



FORTIS ASIA HEALTHCARE PTE. LTD.
(Registration No. 201013316M)

**DIRECTORS' STATEMENT AND
FINANCIAL STATEMENTS**

YEAR ENDED MARCH 31, 2017

FORTIS ASIA HEALTHCARE PTE. LTD.

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

C O N T E N T S

	<u>PAGE</u>
Directors' statement	1 - 3
Independent auditor's report	4 - 6
Statement of financial position	7
Statement of profit or loss and other comprehensive income	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to financial statements	11 - 35

FORTIS ASIA HEALTHCARE PTE. LTD.

DIRECTORS' STATEMENT

The directors present their statement together with the audited financial statements of Fortis Asia Healthcare Pte Ltd ("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, with the continued financial support from its intermediate holding company, 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 except for the options mentioned in section 3 of the Directors' statement.

3 DIRECTORS' INTEREST 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 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 ASIA HEALTHCARE PTE. LTD.**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
Intermediate 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
Related company <u>Fortis Health Staff Limited</u> (Ordinary shares)				
Malvinder Mohan Singh	-	-	4,899,500	4,899,500

By virtue of Section 7 of the Singapore Companies Act, Mr. Malvinder Mohan is deemed to have an interest in all share of the company and its subsidiaries of the company.

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 ASIA HEALTHCARE PTE. LTD.

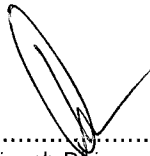
DIRECTORS' STATEMENT

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 MEMBERS OF FORTIS ASIA HEALTHCARE PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Fortis Asia Healthcare Pte. Ltd. (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 MEMBERS OF FORTIS ASIA HEALTHCARE 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:

- (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 MEMBERS OF
FORTIS ASIA HEALTHCARE PTE. LTD.**

- (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 ASIA HEALTHCARE PTE. LTD.**STATEMENT OF FINANCIAL POSITION
March 31, 2017**

	Note	2017 US\$	2016 US\$
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents	7	89,287	123,098
Other receivables	8	25,965	23,441
Held for trading investments	9	26,565,978	23,188,054
Total current assets		<u>26,681,230</u>	<u>23,334,593</u>
Non-current assets			
Investment property	10	17,303,562	17,696,825
Investment in subsidiary	11	63,277,993	63,277,993
Total non-current assets		<u>80,581,555</u>	<u>80,974,818</u>
Total assets		<u>107,262,785</u>	<u>104,309,411</u>
<u>LIABILITIES AND EQUITY</u>			
Current liabilities			
Other payables	12	133,965,430	128,121,148
Income tax payable		461,371	25,386
Total current liabilities		<u>134,426,801</u>	<u>128,146,534</u>
Non-current liability			
Redeemable preference shares	13	<u>46,960,711</u>	<u>45,022,167</u>
Capital and reserves			
Share capital	14	26,034,367	26,034,367
Accumulated losses		<u>(100,159,094)</u>	<u>(94,893,657)</u>
Net equity		<u>(74,124,727)</u>	<u>(68,859,290)</u>
Total liabilities and equity		<u>107,262,785</u>	<u>104,309,411</u>

See accompanying notes to financial statements.

FORTIS ASIA HEALTHCARE PTE. LTD.

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

	Note	<u>2017</u>	<u>2016</u>
		US\$	US\$
Revenue	15	428,545	430,233
Other income	16	4,750,409	6,737,833
Administrative expenses		(500,196)	(506,580)
Finance costs	17	<u>(9,470,388)</u>	<u>(14,017,789)</u>
Loss before income tax		(4,791,630)	(7,356,303)
Income tax expense	18	<u>(473,807)</u>	<u>(25,386)</u>
Loss for the year, representing total comprehensive loss for the year		<u><u>(5,265,437)</u></u>	<u><u>(7,381,689)</u></u>

See accompanying notes to financial statements.

FORTIS ASIA HEALTHCARE PTE. LTD.

STATEMENT OF CHANGES IN EQUITY
Year ended March 31, 2017

	Share capital US\$	Accumulated losses US\$	Total US\$
Balance at April 1, 2015	26,034,367	(87,511,968)	(61,477,601)
Total comprehensive loss for the year	-	(7,381,689)	(7,381,689)
Balance at March 31, 2016	26,034,367	(94,893,657)	(68,859,290)
Total comprehensive loss for the year	-	(5,265,437)	(5,265,437)
Balance at March 31, 2017	<u>26,034,367</u>	<u>(100,159,094)</u>	<u>(74,124,727)</u>

See accompanying notes to financial statements.

FORTIS ASIA HEALTHCARE PTE. LTD.

STATEMENT OF CASH FLOWS
Year ended March 31, 2017

	2017	2016
	US\$	US\$
Operating activities		
Loss before income tax	(4,791,630)	(7,356,303)
Adjustments for:		
Net unrealised foreign exchange gain	(1,372,485)	(4,826,451)
Depreciation of investment property	393,263	393,263
Interest expense	9,470,388	14,017,789
Interest income	-	(81,373)
Fair value gain on financial assets at fair value through profit or loss	(3,377,924)	(188,787)
Gain on redemption of investment funds	-	(1,477,819)
Operating cash flows before movements in working capital	321,612	480,319
Other receivables	(5,522)	(428,414)
Other payables	(19,366)	(1,199,242)
Cash generated from (used in) operations	296,724	(1,147,337)
Interest received	-	263,578
Income tax paid	(36,058)	-
Net cash from (used in) operating activities	260,666	(883,759)
Investing activities		
Purchase of investment securities	-	(22,999,268)
Proceeds from disposal of investment securities	-	22,999,268
Net cash from investing activities	-	-
Financing activities		
Interest paid	-	(19,863,272)
Payment of loan by subsidiary	-	8,908,068
Repayment of loans from immediate holding company	-	(98,721,415)
Repayment of loans from subsidiary, net (Note A)	(357,934)	(3,169,564)
Repayment of loans from related company	(1,097,095)	-
Proceeds on loan from subsidiaries	1,160,545	111,314,798
Proceeds on loan from related companies	-	1,947,857
Net cash (used in) from financing activities	(294,484)	416,472
Net decrease in cash and cash equivalents	(33,818)	(467,287)
Effect of exchange rate changes on cash and cash equivalents	7	(6,378)
Cash and cash equivalents at beginning of year	123,098	596,763
Cash and cash equivalents at end of year	89,287	123,098

Note A: In 2016, the reduction in the company's investment in a subsidiary of US\$81,220,425 has been offset against the repayment of loans from the subsidiary.

See accompanying notes to financial statements.

FORTIS ASIA HEALTHCARE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

1 GENERAL

The company (Registration No. 201013316M) is incorporated in Singapore with its registered office at 9 Battery Road, #15-01 Straits Trading Building, Singapore 049910. Its principal place of business is 302 Orchard Road #18-02/03, Tong Building, Singapore 238862. The financial statements are expressed in United States Dollars.

The principal activity of the company is that of investment holding. The principal activities of its subsidiary are disclosed in Note 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 ASIA HEALTHCARE PTE. LTD.

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*²
- FRS 115 *Revenue from Contracts with Customers (with clarifications issued)*²
- FRS 116 *Leases*³
- Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative*¹
- Amendments to FRS 12 *Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses*¹
- Amendments to FRS 40 *Investment Property: Transfers of Investment Property*²

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

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

³ 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.

FORTIS ASIA HEALTHCARE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS
March 31, 2017

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.
- 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

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 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 on the financial statements of the company. Management does not plan to early adopt the new FRS 116.

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.

Amendments to FRS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that unrealised losses on debt instruments measured at fair value in the financial statements but at cost for tax purposes can give rise to deductible temporary differences.

The amendments also clarify that the carrying amount of an asset does not limit the estimation of probable future taxable profits, and that when comparing deductible temporary differences with future taxable profits, the future taxable profits excludes tax deductions resulting from the reversal of those deductible temporary differences.

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

Amendments to FRS 40 Investment Property: Transfers of Investment Property

The amendments

- retain the requirement that a transfer into, or out of, investment property can be made when, and only when, evidence of a change of use of the property exists.
- clarify that the current list of events in the Standard constituting evidence of a change of use has occurred are only examples.

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

FORTIS ASIA HEALTHCARE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

BASIS OF CONSOLIDATION - Consolidated financial statements of the company and its subsidiary 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 the Bombay Stock Exchange and National Stock Exchange of India Ltd with registered office at Okhla Road, New Delhi-110025 India.

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 instruments.

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 other than those financial instruments "at fair value through profit or loss".

Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss" and "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- It has been acquired principally for the purpose of selling in the near future; or
- On initial recognition, it is part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

FORTIS ASIA HEALTHCARE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and FRS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets, at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in 'investment income' line in the statement of profit or loss and other comprehensive income. Fair value is determined in the manner described in Note 4.

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.

Loans and other receivables

Loans 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 other receivables are measured at amortised cost using the effective interest method less impairment. 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 considered to be 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 ASIA HEALTHCARE PTE. LTD.

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.

For financial assets measured at amortised cost, 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 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 ASIA HEALTHCARE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS
March 31, 2017

REDEEMABLE PREFERENCE SHARES - On issuance of the redeemable preference shares, the fair value of the redeemable preference shares is determined using market interest rates applicable to the company. This is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on redemption in accordance with the accounting policy set out above.

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.

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.

INVESTMENT PROPERTY - Investment property, which is property held to earn rentals and/or for capital appreciation, including property under construction for such purposes, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and any accumulated impairment losses.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

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 basis:

Freehold building - 50 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.

FORTIS ASIA HEALTHCARE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS March 31, 2017

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.

Investment in subsidiary 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.

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 (or 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.

FORTIS ASIA HEALTHCARE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS
March 31, 2017

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.

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.

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.

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.

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.

FORTIS ASIA HEALTHCARE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS
March 31, 2017

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 United States dollars, the currency of the primary economic environment in which the entity 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 ASIA HEALTHCARE PTE. LTD.

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) Impairment of investment in subsidiary

At the end of the reporting period, the company reviews the carrying amount of its investment in subsidiary for any indications of impairment. If there are indications of impairment, the company will assess whether the investment in subsidiary 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 subsidiary is disclosed in Note 9 to the financial statements.

(b) Impairment and useful lives of investment property

As described in Note 2, the company reviews the estimated useful lives of investment property at the end of each annual reporting period. The carrying amount of investment property is reviewed for impairment when events changes in circumstances indicate that the carrying amount may not be recoverable and disclosed in Note 10 to the financial statements.

During the year, there were no changes to the estimated useful lives of the company's investment property.

FORTIS ASIA HEALTHCARE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS
March 31, 2017

(c) Fair value measurements and valuation processes

In estimating the fair value of an asset or a liability, the company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the company engages third party qualified valuers to perform the valuation.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Notes 4, 9 and 10 to the financial statements.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) *Categories of financial instruments*

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

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Financial assets		
Loans and receivables		
(including cash and cash equivalents)	89,287	123,098
Fair value through profit or loss (FVTPL)		
- Held-for-trading investments	<u>26,565,978</u>	<u>23,188,054</u>
 Financial liabilities		
Liabilities, at amortised cost	<u>180,926,141</u>	<u>173,143,315</u>

(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 carrying amounts of foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	<u>Assets</u>		<u>Liabilities</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	US\$	US\$	US\$	US\$
Singapore dollar	<u>89,552</u>	<u>60,103</u>	<u>38,066,415</u>	<u>37,597,296</u>

FORTIS ASIA HEALTHCARE PTE. LTD.

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 company. 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:

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Singapore dollar impact	<u>1,898,843</u>	<u>1,876,860</u>

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, if interest rate had been 25 (2016 : 25) basis points lower/higher with all other variables held constant, the company's profit or loss would have been approximately US\$265,839 (2016 : US\$268,666) lower/higher, arising mainly as a result of lower/higher interest on floating rate loans and borrowings.

(iii) Credit risk 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. 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.

FORTIS ASIA HEALTHCARE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

(iv) 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.

As at March, 31 2017, the company's total current liabilities exceeded its total current assets by US\$107,745,571 (2016 : US\$104,811,941) and has a net capital deficiency of US\$74,124,727 (2016 : US\$68,859,290). The financial statements of the company have been prepared on a going concern basis as the management has confirmed that its intermediate holding company will continue to provide financial support to enable the company to meet in full its financial obligations as and when they fall due.

All financial assets and financial liabilities as at 2017 and 2016 are repayable on demand or due within one year except for the redeemable preference shares (Note 13).

(v) 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.

Assets measured at fair value

Some of the company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

	Valuation techniques - nonmarket observable input (Level 3)	
	2017	2016
	US\$	US\$
Financial assets		
Held for trading financial assets (Note 9)		
- Equity securities (unquoted)	26,565,978	23,188,054

FORTIS ASIA HEALTHCARE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS
March 31, 2017

Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair Value at March 31, 2017	Fair Value at March 31, 2016	Valuation techniques	Unobservable inputs
Unquoted equity instruments	26,565,978	23,188,054	Quoted prices from fund managers	Net asset value

The fair value of unquoted equity instruments is determined by reference to the underlying assets value of the private equity fund.

A 5% increase/decrease in the asset value used by the fund managers, while holding other variable constant would increase/decrease the carrying amount of the unquoted equity instrument by \$1,328,299 (2016 : \$1,159,403).

Reconciliation of Level 3 fair value measurements

	Held-for-trading Financial assets (unquoted equity instruments)	
	2017 US\$	2016 US\$
Opening balance	23,188,054	21,626,929
Redemption	-	(22,999,268)
Purchases	-	22,999,268
Total gains or losses		
- Fair value gain on financial assets at fair value through profit or loss	3,377,924	188,787
- Gain on redemption of investment funds	-	1,477,819
- Fund management fees	-	(105,481)
	<u>26,565,978</u>	<u>23,188,054</u>

(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 ASIA HEALTHCARE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS
March 31, 2017

5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The company is a subsidiary of Escorts Heart Institute and Research Centre Limited, incorporated in India. 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.

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

Significant transactions with its related companies:

	<u>2017</u>	<u>2016</u>
	US\$	US\$
<u>Immediate holding company</u>		
Interest expense	<u>400,946</u>	<u>1,222,675</u>
<u>Subsidiary</u>		
Rental income	428,545	430,233
Interest income	-	81,373
Interest expense	<u>1,606,987</u>	<u>5,455,590</u>
<u>Related companies</u>		
Interest expense	<u>7,462,455</u>	<u>7,339,524</u>

6 OTHER 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 and repayable on demand unless otherwise stated.

Key management personnel compensation

The key management personnel of the company comprise directors who are employees of related companies. The company does not reimburse the directors for services rendered to the company.

7 CASH AND CASH EQUIVALENTS

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Cash at bank	<u>89,287</u>	<u>123,098</u>

FORTIS ASIA HEALTHCARE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS
March 31, 2017

8	OTHER RECEIVABLES	2017	2016
		US\$	US\$
	Prepayments	<u>25,965</u>	<u>23,441</u>
9	HELD FOR TRADING INVESTMENTS	2017	2016
		US\$	US\$
	Unquoted equity securities, at fair value	<u>26,565,978</u>	<u>23,188,054</u>

The company invested in private equity funds for the purpose of selling or repurchasing in the near term. A fair value gain of US\$3,377,924 (2016 : gain of US\$188,787), arising from changes in fair value of the financial assets was recognised in profit or loss in the current financial year.

10	INVESTMENT PROPERTY		Freehold building
			US\$
	Cost:		
	At April 1, 2015, March 31, 2016 and 2017		<u>19,663,139</u>
	Accumulated depreciation:		
	At April 1, 2015		1,573,051
	Depreciation		<u>393,263</u>
	At March 31, 2016		1,966,314
	Depreciation		<u>393,263</u>
	At March 31, 2017		<u>2,359,577</u>
	Carrying amount:		
	At March 31, 2017		<u>17,303,562</u>
	At March 31, 2016		<u>17,696,825</u>

The fair values of the company's investment property at March 31, 2017 and 2016 have been determined on the basis of valuations carried out at the respective year end dates by independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued, and not related to the company. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the year.

FORTIS ASIA HEALTHCARE PTE. LTD.**NOTES TO FINANCIAL STATEMENTS**
March 31, 2017

Information about the fair value hierarchy of the company's investment properties are as follows:

	Level 1	Level 2	Level 3	Total
	US\$	US\$	US\$	US\$
As at March 31, 2017				
Investment property	-	17,896,771	-	17,896,771
As at March 31, 2016				
Investment property	-	18,566,654	-	18,566,654

The company's investment property is mortgaged to the bank to secure bank loan for intermediate holding company.

11 INVESTMENT IN SUBSIDIARY

	2017	2016
	US\$	US\$
Unquoted equity shares, at cost	295,498,418	295,498,418
Less:		
- Impairment loss	(151,000,000)	(151,000,000)
- Reduction in investment against loan payables	(81,220,425)	(81,220,425)
	<u>63,277,993</u>	<u>63,277,993</u>

In 2016, the company reduced the capital in Fortis Healthcare International Pte. Limited by offsetting against the loan payable to Fortis Healthcare International Pte. Limited for a consideration of US\$81,220,425 (S\$115,000,000).

The management performed an impairment test for the investment in Fortis Healthcare International Pte. Limited as this subsidiary had been divesting its subsidiaries. An impairment loss of US\$151,000,000 was recognised to write down this subsidiary to its recoverable amount. The recoverable amount of the investment in Fortis Healthcare International Pte. Limited has been determined based on fair value less cost to dispose.

FORTIS ASIA HEALTHCARE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS
March 31, 2017

Details of the company's subsidiaries at March 31, 2017 are as follows:

Name of subsidiary	Country of incorporation and operation	Proportion of ownership interest		Principal activity
		2017	2016	
		%	%	
Held by the company				
Fortis Healthcare International Pte. Limited ^(A)	Singapore	100	100	Investment holding
Held through Fortis Healthcare International Pte. Limited				
Mena Healthcare Investment Company Limited	British Virgin Islands	82.54	82.54	Investment holding
SRL Diagnostic FZ LLC ^(B)	United Arab Emirates	-	100	Provision of laboratory services
Fortis Healthcare Middle East LLC ^(C)	United Arab Emirates	-	49	Investment holding
Held through Mena Healthcare Investment Company Limited				
Medical Management Company Limited	British Virgin Islands	82.54	82.54	Operation of an assessment clinic

(A) The company's subsidiary Fortis Healthcare International Pte. Limited is mortgaged to the bank to secure bank loan for intermediate holding company.

(B) On July 5, 2016, the company's subsidiary Fortis Healthcare International Pte. Limited disposed of its investment in SRL Diagnostics FZ LLC.

(C) On September 6, 2016, the company's subsidiary Fortis Healthcare International Pte. Limited disposed of its investment in Fortis Healthcare Middle East LLC.

FORTIS ASIA HEALTHCARE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS
March 31, 2017

12 OTHER PAYABLES

	2017	2016
	US\$	US\$
Other payables	-	5,636
Interest-bearing loans from a related company (Note 6)	86,219,799	87,404,898
Interest payable to a related company (Note 6)	20,580,146	14,974,678
Interest free loans from a related company (Note 6)	12,000	12,000
Interest-bearing loan from subsidiary (Note 5)	20,115,971	20,061,641
Interest payable to subsidiary (Note 5)	7,026,801	5,637,319
Accruals	10,713	24,976
	<u>133,965,430</u>	<u>128,121,148</u>

Interest-bearing loans from a related company are unsecured, bearing interest at 5% to 6.5% per annum (2016 : 5% to 6.5% per annum) and repayable on demand. The interest rates on these loans are subject to annual review for re-pricing at or near the end of the reporting period.

Interest-bearing loans from subsidiary are unsecured, bearing interest at 8% per annum (2016 : 8% per annum) and repayable on demand. The interest rates on these loans are subject to annual review for re-pricing at or near the end of the reporting period.

13 REDEEMABLE PREFERENCE SHARES

	2017	2016	2017	2016
	No. of shares		US\$	US\$
Class A :				
At April 1	10,000,000	10,000,000	7,426,662	7,288,628
Add: Effect of foreign exchange difference	-	-	(267,953)	138,034
	<u>10,000,000</u>	<u>10,000,000</u>	<u>7,158,709</u>	<u>7,426,662</u>
Add: Accrued interest on redeemable preference shares	-	-	1,256,288	855,342
Add: Effect of foreign exchange difference	-	-	(70,684)	(37,544)
At March 31	<u>10,000,000</u>	<u>10,000,000</u>	<u>8,344,313</u>	<u>8,244,460</u>
Class B :				
At April 1	30,000,000	30,000,000	30,000,000	30,000,000
Add: Accrued interest on redeemable preference shares	-	-	8,616,398	6,777,707
At March 31	<u>30,000,000</u>	<u>30,000,000</u>	<u>38,616,398</u>	<u>36,777,707</u>
Total	<u>40,000,000</u>	<u>40,000,000</u>	<u>46,960,711</u>	<u>45,022,167</u>

FORTIS ASIA HEALTHCARE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS
March 31, 2017

Class A

The rights, privileges and conditions attached to each of the Class A redeemable preference shares ("RPS") issued by the company can be summarised as follows:

- (i) Class A RPS has no voting rights.
- (ii) The shares are redeemable by the holders on March 31, 2019 (2016 : March 31, 2019) or by the company or the subscriber (immediate holding company) at any time before that date by giving a notice of 7 days. The redemption premium shall be computed at 5% per annum compounded annually on the subscription amount from the subscription date till the redemption date.

Class B

The rights, privileges and conditions attached to each of the Class B RPS issued by the company can be summarised as follows:

- (i) Each Class B RPS shall rank *pari passu* in all respects with (a) the ordinary shares in the share capital of the company and (b) the Class A RPS. Each Class B RPS shall rank *pari passu* with each other in all respects.
- (ii) The holders of the Class B RPS shall not be entitled to dividends.
- (iii) No Class B RPS shall be entitled to participate in the profits or assets of the company.
- (iv) The holders of the Class B RPS shall have the right to receive notice of and to attend all general meetings of the company but shall not have any voting rights unless the business of the general meeting includes the consideration of a resolution which varies the rights attached to the Class B RPS or a resolution for the winding up of the company, in which case they shall be entitled to vote only on such resolution.
- (v) The redemption amount for each Class B RPS shall be an amount equal to the sum of the Class B issue price plus an annual compound rate of return of 5% on the aggregate Class B issue price from the date of issue and allotment until the date of full repayment of the Class B redemption amount.
- (vi) The RPSs are redeemable by the holders on March 31, 2019 (2016 : March 31, 2019) or by the company at any time before that date by giving a notice of 7 days. In the event that the company has no readily realisable assets to pay such redemption amount, the company shall be entitled to delay payment of the same indefinitely.

FORTIS ASIA HEALTHCARE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS
March 31, 2017

14 SHARE CAPITAL

	2017	2016	2017	2016
			US\$	US\$
Number of ordinary shares				
Issued and paid-up:				
At beginning and end of year	32,722,596	32,722,596	26,034,367	26,034,367

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

15 REVENUE

	2017	2016
	US\$	US\$
Rental income from investment property (Note 5)	428,545	430,233

16 OTHER INCOME

	2017	2016
	US\$	US\$
Net foreign exchange gain	1,372,485	4,989,854
Interest income from subsidiary (Note 5)	-	81,373
Gain on redemption of investment fund	-	1,477,819
Fair value gain on financial assets at fair value	3,377,924	188,787
	<u>4,750,409</u>	<u>6,737,833</u>

17 FINANCE COSTS

	2017	2016
	US\$	US\$
Interest expense on:		
Redeemable preference shares:		
- Immediate holding company	400,946	219,302
- Related company	1,838,691	1,756,066
Loan from related company	5,623,764	5,583,458
Loan from subsidiary	1,606,987	5,455,590
Loan from immediate holding company	-	1,003,373
	<u>9,470,388</u>	<u>14,017,789</u>

FORTIS ASIA HEALTHCARE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS
March 31, 2017

18 INCOME TAX EXPENSE

	2017	2016
	US\$	US\$
Income tax expense	463,263	25,386
Underprovision in prior year	10,544	-
	<u>473,807</u>	<u>25,386</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 loss as follows:

	2017	2016
	US\$	US\$
Loss before income tax	<u>(4,791,630)</u>	<u>(7,356,303)</u>
Income tax credited calculated at 17%	(814,577)	(1,250,572)
Expenses not deductible in determining taxable profit	1,537,079	1,720,706
Income not subject to taxation	(259,239)	(444,748)
Underprovision in prior year	10,544	-
	<u>473,807</u>	<u>25,386</u>

19 OPERATING LEASE ARRANGEMENTS

The company entered into a commercial property lease on its investment property. The non-cancellable lease has a remaining lease terms of two years.

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

The company as lessor

	2017	2016
	US\$	US\$
Within one year	425,743	441,282
In the second year	-	441,282
	<u>425,743</u>	<u>882,564</u>