



Summary

The Group continued to grow revenues in 2017 against a challenging backdrop for our Managed Care and Network Management Services business in Singapore, with particularly strong growth in our Primary Care Services segment and in Australia. Bottom-line performance for the Group was similarly improved, with our loss for the year almost halved against the prior year.

We also welcomed two important strategic shareholders, CITIC Capital and Ping An Capital, and completed a landmark US\$175 million perpetual securities offering that was recently awarded Deal of the Year by HealthInvestor Asia and Best New Bond of 2017 in Singapore by The Asset. We successfully completed a further ten regional acquisitions during 2017, most notably of the Healthscope Medical Centres business in Australia.

As a result of discussions with the Board's Audit and Remuneration Committee and our auditors, we have decided to early adopt new accounting standards IFRS 9, 15 and 16 for this reporting year, and to restate our 2016 financial results to reflect costs that we now believe should have been reflected in that year.

This steady performance in 2017 has given us a strong base for 2018, both in terms of revenues and further growth of our platform. We have already made significant progress in this regard with the acquisition of the Intellicare Group, one of the leading managed care providers in the Philippines, which provides an exciting opportunity in a rapidly growing market.

We have also added significant experience and expertise to our management team. Mr. David Sin, a Co-Founder and Deputy Chairman of the Group, recently took on an executive role as Group President. Mr. Tam Chee Chong, previously Deputy Managing Partner at Deloitte, joined us as Group Chief Financial Officer. Mr. Ng Chong Jin, previously Assistant General Counsel at GlaxoSmithKline, joined us as Group Legal Counsel. Finally, Dr Samuel Chong, previously Head of Global Services & Consulting Global Accounts, of Dell EMC (Asia Pacific & Japan), joined us as Group Chief Technology Officer.

Taken together, all of this provides the management and the Board with confidence that 2018 will be an important year for the Group, in which we expect to expand both the reach and depth of our business, and provide more affordable, accessible and sustainable healthcare to more people, across the region.



Financial year ended December 31, 2017

- Revenue up 12% to S\$336.6 million in 2017 (2016: S\$300.3 million)
- Adjusted EBITDA up 8% to S\$61.2 million in 2017 (2016: S\$56.3 million)
- Loss for the year of S\$16.0 million in 2017 (2016: S\$30.6 million)

Segment highlights

- In our Managed Care and Network Management Services segment, revenue was relatively flat at S\$153.5 million, while Adjusted EBITDA showed a 11% decline to S\$17.7 million
- In our Primary Care Services segment, revenue increased by 33% to S\$114.6 million while Adjusted EBITDA increased by 38% to S\$25.1 million
- In our Diagnostics, Specialty and Ancillary Care Services segment, revenue increased by 17% to S\$96.2 million and Adjusted EBITDA increased by 6% to S\$20.8 million

Country highlights

- For our Singapore business, revenue grew by 2% to S\$202.3 million
- For our Australia business, revenue grew by 57% to S\$82.9 million
- For our Hong Kong business, revenue grew by 2% to S\$29.0 million
- For our Indonesia business, revenue grew by 9% to S\$20.9 million

Major Developments in 2017

Collaboration with Marquee Strategic Partners and Capital Raising

- In March 2017, CITIC Capital became a shareholder of our associated company, Fullerton Health China
- In April 2017, we completed the landmark issuance of US\$175 million of perpetual securities
- In November 2017, we received a significant investment from Ping An Capital, who became our second largest shareholder

Acquisitions

We completed ten successful acquisitions across multiple countries and segments:

- We expanded our primary care capabilities in Australia through our acquisition of Healthscope Medical Centres, Auscare, and 3 other primary care assets
- We expanded our diagnostic imaging business in Singapore through the acquisition of Medical Imaging and Medisol
- We deepened our capabilities specialty services in Singapore through the acquisition of Alpha Joints Orthopaedics
- We also expanded into primary care services in Malaysia and acquired a musculoskeletal and family medicine business in Hong Kong



Early Adoption of New Accounting Standards IFRS 9, 15 and 16

- In 2017, the Group adopted IFRS 9 *Financial Instruments*, IFRS 15 *Revenue from Contracts with Customers* and IFRS 16 *Leases*
- IFRS 16 *Leases* has a material impact to the Group's financials as majority of leases were recognised as operating leases prior to IFRS 16 *Leases*. As a result of the early adoption, rental expenses will only be recognised for short term leases and leases with low value

Prior Year Restatement

As the Group matures and institutionalises, we went through a more stringent review of our financial reporting. This review brought to light that the recognition of costs incurred by a subsidiary had been delayed in respect of the Financial Year ended 31 December 2016, amounting to approximately S\$6.5 million. The recognition of these costs has now been properly reflected through the restatement of the Financial Year ended 31 December 2016 results; which resulted in losses increasing by the same amount during that year. We remain fully committed to strengthening internal controls and financial reporting governance as we continue to grow.

Outlook

Despite the challenging year behind us, we remain confident about our growth opportunities in 2018. Our recent acquisition of the Intellicare Group in the Philippines provides us with the platform to leverage a rapidly growing market and continue our successful track record of vertical integration. We continue to retain and expand our high quality client base (including government customers), and remain committed to providing affordable, accessible and sustainable healthcare to our clients. We remain focused on deepening our capabilities in diagnostic, specialty and ancillary care to drive margin expansion. With these strategic initiatives, we remain confident of our ability to grow the business in both reach and depth.

David Sin
Co-Founder, Group President & Deputy Chairman

Dr Michael Tan
Co-Founder & Chief Executive Officer

Dr Daniel Chan
Co-Founder & Deputy Chief Executive Officer