	2017	2016
	$	$
Not later than one year	461,244	461,244
Later than one year but not later than five years	153,748	614,992
	614,992	1,076,236

18. Related party transactions

Except for those related party information disclosed elsewhere in the financial statements, there was no transaction between the Company and related parties during the financial year except as follows:

(a) ***Sale and purchase of services***

	2017	2016
	$	$
Management fees receivable/received from RHT Health Trust	10,457,008	6,754,023
Office rental expense paid/payable to Fortis Healthcare International Pte. Ltd.	469,250	307,496
Advisory fee paid/payable to subsidiary of the holding Company	1,166,286	–

(b) ***Compensation of key management personnel***

	2017	2016
Short-term employee benefits	3,029,241	2,714,205
Central provident fund contributions	17,340	14,960
Total compensation paid to key management personnel	3,046,581	2,729,165
Comprise amounts paid to:		
Directors of the Company	2,604,000	2,345,000
Other key management personnel	442,581	384,165
	3,046,581	2,729,165

19. Fair value of assets and liabilities

(a) ***Fair value hierarchy***

The Company categorizes fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

19. Fair value of assets and liabilities (cont'd)

(b) ***Assets and liabilities measured at fair value***

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Note	Fair value measurements at the end of the reporting period using			
		Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant un-observable inputs (Level 3)	Total
		$	$	$	$
2017					
Recurring fair value measurements					
Financial asset					
Investment in available-for-sale securities	9	16,198,000	–	–	16,198,000

	Note	Fair value measurements at the end of the reporting period using			
		Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant un-observable inputs (Level 3)	Total
		$	$	$	$
2016					
Recurring fair value measurements					
Financial asset					
Investment in available-for-sale securities	9	9,515,800	–	–	9,515,800

19. Fair value of assets and liabilities (cont'd)

(c) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value***

A. *Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value*

The carrying amounts of amount due from related companies, other receivables, cash and cash equivalents, other payables and borrowings are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

B. *Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value*

The amounts due to related companies are unsecured and non-interest bearing. It has no fixed repayment term and is repayable only when the Company's cash flow permits. Accordingly, fair value is not determinable as the timing of the future cash flows cannot be estimated reliably.

(d) ***Classification of financial instruments***

	2017	2016
	$	$
Available-for-sale financial asset		
Investment in available-for-sale securities	16,198,000	9,515,800
Loans and receivables		
Amounts due from related companies	1,667,002	2,739,094
Other receivables	30,845	32,034
Cash and cash equivalents	46,667	356,581
	1,744,514	3,127,709
Total financial assets	17,942,514	12,643,509
Financial liabilities carried at amortised cost		
Other payables	2,490,717	1,664,515
Borrowings	5,140,000	6,730,000
Amount due to a related company	–	304,197
Total financial liabilities	7,630,717	8,698,712

20. Financial risk management objectives and policies

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk. The directors review and agree policies and procedures for the management of these risks. The Company does not apply hedge accounting.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) ***Credit risk***

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's business is conducted primarily with the Trust of which it is the trustee-manager. The Trust's payment profile and credit exposure are continuously monitored by the management.

Exposure to credit risk

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial asset recognised at the end of the reporting period. The Company's major classes of financial assets are amount due from related companies, other receivables and cash and cash equivalents.

Financial assets that are neither past due nor impaired

Cash and cash equivalents and other receivables that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

(b) ***Liquidity risk***

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

To manage liquidity risk, the Company monitors its net operating cash flow and maintains an adequate level of cash and cash equivalents, utilisation of existing bank facilities and obtain funding from holding company as and when necessary.

20. Financial risk management objectives and policies (cont'd)

(b) *Liquidity risk (cont'd)*

The following table summarise the maturity profile of the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

	Within one year $	One to five years $	Total $
2017			
Financial assets:			
Investment in available-for-sale securities	16,198,000	–	16,198,000
Amount due from related companies	1,667,002	–	1,667,002
Cash and cash equivalents	46,667	–	46,667
Other receivables	30,845	–	30,845
Total undiscounted financial assets	17,942,514	–	17,942,514
Financial liabilities:			
Other payables	2,490,717	–	2,490,717
Borrowings	5,140,000	–	5,140,000
Amount due to a related company	–	–	–
Total undiscounted financial liabilities	7,630,717	–	7,630,717
Total net undiscounted financial assets	10,311,797	–	10,311,797

20. Financial risk management objectives and policies (cont'd)

(b) *Liquidity risk (cont'd)*

	Within one year	One to five years	Total
	$	$	$
2016			
Financial assets:			
Investment in available-for-sale securities	9,515,800	–	9,515,800
Amount due from related companies	2,739,094	–	2,739,094
Cash and cash equivalents	356,581	–	356,581
Other receivables	32,034	–	32,034
Total undiscounted financial assets	12,643,509	–	12,643,509
Financial liabilities:			
Other payables	1,664,515	–	1,664,515
Borrowings	6,730,000	–	6,730,000
Amount due to a related company	166,447	137,750	304,197
Total undiscounted financial liabilities	8,560,962	137,750	8,698,712
Total net undiscounted financial assets/(liabilities)	4,082,547	(137,750)	3,944,797

21. Capital management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholder, return capital to the shareholder or issue new shares.

22. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2017 were authorised for issue in accordance with a resolution of the directors on 29 May 2017.