



**FORTIS HEALTHCARE  
INTERNATIONAL PTE. LIMITED  
(Registration No. 201013314K)**

**DIRECTORS' STATEMENT AND  
FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2017**

**FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED**

**DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS**

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## FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED

### DIRECTORS' STATEMENT

The directors present their statement together with the audited financial statements of Fortis Healthcare International Pte. Limited ("the company") for the financial year ended March 31, 2017.

In the opinion of the directors, the financial statements of the company as set out on pages 7 to 35 are drawn up so as to give a true and fair view of the financial position of the company as at March 31, 2017 and the financial performance, changes in equity and cash flows of the company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts when they fall due.

#### 1 DIRECTORS

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

Malvinder Mohan Singh  
Piyush Dhir

#### 2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the company to acquire benefits by means of the acquisition of shares or debentures in the company or any other body corporate.

#### 3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the company holding office at the end of the financial year had no interests in the share capital and debentures of the company and related corporations other than wholly owned subsidiaries as recorded in the register of directors' shareholdings kept by the company under Section 164 of the Singapore Companies Act except as follows:

Name of directors and companies in which interests are held	Shareholdings registered in name of director		Shareholdings in which directors are deemed to have an interest	
	At March 31, 2016	At March 31, 2017	At March 31, 2016	At March 31, 2017
Ultimate holding company <u>RHC Holding Private Limited</u> (Ordinary shares)				
Malvinder Mohan Singh	-	-	45,982,067	45,982,067

## FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED

### DIRECTORS' STATEMENT

Name of directors and companies in which interests are held	Shareholdings registered in name of director		Shareholdings in which directors are deemed to have an interest	
	At March 31, 2016	At March 31, 2017	At March 31, 2016	At March 31, 2017
Immediate holding company <u>Fortis Healthcare Limited</u> (Ordinary shares)				
Malvinder Mohan Singh	11,508	11,508	330,050,629	270,700,629
<u>Fortis Healthcare Holdings Private Limited</u> (Ordinary shares)				
Malvinder Mohan Singh	-	-	73,803,000	73,803,000

#### 4 SHARE OPTIONS

(a) *Options to take up unissued shares*

During the financial year, no options to take up unissued shares of the company was granted.

(b) *Options exercised*

During the financial year, there were no shares of the company issued by virtue of the exercise of an option to take up unissued shares.

(c) *Unissued shares under option*

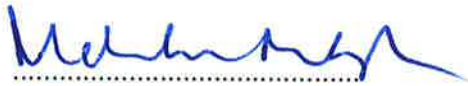
At the end of the financial year, there were no unissued shares of the company under option.

**FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED**

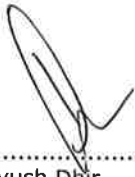
**DIRECTORS' STATEMENT**

5 AUDITOR

The auditor, Deloitte & Touche LLP, has expressed their willingness to accept re-appointment.



.....  
Malvinder Mohan Singh



.....  
Piyush Dhir

Date: **31 AUG 2017**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of Fortis Healthcare International Pte. Limited (the "company"), which comprise the statement of financial position of the company as at March 31, 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 7 to 35.

In our opinion, the accompanying financial statements of the company 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 March 31, 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.

#### **Information Other than the Financial Statements and Auditors' Report Thereon**

Management is responsible for the other information. The other information comprises the information included in the Directors' Statement set out on pages 1 to 3, but does not include the financial statements and our auditor's report thereon.

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 FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED**

### **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:

- (a) 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.
- (b) 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.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF  
FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED**

- (e) 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.



Public Accountants and  
Chartered Accountants  
Singapore

August 31, 2017



**FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED**

**STATEMENT OF FINANCIAL POSITION**

**March 31, 2017**

	Note	2017	2016
		\$	\$
<b><u>ASSETS</u></b>			
<b>Current assets</b>			
Cash and cash equivalents	7	1,461,354	981,783
Trade and other receivables	8	9,994,375	9,997,807
Total current assets		<u>11,455,729</u>	<u>10,979,590</u>
<b>Non-current assets</b>			
Property and equipment	9	25,061	236,462
Intangible assets		-	1,540
Long term receivables	8	28,100,000	27,013,000
Investment in subsidiaries	10	-	-
Investment in associate	11	48,866,535	48,866,535
Total non-current assets		<u>76,991,596</u>	<u>76,117,537</u>
<b>Total assets</b>		<u><u>88,447,325</u></u>	<u><u>87,097,127</u></u>
<b><u>LIABILITIES AND EQUITY</u></b>			
<b>Current liabilities</b>			
Other payables	12	1,967,398	1,543,809
Income tax payable		2,417,515	1,513,200
Total current liabilities		<u>4,384,913</u>	<u>3,057,009</u>
<b>Capital and accumulated losses</b>			
Share capital	13	234,215,987	234,215,987
Accumulated losses		(150,153,575)	(150,175,869)
Total equity		<u>84,062,412</u>	<u>84,040,118</u>
<b>Total liabilities and equity</b>		<u><u>88,447,325</u></u>	<u><u>87,097,127</u></u>

See accompanying notes to financial statements.

**FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**Year ended March 31, 2017**

	<u>Note</u>	<u>2017</u>	<u>2016</u>
		\$	\$
<b>Revenue</b>	14	9,238	78,564
Other income	15	4,573,729	10,726,295
Employee benefits expense		(1,438,435)	(3,879,556)
Depreciation expense		(222,061)	(720,835)
Amortisation expense		(1,540)	(44,713)
Rental expenses	5, 19	(954,720)	(958,923)
Legal and other professional expenses		(121,233)	(131,710)
Finance costs		(13,133)	(123,499)
Other operating expenses	16	(828,661)	(39,472,353)
Foreign exchange gain (loss)		43,831	(162,602)
<b>Profit (Loss) before income tax</b>		1,047,015	(34,689,332)
Income tax expense	17	(1,024,721)	(96,470)
<b>Profit (Loss) for the year, representing total comprehensive income (loss) for the year</b>	18	<u>22,294</u>	<u>(34,785,802)</u>

See accompanying notes to financial statements.

**FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED****STATEMENT OF CHANGES IN EQUITY  
Year ended March 31, 2017**

	Share capital	Accumulated losses	Total
	\$	\$	\$
Balance at April 1, 2015	349,215,987	(115,390,067)	233,825,920
Total comprehensive loss for the year	-	(34,785,802)	(34,785,802)
Transactions with owners, recognised directly in equity			
Capital reduction during the year	(115,000,000)	-	(115,000,000)
Balance at March 31, 2016	234,215,987	(150,175,869)	84,040,118
Total comprehensive income for the year	-	22,294	22,294
Balance at March 31, 2017	234,215,987	(150,153,575)	84,062,412

See accompanying notes to financial statements.

**FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED**

**STATEMENT OF CASH FLOWS**  
**Year ended March 31, 2017**

	2017	2016
	\$	\$
<b>Operating activities</b>		
Profit (Loss) before income tax	1,047,015	(34,689,332)
Adjustments for:		
Net unrealised foreign exchange (gain) loss	(51,788)	161,124
Impairment loss on investment in subsidiaries	-	10,165,527
Impairment of loan to subsidiaries	-	28,454,481
Impairment loss on trade receivables	175,393	-
Gain on disposal of subsidiaries	(675,320)	(400,090)
Gain on disposal of assets	(3,000)	-
Depreciation expense	222,061	720,835
Dividend income	(1,204,063)	(964,699)
Interest income	(2,230,102)	(9,054,009)
Interest expense	13,133	123,499
Amortisation expense	1,540	44,713
Operating cash flows before changes in working capital	(2,705,131)	(5,437,951)
Prepayments	44,517	-
Trade and other receivables	(21,099)	258,408
Other payables	550,215	137,631
Cash used in operations	(2,131,498)	(5,041,912)
Income tax paid	(120,406)	(96,470)
Interest received	5,013	5,353
Interest paid	(159,261)	(399,557)
Net cash used in operating activities	(2,406,152)	(5,532,586)
<b>Investing activities</b>		
Dividend received from associates	1,204,063	964,699
Proceeds from disposal of subsidiaries	2,707,033	160,560,330
Acquisition of property and equipment	(10,660)	(4,661)
Net cash from investing activities	3,900,436	161,520,368

See accompanying notes to financial statements.

**FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED****STATEMENT OF CASH FLOWS****Year ended March 31, 2017**

	2017	2016
	\$	\$
<b>Financing activities</b>		
Repayment of loan by immediate holding company	500,000	4,399,800
Repayment of loan from immediate holding company	-	(11,813,731)
Loan to immediate holding company	(1,587,000)	(147,737,000)
Loan to subsidiary	-	(1,750,000)
Net cash used in financing activities	<u>(1,087,000)</u>	<u>(156,900,931)</u>
Net increase (decrease) in cash and cash equivalents	407,283	(913,149)
Effect of exchange rate changes on cash and cash equivalents	72,288	16,141
Cash and cash equivalents at beginning of year	981,783	1,878,791
<b>Cash and cash equivalents at end of year</b>	<u>1,461,354</u>	<u>981,783</u>

See accompanying notes to financial statements.

## FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED

### NOTES TO FINANCIAL STATEMENTS

March 31, 2017

#### 1 GENERAL

The company (Registration No. 201013314K) is incorporated in Singapore with its registered office at 9 Battery Road, #15-01 Straits Trading Building, Singapore 049910, and its principal place of business at 302 Orchard Road, #18-02/03 Tong Building, Singapore 238862. The financial statements are expressed in Singapore dollars.

The principal activity of the company is that of investment holding. The principal activities of its subsidiaries and associate are described in Notes 10 and 11 to the financial statements.

The financial statements of the company for the financial year ended March 31, 2017 were authorised for issue by the Board of Directors on August 31, 2017.

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**BASIS OF ACCOUNTING** - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Financial Reporting Standards in Singapore ("FRSs").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payment*, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value adjustments are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value adjustments are observable and the significance of the inputs to the fair value measurement in its entirety which are described as follows:

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

## **FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED**

### **NOTES TO FINANCIAL STATEMENTS**

**March 31, 2017**

ADOPTION OF NEW AND REVISED STANDARDS - On April 1, 2016, the company adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the company's accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, the following FRS and amendments to FRSs that are relevant to the company were issued but not effective:

- FRS 109 *Financial Instruments* <sup>2</sup>
- FRS 115 *Revenue from Contracts with Customers (with clarifications issued)* <sup>2</sup>
- FRS 116 *Leases* <sup>3</sup>
- Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative* <sup>1</sup>

<sup>1</sup> Applies to annual periods beginning on or after January 1, 2017, with early application permitted.

<sup>2</sup> Applies to annual periods beginning on or after January 1, 2018, with early application permitted.

<sup>3</sup> Applies to annual periods beginning on or after January 1, 2019, with earlier application permitted if FRS 115 is adopted.

Consequential amendments were also made to various standards as a result of these new/revised standards.

The management anticipates that the adoption of the above FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the company in the period of their initial adoption except for the following:

#### **FRS 109 *Financial Instruments***

FRS 109 was issued in December 2014 to replace FRS 39 *Financial Instruments: Recognition and Measurement* and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting (iii) impairment requirements for financial assets.

Key requirements for FRS 109:

- All recognised financial assets that are within the scope of FRS 39 are now required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income (FVTOCI). All other debt investments and equity investments are measured at fair value through profit or loss (FVTPL) at the end of subsequent accounting periods. In addition, under FRS 109, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.

## **FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED**

### **NOTES TO FINANCIAL STATEMENTS**

**March 31, 2017**

- With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, FRS 109 requires that the amount of change in fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.
- In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in FRS 39. Under FRS 109, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The management is currently evaluating the impact of the above FRS on the financial statements of the company. Management does not plan to early adopt the new FRS 109.

#### **FRS 115 Revenue from Contracts with Customers**

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and the related interpretations when it becomes effective. Further clarifications to FRS 115 were also issued in June 2016.

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation



## **FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED**

### **NOTES TO FINANCIAL STATEMENTS**

**March 31, 2017**

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by FRS 115.

The management is currently evaluating the impact of the above FRS on the financial statements of the company.

#### **FRS 116 Leases**

FRS 116 was issued in June 2016 and it will supersede FRS 17 *Leases* and its associated interpretative guidance.

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the predecessor FRS 17.

The management is currently evaluating the impact of the above FRS 116 on the financial statements of the company. Management does not plan to early adopt the new FRS116.

#### **Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative***

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The amendments apply prospectively to annual periods beginning on or after January 1, 2017, with earlier application permitted.

The management is currently evaluating the impact of the above FRS on the financial statements of the company.

**BASIS OF CONSOLIDATION** - Consolidated financial statements of the company and its subsidiaries have not been prepared as the company is a wholly-owned subsidiary of another company. Consolidated financial statements are publicly available and are prepared by the company's intermediate holding company, Fortis Healthcare Limited, a company incorporated in India, listed on Bombay Stock Exchange and National Stock Exchange of India Ltd with registered office at Okhla Road, New Delhi -110025, India.

## **FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED**

### **NOTES TO FINANCIAL STATEMENTS**

**March 31, 2017**

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument.

#### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments.

#### **Financial assets**

##### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank and other short term highly liquid assets less bank overdrafts that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

##### Trade and other receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less impairment loss. Interest is recognised by applying the effective interest method, except for short-term receivables when the effect of discounting would be immaterial.

##### Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

## **FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED**

### **NOTES TO FINANCIAL STATEMENTS**

**March 31, 2017**

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

In a subsequent period, if the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial assets at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

#### Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

### **Financial liabilities and equity instruments**

#### Classification as debt or equity

Financial liabilities and equity instruments issued by the company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

#### Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

**FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED**

**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2017**

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or expired.

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from leased asset are consumed.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

PROPERTY AND EQUIPMENT – Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold improvement	-	5 years
Furniture and fittings	-	3 years
Computers and office equipment	-	3 years

Fully depreciated assets still in use are retained in the financial statements.

The estimated useful lives and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

## **FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED**

### **NOTES TO FINANCIAL STATEMENTS**

**March 31, 2017**

**INTANGIBLE ASSET** - Intangible asset acquired separately is reported at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are not amortised. Each period, the useful lives of such assets are reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy below.

Intangible assets of the company consist of accounting software which was acquired with the useful life of the accounting software estimated to be 3 years.

**SUBSIDIARIES** - Subsidiaries are entities controlled by the company. Control is achieved when the company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The company reassess whether or not it controls an investee if facts and circumstances indicate there are changes to one or more of the three elements of control listed above.

When the company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The company considers all relevant facts and circumstances in assessing whether or not the company's voting rights in an investee are sufficient to give it power, including:

- The size of the company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Investments in subsidiaries in the financial statements of the company are stated at cost, less any impairment in recoverable amount that has been recognised in profit or loss.

## **FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED**

### **NOTES TO FINANCIAL STATEMENTS**

**March 31, 2017**

**ASSOCIATES** - An associate is an entity over which the company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

**CONSOLIDATED FINANCIAL STATEMENTS** - The financial statements of the subsidiaries and associates have not been consolidated and equity accounted for with the company's financial statements respectively as the company is a wholly-owned subsidiary of another company. Consolidated financial statements are publicly available and are prepared by the company's intermediate holding company, Fortis Healthcare Limited, a company incorporated in India, listed on Bombay Stock Exchange and National Stock Exchange of India Ltd with registered office at Okhla Road, New Delhi -110025, India.

Investments in an associates are stated at cost, less any impairment in recoverable amount that has been recognised in the profit and loss.

**IMPAIRMENT OF ASSETS** - At the end of each reporting period, the company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

**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 the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

## **FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED**

### **NOTES TO FINANCIAL STATEMENTS**

**March 31, 2017**

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

#### Rendering of services

Revenue from the rendering of services is recognised when services are rendered.

#### Rental income

The company's policy for recognition of revenue from operating leases is described above.

#### Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

#### Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

BORROWING COSTS - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the company's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

## **FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED**

### **NOTES TO FINANCIAL STATEMENTS**

**March 31, 2017**

**INCOME TAX** - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The company's liability for current tax is calculated using tax rate (and tax laws) that has been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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 profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rate that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss.

**FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION** - The financial statements of the company are measured and presented in Singapore dollars, the currency of the primary economic environment in which the company operates (its functional currency).

In preparing the financial statements of the company, transactions in currencies other than the company's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised as other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.



## **FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED**

### **NOTES TO FINANCIAL STATEMENTS**

**March 31, 2017**

#### **3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the company's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Critical judgments in applying the company's accounting policies

Management is of the opinion that any instances of application of judgement are not expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimation (see below).

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Assessment of recoverability of trade and other receivables

The assessment of recoverability of trade and other receivables of the company is based on the ongoing evaluation of collectability and ageing analysis of the outstanding debts and on management's estimate of the ultimate realisation of these debts, including creditworthiness and the past collection history of each debtor. Management has evaluated the recovery of those debts based on such estimates and is confident that the allowance for doubtful debts, where necessary, is adequate. The carrying amount of the trade and other receivables are disclosed in Note 8 of the financial statements respectively.

(b) Impairment of investment in subsidiaries and associates

At the end of the reporting period, the company reviews the carrying amount of its investment in subsidiaries and associates for any indication of impairment. If there are indications of impairment, the company will assess whether the investment is impaired by estimating the value in use of the investment. The value-in-use calculation requires the company to estimate the future cash flows expected from this investment and a suitable discount rate in order to calculate present value. The carrying amount of investment in subsidiaries and associates is disclosed in Notes 10 and 11 to the financial statements.

**FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2017**

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) *Categories of financial instruments*

The following table sets out the financial instruments at the end of the reporting period:

	2017	2016
	\$	\$
<b>Financial assets</b>		
Loans and receivables (including cash and cash equivalents)	39,544,622	37,936,966
<b>Financial liabilities</b>		
Liabilities, at amortised cost	1,967,398	1,543,809

(b) *Financial risk management policies and objectives*

The company's overall financial risk management programme minimises potential adverse effects on the financial performance of the company. There has been no change to the company's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(i) Foreign exchange risk management

The company transacts business in various foreign currencies, including the United States Dollar (USD), Hong Kong Dollar (HKD), Vietnamese Dong (VND), United Arab Emirates Dirham (AED) and Sri Lankan Rupee (SLR) and therefore is exposed to foreign exchange risk.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than Singapore dollar (functional currency) are as follows:

	<u>Assets</u>		<u>Liabilities</u>	
	2017	2016	2017	2016
	\$	\$	\$	\$
United States Dollar	1,291,938	341,960	369,305	517,020
Hong Kong Dollar	-	424	-	-
Vietnamese Dong	-	5,863	-	-
United Arab Emirates Dirham	-	167,032	-	-
Sri Lankan Rupee	17,938	27,855	-	-

## FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED

### NOTES TO FINANCIAL STATEMENTS

March 31, 2017

#### *Foreign currency sensitivity*

The following table details the sensitivity to a 5% increase and decrease in the relevant foreign currencies against the functional currency of the country. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates.

If the relevant foreign currencies weaken by 5% against the functional currency of the company, profit before income tax will increase (decrease) by:

	2017	2016
	\$	\$
United States Dollar impact	44,782	(8,753)
Hong Kong Dollar impact	-	21
Vietnamese Dong impact	-	293
United Arab Emirates Dirham impact	-	8,352
Sri Lankan Rupee impact	897	1,393

If the relevant foreign currencies strengthen by 5% against the functional currency of the company, the effect will be converse of the above.

#### (ii) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of the company's financial instrument will fluctuate because of changes in market interest rates.

At the end of the reporting period, the company's loan and borrowing from intercompany are subject to fixed interest rate therefore the management is of the view that the impact of changes in interest rate may not be significant to the company.

Accordingly, no sensitivity analysis is prepared as the company does not expect any material effect on the company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the year.

## **FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED**

### **NOTES TO FINANCIAL STATEMENTS**

**March 31, 2017**

#### Credit management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties to mitigate its credit risk.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the financial year in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

The company does not have any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristics. Majority of the company's receivables are from immediate holding company, subsidiary, and related companies. The company defines counterparties as having similar characteristics if they are related entities. The credit risk on bank balances is limited because the counterparties are reputable banks.

#### (iii) Liquidity risk management

In the management of the liquidity risk, the company monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the company's operations and mitigate the effects of fluctuations in cash flows.

All financial assets and financial liabilities as at 2017 and 2016 are repayable on demand or due within one year except for long-term receivables from immediate holding company.

#### (iv) Fair value of financial assets and financial liabilities

Management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values due to their relatively short-term maturity.

#### (c) *Capital management policies and objectives*

The company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the company comprises only of share capital net of accumulated losses. The company's overall strategy remains unchanged from prior year.

**FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2017**

**5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS**

The company is a wholly-owned subsidiary of Fortis Asia Healthcare Pte. Ltd., a company incorporated in Singapore. The intermediate holding company is Fortis Healthcare Limited, a company incorporated in India and listed on the Bombay Stock Exchange and National Stock Exchange of India Ltd. The ultimate holding company is RHC Holding Private Limited, a company incorporated in India. Related companies in these financial statements refer to members of the ultimate holding company's group of companies.

Some of the company's transactions and arrangements are between members of the group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, expected to be settled in cash and repayable on demand unless stated otherwise.

Significant transactions with related companies are as follows:

	<u>2017</u>	<u>2016</u>
	\$	\$
<u>Immediate holding company</u>		
Interest income	2,225,089	7,590,649
Interest expense	-	110,282
Rental expense	<u>594,720</u>	<u>594,720</u>
 <u>Subsidiary</u>		
Interest income	<u>-</u>	<u>1,458,007</u>
 <u>Associate</u>		
Dividend income	<u>1,204,063</u>	<u>964,699</u>
 <u>Related companies</u>		
Interest expense	<u>13,133</u>	<u>13,127</u>

**FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED**

**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2017**

6 RELATED PARTY TRANSACTIONS

Some of the company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free, expected to be settled in cash and repayable on demand.

Significant related party transactions are as follows:

	<u>2017</u>	<u>2016</u>
	\$	\$
Rental income	<u>461,244</u>	<u>307,496</u>

***Key management personnel compensation***

	<u>2017</u>	<u>2016</u>
	\$	\$
Short-term employee benefits	809,709	2,747,057
Post-employment benefits	4,440	17,760
	<u>814,149</u>	<u>2,764,817</u>

7 CASH AND CASH EQUIVALENTS

	<u>2017</u>	<u>2016</u>
	\$	\$
Cash on hand	1,666	2,145
Cash at banks	<u>1,459,688</u>	<u>979,638</u>
	<u>1,461,354</u>	<u>981,783</u>

**FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED**

**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2017**

8 TRADE AND OTHER RECEIVABLES

	2017	2016
	\$	\$
Trade receivables		
- Outside parties	176,497	167,032
Less: Allowance for doubtful debts	(173,287)	-
	<u>3,210</u>	<u>167,032</u>
Non-trade receivables		
- Outside parties	120,726	122,195
- Prepayments	11,107	55,624
- Related parties (Note 6)	41,128	42,593
- Immediate holding company (Note 5)	9,815,738	7,590,650
- Subsidiary (Note 5)	-	2,019,713
- Associate (Note 5)	2,466	-
	<u>9,991,165</u>	<u>9,830,775</u>
	<u>9,994,375</u>	<u>9,997,807</u>
Non-trade receivables (non-current)		
- Immediate holding company (Note 5)	<u>28,100,000</u>	<u>27,013,000</u>
	<u>38,094,375</u>	<u>37,010,807</u>

The average credit period is 30 days (2016 : 30 days). No interest is charged on the outstanding trade receivables.

The amount due from immediate holding company are unsecured, bears interest at 8% per annum (2016 : 8% per annum) and repayable on demand.

In 2016, the amount due from subsidiaries are unsecured, bears interest at 6% to 8% per annum and repayable on demand.

Included in the company's trade receivables are debtors with amount \$3,210 (2016 : \$167,032) which are past due at the reporting date for which the company has not provided for allowance for doubtful debts as there has not been a significant change in credit quality and the amounts are still considered recoverable.

**FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2017**

The age analysis of trade receivables past due but not impaired is as follows:

	2017	2016
	\$	\$
Past due:		
3 months to 6 months	3,210	-
More than 6 months	-	167,032

In 2016, the company has impaired and written off \$28,454,181 for the loans due from subsidiary as the amount is expected to be unrecoverable based on the consideration expected to be received from the disposal of the subsidiary.

Movement in the allowance for doubtful debts

	2017	2016
	\$	\$
Increase in allowance recognised in profit or loss and balance at end of year	173,287	-

**9 PROPERTY AND EQUIPMENT**

	Leasehold improvement	Furniture and fittings	Computer and office equipment	Total
	\$	\$	\$	\$
Cost:				
At April 1, 2015	1,918,874	202,793	582,113	2,703,780
Additions	-	-	4,661	4,661
At March 31, 2016	1,918,874	202,793	586,774	2,708,441
Additions	-	-	10,660	10,660
Disposals	-	(17,005)	-	(17,005)
At March 31, 2017	1,918,874	185,788	597,434	2,702,096
Accumulated depreciation:				
At April 1, 2015	1,041,513	164,192	545,439	1,751,144
Depreciation	646,357	38,601	35,877	720,835
At March 31, 2016	1,687,870	202,793	581,316	2,471,979
Depreciation	216,387	-	5,674	222,061
Disposals	-	(17,005)	-	(17,005)
At March 31, 2017	1,904,257	185,788	586,990	2,677,035
Carrying amount:				
At March 31, 2017	14,617	-	10,444	25,061
At March 31, 2016	231,004	-	5,458	236,462



**FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED**

**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2017**

10 INVESTMENT IN SUBSIDIARIES

	2017	2016
	\$	\$
Unquoted equity shares, at cost:		
At the beginning of the year	15,586,107	15,586,107
Disposal	(1,788,570)	-
At the end of the year	<u>13,797,537</u>	<u>15,586,107</u>
<u>Movement of allowance of impairment loss:</u>		
At the beginning of the year	15,586,107	5,420,580
Impairment	-	10,165,527
Disposal	(1,788,570)	-
At the end of the year	<u>13,797,537</u>	<u>15,586,107</u>
<u>Carrying value of investment in subsidiary:</u>		
At the end of the year	<u>-</u>	<u>-</u>

In 2016, the management performed an impairment test for the investment in Mena Healthcare Investment Company Limited and SRL Diagnostic FZ LLC as both subsidiaries had been persistently making losses. An impairment loss of \$10,165,527 was recognised for the year ended March 31, 2016 to write down both subsidiaries to its recoverable value as the management are of the view that the company were unable to recover the cost of investment of both entities.

Details of the company's subsidiaries at year end are as follows:

Name of subsidiaries	Country of incorporation and operations	Proportion of ownership interest		Principal activities
		2017	2016	
		%	%	
Mena Healthcare Investment Company Limited	British Virgin Islands	82.54	82.54	Investment holding
SRL Diagnostic FZ LLC <sup>(A)</sup>	Dubai	-	100	Provision of laboratory services
Fortis Healthcare Middle East LLC <sup>(B)</sup>	United Arab Emirates	-	49	Investment holding
<u>Held through Mena Healthcare Investment Company Limited</u>				
Medical Management Company Limited	British Virgin Islands	82.54	82.54	Operation of an assessment clinic

**FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2017**

- (A) On July 5, 2016, the company disposed of all its shares in SRL Diagnostic FZ LLC for a consideration of \$2,707,033. The gain on the disposal of subsidiary in FY2017 amounting to \$675,320 as disclosed in Note 15 was derived after deducting other receivable due from subsidiary of \$2,019,713 as reflected in Note 8.
- (B) On September 6, 2016, the company disposed of all its shares in Fortis Healthcare Middle East LLC for a consideration of \$371. There is no cash received from the disposal as the cost of investment in Fortis Healthcare Middle East LLC was not paid.

**11 INVESTMENT IN ASSOCIATE**

	<u>2017</u>	<u>2016</u>
	\$	\$
Equity shares, at cost	<u>48,866,535</u>	<u>48,866,535</u>
Fair value, at published price quotation	<u>36,733,590</u>	<u>30,173,860</u>

Details of the company's investment are as follows:

Name of associate	Country of incorporation and operations	Proportion of ownership interest		Principal activities
		<u>2017</u>	<u>2016</u>	
		%	%	
Lanka Hospitals Corporation PLC	Sri Lanka	28.6	28.6	Premium healthcare delivery provider in Sri Lanka

**12 OTHER PAYABLES**

	<u>2017</u>	<u>2016</u>
	\$	\$
Related companies (Note 5)	428,028	555,209
Related party (Note 6)	115,311	115,311
Other payables	511,886	-
Outside parties	19,296	50,320
Accruals	<u>892,877</u>	<u>822,969</u>
	<u>1,967,398</u>	<u>1,543,809</u>

Loan payable to related companies are unsecured bears interest at 6% (2016 : 6%) per annum and repayable on demand.

**FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED**

**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2017**

13 SHARE CAPITAL

	2017	2016	2017	2016
	Number of ordinary shares		\$	
Issued and paid up:				
At beginning of year	233,191,000	348,191,000	234,215,987	349,215,987
Capital reduction during the year	-	(115,000,000)	-	(115,000,000)
At end of year	<u>233,191,000</u>	<u>233,191,000</u>	<u>234,215,987</u>	<u>234,215,987</u>

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the company.

14 REVENUE

	2017	2016
	\$	
Management fee	-	68,864
Board fee	9,238	9,700
	<u>9,238</u>	<u>78,564</u>

15 OTHER INCOME

	2017	2016
	\$	
Interest income		
- Immediate holding company (Note 5)	2,225,089	7,590,649
- Subsidiaries (Note 5)	-	1,458,008
- Others	5,013	5,353
Rental income (Note 6)	461,244	307,496
Dividend income (Note 5)	1,204,063	964,699
Gain on disposal of subsidiaries	675,320	400,090
Gain on disposal of assets	3,000	-
	<u>4,573,729</u>	<u>10,726,295</u>

16 OTHER OPERATING EXPENSES

	2017	2016
	\$	
Impairment loss recognised in investment in subsidiaries	-	10,165,527
Impairment loss recognised on loan to subsidiaries	-	28,454,481
Impairment loss recognised on trade receivables	175,393	-
Conveyance	180,471	212,183
Repair and maintenance	152,866	157,059
Others	319,931	483,103
	<u>828,661</u>	<u>39,472,353</u>

**FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2017**

17 INCOME TAX EXPENSE

	2017	2016
	\$	\$
Income tax expenses	305,435	-
Underprovision in prior year	598,880	-
Withholding tax on dividend from associate	120,406	96,470
	<u>1,024,721</u>	<u>96,470</u>

Domestic income tax is calculated at 17% (2016 : 17%) of the estimated assessable income for the year.

The total charge for the year can be reconciled to the accounting profit (loss) as follows:

	2017	2016
	\$	\$
Profit (Loss) before income tax	<u>1,047,015</u>	<u>(34,689,332)</u>
Income tax expenses (credit) calculated at 17%	177,993	(5,897,186)
Expenses not deductible in determining taxable profit	289,942	5,897,186
Income not subject to taxation	(162,500)	-
Underprovision in prior year	598,880	-
Withholding tax on dividend income	120,406	96,470
	<u>1,024,721</u>	<u>96,470</u>

18 PROFIT (LOSS) FOR THE YEAR

Profit (Loss) for the year has been arrived at after charging (crediting):

	2017	2016
	\$	\$
Employee benefits expense	1,438,435	3,879,556
Cost of defined contribution plans included in employee benefits expense	43,507	46,186
Directors' remuneration included in employee benefits expense	814,149	2,764,817
Foreign exchange (gain) loss, net	<u>(43,831)</u>	<u>162,602</u>

**FORTIS HEALTHCARE INTERNATIONAL PTE. LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2017**

19 OPERATING LEASE ARRANGEMENTS

The company as lessee

	<u>2017</u>	<u>2016</u>
	\$	\$
Minimum lease payments under operating leases recognised as an expense during the year	<u>954,720</u>	<u>958,923</u>

At the end of the reporting period, the company has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	<u>2017</u>	<u>2016</u>
	\$	\$
Within one year	954,720	954,720
In the second to fifth year inclusive	<u>630,000</u>	<u>1,584,720</u>
	<u>1,584,720</u>	<u>2,539,440</u>

Operating lease payments represent rentals payable by the company for its office premises, office equipment and director's accommodation. Leases are negotiated for an average term of 3 years and rentals are fixed for an average of 3 years.

The company as lessor

	<u>2017</u>	<u>2016</u>
	\$	\$
Rental income	<u>461,244</u>	<u>307,496</u>

At the end of the reporting period, the company has contracted with tenant for the following future minimum lease payments:

	<u>2017</u>	<u>2016</u>
	\$	\$
Within one year	461,244	461,244
In the second to fifth year inclusive	<u>153,748</u>	<u>614,992</u>
	<u>614,992</u>	<u>1,076,236</u>

The company leases out office premise to a related party (Note 5) under non-cancellable operating leases. The average tenure of the tenants is 3 years.