Company Registration No. 201117555K

RHT Health Trust Manager Pte. Ltd.

Annual Financial Statements
31 March 2021

Building a better working world

RHT Health Trust Manager Pte. Ltd.

General information

Directors

Tan Bong Lin
Dr Ronnie Tan Keh Poo
Dr Wong Chiang Yin
Loh Min Jiann
Ashish Bhatia

Company Secretaries

Abdul Jabbar Bin Karam Din
Fazilah Abdul Rahman

Registered Office

120 Robinson Road
#08-01
Singapore 068913

Banker

United Overseas Bank

Auditor

Ernst & Young LLP
Partner in charge: Tan Soon Seng (Appointed since financial year ended 31 March 2018)

RHT Health Trust Manager Pte. Ltd.

General information

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Directors' statement

The directors present their statement to the shareholder together with the audited financial statements of RHT Health Trust Manager Pte. Ltd. (the "Company") for the financial year ended 31 March 2021.

Opinion of the directors

In the opinion of the directors,

(i) the accompanying balance sheet, statement of comprehensive income, statement of changes in equity and statement of cash flows, together with notes thereto are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and the financial performance, changes in equity and cash flows of the Company for the financial year ended 31 March 2021; and

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

Directors

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

Tan Bong Lin
Dr Ronnie Tan Keh Poo
Dr Wong Chiang Yin
Loh Min Jiann
Ashish Bhatia

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings, required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		Deemed interest	
Name of director	At the beginning of financial year or date of appointment	At the end of financial year	At the beginning of financial year or date of appointment	At the end of financial year
Enterprise Option Scheme ("EOS") of RM1.00 each of the related corporation (IHH Healthcare Berhad)				
Loh Min Jiann	–	–	113,000	113,000

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and date.

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

Auditor

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

On behalf of the board of directors:

Loh Min Jiann
Director

Tan Bong Lin
Director

Singapore
31 May 2021

Independent auditor's report to the members of RHT Health Trust Manager Pte. Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of RHT Health Trust Manager Pte. Ltd. (the "Company"), which comprise the balance sheet as at 31 March 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for opinion

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

Other information

Management is responsible for other information. The other information comprises the General Information and Directors' statement set out on pages 1 and 2.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

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

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

31 May 2021

RHT Health Trust Manager Pte. Ltd.

Statement of comprehensive income
For the financial year ended 31 March 2021

	Note	2021	2020
		$	$
Revenue	4	90,000	150,484
Other revenue	5	48,171	196,370
Total revenue		138,171	346,854
Depreciation	9	1,409	23,890
Employee benefits expense	6	504,078	674,847
Directors' fee		315,000	422,004
Other expenses	7	181,008	632,412
		1,001,495	(1,753,153)
Loss before tax		(863,324)	(1,406,299)
Income tax credit	8	166,049	–
Loss for the year attributable to owners of the Company		(697,275)	(1,406,299)
Other comprehensive income:			
Item that will not be reclassified to profit or loss			
Net fair value gain on financial asset, at fair value through other comprehensive income ("FVOCI")		–	65,313
Other comprehensive income for the year, net of tax		–	65,313
Total other comprehensive income for the year		(697,275)	(1,340,986)

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

RHT Health Trust Manager Pte. Ltd.

Balance sheet
As at 31 March 2021

	Note	2021 $	2020 $
ASSETS			
Non-current asset			
Property, plant and equipment	9	2,108	1,992
Current assets			
Short-term investment	10	413,649	413,649
Other receivables		34,917	34,091
Prepayments		20,516	31,184
Cash and cash equivalents	11	2,393,076	13,206,637
Total current assets		2,862,158	13,685,561
Total assets		2,864,266	13,687,553
EQUITY AND LIABILITIES			
Current liabilities			
Other payables	12	255,451	10,295,374
Tax payable		278,799	364,888
		534,250	10,660,262
Net assets		2,330,016	3,027,291
Equity attributable to owner of the Company			
Share capital	13	1,255,557	1,255,557
Other reserve	14	(19,484,637)	(19,484,637)
Accumulated profit		20,559,096	21,256,371
Total equity		2,330,016	3,027,291
Total equity and liabilities		2,864,266	13,687,553

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

RHT Health Trust Manager Pte. Ltd.

Statement of changes in equity
For the financial year ended 31 March 2021

	Share capital (Note 13) $	**Other reserve (Note 14)** $	**Accumulated profit** $	**Total** $
Balance at 1 April 2019	1,255,557	(19,549,950)	32,662,678	14,368,285
Loss for the year	–	–	(1,406,299)	(1,406,299)
Other comprehensive income:				
Net fair value loss on financial asset, at FVOCI	–	65,313	–	65,313
Total comprehensive income for the year	–	65,313	–	65,313
Dividend payable (Note 20)	–	–	(10,000,008)	(10,000,008)
Balance at 31 March 2020 and 1 April 2020	1,255,557	(19,484,637)	21,256,371	3,027,291
Loss for the year representing total comprehensive income for the year	–	–	(697,275)	(697,275)
Balance at 31 March 2021	1,255,557	(19,484,637)	20,559,096	2,330,016

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

RHT Health Trust Manager Pte. Ltd.

Statement of cash flows
For the financial year ended 31 March 2021

	Note	2021	2020
		$	$
Cash flow from operating activities:			
Loss before tax		(863,324)	(1,406,299)
Adjustment for:			
Depreciation	9	1,409	23,890
Interest income	5	(7,890)	(194,349)
Gain on disposal of property, plant and equipment		–	(8,739)
Write-off of property, plant and equipment		–	104,266
Operating profit before working capital changes		(869,805)	(1,481,231)
Decrease in amount due from a related company (trade)		–	446,657
(Increase)/decrease in other receivables		(826)	91,357
Decrease in prepayments		10,668	38,475
Decrease in other payables		(39,915)	(1,098,354)
Cash used in operations		(899,878)	(2,003,096)
Income tax paid		–	(504,560)
Income tax refund		79,960	15,000
Interest received		7,890	194,349
Net cash used in operating activities		(812,028)	(2,298,307)
Cash flow from investing activities			
Purchase of property, plant and equipment	9	(1,525)	–
Proceeds from disposal of property, plant and equipment		–	9,907
Dividend paid		(10,000,008)	–
Net cash (used in)/generated from investing activities		(10,001,533)	9,907
Net decrease in cash and cash equivalents		(10,813,561)	(2,288,400)
Cash and cash equivalents at the beginning of the financial year		13,206,637	15,495,037
Cash and cash equivalents at the end of the financial year (Note 11)		2,393,076	13,206,637

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

1. Corporate information

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

The registered office of the Company is located at 120 Robinson Road, #08-01, Singapore 068913. The principal place of business of the Company is located at 302 Orchard Road, #07-03, Tong Building, Singapore 238862.

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

2. Summary of significant accounting policies

2.1 *Basis of preparation*

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

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

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

2.2 *New accounting standards effective on 1 April 2021*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards which are effective for annual financial periods beginning on 1 April 2021. The adoption of these standards, did not have any material effect on the financial performance or position of the Company.

2. Summary of significant accounting policies

2.3 *Standards issued but not yet effective*

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

Description	**Effective for annual periods beginning on or after**
Amendment to FRS 116 Leases: *Covid-19 – Related Rental Concessions beyond 30 June 2021*	1 April 2021
Amendments to FRS 103: *Reference to the Conceptual Framework*	1 January 2022
Amendments to FRS 37: *Onerous Contract – Cost of Fulfilling a Contract*	1 January 2022
Amendments to FRS 16: *Property, Plant and Equipment –Proceeds before Intended Use*	1 January 2022
Annual Improvements to IFRSs 2018-2020	1 January 2022
Amendments to FRS 1: *Classification of Liabilities as Current or Non-current*	1 January 2023
Amendments to FRS 117 *Insurance Contract*	1 January 2023
Amendments to FRS 110 and FRS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

The directors expect that the adoption of the other standards above will have no material impact on the financial statements in the year of initial application.

2.4 *Foreign currency*

(a) *Functional currency*

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

(b) *Transactions and balances*

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

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

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

2.5 *Property, plant and equipment*

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

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

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

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

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

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

2.6 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

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

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset:

Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

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

2.6 ***Financial instruments (cont'd)***

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

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Company's right to receive payments is established. For investments in equity instruments which the Company has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(b) *Financial liabilities*

Initial recognition and measurement

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

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

Subsequent measurement

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

Derecognition

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

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

2.7 *Loans and borrowings*

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

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

2.8 *Impairment of non-financial assets*

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

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.9 *Impairment of financial assets*

The Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

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

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For amount due from a related party, the Company applies a general approach in calculating ECLs. At each of reporting date, the Company assesses whether the credit risk of a financial asset has increased significantly since initial recognition. Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months.

The Company considers a financial asset in default when contractual payments are significantly overdue. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Company assesses on a forward-looking basis the ECL associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

2.10 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank.

2.11 *Provisions*

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

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

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

2.12 ***Revenue***

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Rendering of services

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

Dividend income

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

Interest income

Interest income is recognised using the effective interest method.

2.13 ***Taxes***

(a) *Current income tax*

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

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

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

2.13 *Taxes (cont'd)*

(b) *Deferred tax*

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

Deferred tax liabilities are recognised for all temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

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

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

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

2.13 *Taxes (cont'd)*

(c) *Sales tax*

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

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

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

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

2.14 *Share capital*

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

2.15 *Employee benefits*

(a) ***Defined contribution plan***

The Company makes contributions to the Central Provident Fund (“CPF”) in Singapore, a defined contribution pension scheme. CPF contributions are recognised as an expense in the period in which the related service is performed.

(b) ***Employee leave entitlement***

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the balance sheet date.

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

2.16 *Government grant*

Government grants are recognised when there is reasonable assurance that the grant will be received, and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments. Where the grant relates to income, it is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarding as additional government grant.

3. Significant accounting judgements and estimates

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

4. Revenue

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

5. Other revenue

	2021	**2020**
	$	$
Interest income	7,890	194,349
Jobs support scheme	37,950	–
Miscellaneous income	2,331	2,021
	48,171	196,370

6. Employee benefits expense

	2021 $	2020 $
Salaries and bonuses	468,192	616,849
Central provident fund contributions	35,622	57,564
Skills development fund	264	434
	504,078	674,847

7. Other expenses

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

	2021 $	2020 $
Rental expense	21,510	189,039
Legal and professional fees	29,605	64,352
Insurance expense	65,451	84,851
Gain on disposal of property, plant and equipment	–	(8,739)
Write-off of property, plant and equipment	–	104,266

8. Income tax credit

Major components of income tax credit

The major components of income tax credit for the years ended 31 March 2021 and 2020 are:

	2021 $	2020 $
Income statement:		
Current income tax		
- Current income taxation	–	–
- Overprovision in respect of previous years	(166,049)	–
Income tax credit recognised in profit or loss	(166,049)	–

8. Income tax credit (cont'd)

Relationship between tax credit and accounting loss

The reconciliation between tax credit and the product of accounting loss multiplied by the applicable corporate tax rate for the years ended 31 March 2021 and 2020 is as follows:

	2021 $	**2020** $
Loss before tax	(863,324)	(1,406,299)
Current tax credit on loss before tax at 17% (2020:17%)	(146,765)	(239,071)
Adjustments:		
Income not subject to taxation	(6,452)	–
Non-deductible expenses	240	4,061
Deferred tax assets not recognised	152,977	235,010
Overprovision in respect of previous years	(166,049)	–
Income tax credit recognised in profit or loss	(166,049)	–

At the end of the reporting period, the Company has tax losses of $2,282,273 (2020: $1,382,409) that are deferred and are available for set-off against future taxable profits of the Company, for which no deferred tax assets are recognised due to uncertainty of their recoverability. The use of these tax losses are subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation, including the retention of majority shareholders.

9. Property, plant and equipment

	Leasehold improvements $	Computers and software $	Furniture and fittings $	Office equipment $	Total $
Cost:					
At 31 March 2019	341,035	86,856	41,507	7,703	477,101
Disposals/Write off	(341,035)	(27,178)	(41,507)	(6,934)	(416,654)
At 31 March 2020 and 1 April 2020	–	59,678	–	769	60,447
Additions	–	1,525	–	–	1,525
At 31 March 2021	–	61,203	–	769	61,972
Accumulated depreciation:					
At 31 March 2019	230,217	80,337	28,486	6,745	345,785
Charge for the year	15,864	3,273	4,162	591	23,890
Disposals/Write off	(246,081)	(25,621)	(32,648)	(6,870)	(311,220)
At 31 March 2020 and 1 April 2020	–	57,989	–	466	58,455
Charge for the year	–	1,153	–	256	1,409
At 31 March 2021	–	59,142	–	722	59,864
Net carrying amount:					
At 31 March 2021	–	2,061	–	47	2,108
At 31 March 2020	–	1,689	–	303	1,992

10. Short-term investment

	2021 $	2020 $
Balance Sheet:		
Financial assets, at FVOCI		
Equity securities (quoted)	413,649	413,649
Movement in fair value change recorded in Other Reserves		
Balance at 1 April	(19,484,637)	(19,549,950)
Net fair value gain on financial asset, at FVOCI	–	65,313
Balance at 31 March	(19,484,637)	(19,484,637)

11. Cash and cash equivalents

	2021 $	2020 $
Cash at bank	2,393,076	13,206,637

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

12. Other payables

	2021 $	2020 $
Sundry payables	203,905	201,776
Bonus payables	51,546	62,400
Amounts due to a related party	–	29,516
Dividend payables	–	10,000,008
GST payables	–	1,674
Total other payables	255,451	10,295,374
Less: GST payables	–	(1,674)
Total financial liabilities carried at amortised cost	255,451	10,293,700

13. Share capital

	2021		2020	
	No. of shares	$	No. of shares	$
Issued and fully paid ordinary shares:				
At 1 April and 31 March	1,111,112	1,255,557	1,111,112	1,255,557

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

14. Other reserves

Fair value adjustment reserve

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of financial assets, at FVOCI until they are disposed of.

15. Leases

Company as a lessee under FRS 116

As at 31 March 2021, the Company does not have any lease agreement nor applied the exemption under FRS 116 for short-term leases and leases of low-value assets.

Operating lease commitments – as lessee

The Company has an operating lease agreement in respect of its office. The non-cancellable lease has a remaining non-cancellable lease term of 6 months with no contingent rent provision included in the contract.

Minimum lease payment recognised as an expense in the statement of comprehensive income for the financial year ended 31 March 2021 amounted to $21,510.

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

	2021	**2020**
	$	$
Not later than one year	9,600	9,600

16. Related party transactions

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

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

	2021	**2020**
	$	$
Management fees receivable/received from RHT Health Trust	90,000	150,484

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

	2021	**2020**
	$	$
Short-term employee benefits and Director fees	783,456	696,501
Central provident fund contributions	35,622	25,920
Total compensation paid to key management personnel and Directors	819,078	722,421
Comprise amounts paid to:		
- Directors of the Company	315,000	306,501
- Other key management personnel	504,078	415,920
	819,078	722,421

17. Fair value of assets and liabilities

(a) *Fair value hierarchy*

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

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

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

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

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

		Fair value measurements at the end of the reporting period using			
		Quoted prices in active markets for identical instruments (Level 1)	**Significant observable inputs other than quoted prices** (Level 2)	**Significant un-observable inputs** (Level 3)	**Total**
	Note	$	$	$	$
2021					
Non-recurring fair value measurements					
Short-term investment					
Financial asset, at FVOCI	10	–	–	413,649	413,649
2020					
Recurring fair value measurements					
Short-term investment					
Financial asset, at FVOCI	10	–	–	413,649	413,649

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

(b) *Assets and liabilities measured at fair value (cont'd)*

The following table presents the movement in fair value hierarchy for the year ended 31 March 2021 and 2020.

	2021 $	2020 $
Level 1		
Balance at 1 April	–	348,336
Net fair value gain recognised in Statement of Comprehensive Income	–	65,313
Transfer out of Level 1	–	(413,649)
	–	–

	2021 $	2020 $
Level 3		
Balance at 1 April	413,649	–
Transfer into Level 3	–	413,649
Balance at 31 March	413,649	413,649

This investment is listed on the main board of the SGX-ST, which was suspended for trading in 2020 and fair value was consequently measured using valuation technique of Net Asset Value.

A sensitivity analysis for Level 3 investment as at 31 March 2021 was not presented as it was deemed that the impact of reasonable changes in inputs were not significant.

<u>Valuation policies and procedures</u>

The Company's Chief Finance Officer ("CFO"), who is assisted by the Finance Manager oversees the Company's financial reporting valuation process and is responsible for setting and documenting the Company's valuation policies and procedures.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate. At the end of each reporting period, the valuation process and results are reviewed and approved by the directors.

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

The carrying amounts of other receivables (excluding GST receivables), cash and cash equivalents and other payables (excluding GST payables) are reasonable approximation of fair values due to their short-term nature.

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

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

	2021 $	2020 $
Financial asset, at FVOCI		
Short-term investment	413,649	413,649
Financial asset, at amortised cost		
Other receivables (excluding GST receivables)	34,684	34,091
Cash and cash equivalents	2,393,076	13,206,637
	2,427,760	13,240,728
Total financial assets	2,841,409	13,654,377
Financial liabilities, at amortised cost		
Other payables (excluding GST payables)	255,451	10,293,700
Total financial liabilities	255,451	10,293,700

18. Financial risk management objectives and policies

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

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

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

(a) ***Credit risk***

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

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

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

(a) ***Credit risk (cont'd)***

The Company considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on a financial asset to be when the counterparty fails to make contractual payments when they fall due after a prolonged period, or when the debtor is in significant financial difficulties or liquidation.

The Company considers available reasonable and supportive forward-looking information which includes the following indicators:
- Internal credit evaluation
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making contractual payment.

The Company determined that its financial assets are credit-impaired when:
- There is significant difficulty of the issuer or the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Company categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments after a prolonged period, or when the debtor is in significant financial difficulties or liquidation. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Exposure to credit risk

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

Cash and cash equivalents and other receivables are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default. Expected credit losses has been assessed to be minimal.

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

(b) *Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company maintains an adequate level of cash and bank balances. In assessing the adequacy of these facilities, the Company review its working capital requirement regularly.

The Company has no borrowings as at the end of the reporting period.

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

	Within one year	**More than one year**	**Total**
	$	$	$
2021			
Financial assets:			
Financial assets, at FVOCI	413,649	–	413,649
Cash and cash equivalents	2,393,076	–	2,393,076
Other receivables (excluding GST receivables)	34,684	–	34,684
Total undiscounted financial assets	2,841,409	–	2,841,409
Financial liabilities:			
Other payables (excluding GST payables)	255,451	–	255,451
Total undiscounted financial liabilities	255,451	–	255,451
Total net undiscounted financial assets	2,585,958	–	2,585,958

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

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

	Within one year	More than one year	Total
	$	$	$
2020			
Financial assets:			
Financial assets, at FVOCI	413,649	–	413,649
Cash and cash equivalents	13,206,637	–	13,206,637
Other receivables (excluding GST receivables)	34,091	–	34,091
Total undiscounted financial assets	13,654,377	–	13,654,377
Financial liabilities:			
Other payables (excluding GST payables)	10,293,700	–	10,293,700
Total undiscounted financial liabilities	10,293,700	–	10,293,700
Total net undiscounted financial assets	3,360,677	–	3,360,677

19. Capital management

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

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholder, return capital to the shareholder or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2021 and 2020.

20. Dividend

	2021	2020
	$	$
Declared during the financial year:		
Exempt (one-tier) dividend for 2021: $Nil (2020: $9) per share	–	10,000,008

On 31 March 2020, the Board of Directors declared an interim dividend of S$9.00 per share amounting to S$10,000,008 for the financial year ended 31 March 2020 be paid out of the retained profits of the Company to the shareholder, Stellant Capital Advisory Services Private Limited.

21. Other matter

Voluntary disclosure – Contempt Proceeding

On 8 November 2019, the Trustee-Manager announced that it would be convening an Extraordinary General Meeting ("EGM") on 3 December 2019 to seek the approval of Unitholders for the proposed voluntary winding up of RHT ("Voluntary Winding Up") under Section 45(1) of the Business Trusts Act and the Trust Deed of RHT.

Subsequently, a judgement of the Supreme Court of India ("Court") dated 15 November 2019 in the matter of Vinay Prakash Singh v. Sameer Gehlaut & Others, Contempt Petition (Civil) No. 2120 of 2018 in Special Leave Petition (Civil) No. 20417 of 2017 ("Contempt Proceedings" and the judgment, "Judgment") was brought to the Trustee-Manager's attention. As part of the Judgment, the Court issued a notice of contempt to Fortis Healthcare Limited ("Fortis").

The Judgment further stated that the Disposal "is a matter which is required to be gone into", and that the Court is prima facie of the view that certain transactions (including the completion of the Disposal by Fortis) is in wilful disobedience of the Court's order dated 14 December 2018 read in conjunction with certain earlier orders.

In view of the Judgment, the Trustee-Manager sought independent legal advice from Indian legal counsel on the impact of the Judgment to RHT.

In summary, Indian legal counsel advised the Trustee-Manager that while RHT is neither a party to the Contempt Proceedings nor has it been made an alleged contemnor thereunder, the EGM and the Voluntary Winding Up, and the distribution(s) to Unitholders referred to in the circular to Unitholders dated 8 November 2019, should not be proceeded with in the current circumstances as doing so may be viewed as being contrary to the spirit of the Judgment as well as in defiance of the authority of the Court, exposing RHT to the risk of being joined in the Contempt Proceedings as an alleged contemnor, thereby resulting in RHT incurring additional costs and expenses, and potential liability.

On 25 November 2019, the Trustee-Manager had also received a request from Fortis requesting that: "the voluntary winding up process be immediately revoked (including but not limited to the revocation of notice for holding of the proposed EGM to approve the voluntary winding up) which shall be in the nature of a suspension of the voluntary winding up process, or the proposed EGM for the same be adjourned till the earlier of: (a) a clarification having been received from the Court to specifically allow for Trustee-Manager to proceed with the voluntary winding up process; or (b) the Court having disposed of the Contempt Proceedings".

Having regard to:

(a) the advice from Indian legal counsel received by the Trustee-Manager on the Judgment;

(b) the request from a Unitholder that the EGM be adjourned; and

(c) the priority of the Trustee-Manager to preserve the assets of RHT in the interests of Unitholders as a whole,

The Trustee-Manager was of the view that it would have been in the interests of Unitholders to consider the adjournment of the EGM for the Voluntary Winding Up until such date and time when the Trustee-Manager is able to make an informed decision as to whether and how the proposed Voluntary Winding Up may be proceeded with.

21. Other matter (cont'd)

Voluntary disclosure – Contempt Proceeding (cont'd)

In view of the uncertainty on the outcome of the Contempt Proceedings before the Court, and its impact on the proposed Voluntary Winding Up, and with a view to maintaining a fair, orderly and transparent market, trading in the units of RHT was voluntarily suspended on 28 November 2019.

On 3 December 2019, the resolution for the proposed adjournment of the EGM for the proposed Voluntary Winding Up was put to vote and was duly passed on an electronic poll vote. The EGM was adjourned until such later date and time when the Trustee-Manager is able to make an informed decision as to whether and how the proposed Voluntary Winding Up may be proceeded with.

As stated in the announcement dated 14 May 2021, the Court hearing had continued on 8 April 2021, 13 April 2021, 15 April 2021, 22 April 2021, 28 April 2021, 29 April 2021, 30 April 2021, 4 May 2021, 10 May 2021 and 12 May 2021, during which the Court continued to hear arguments from the various parties, including Fortis. The legal proceedings may take some time to conclude and the Trustee-Manager will continue to monitor matters leading up to and including the hearing for the Contempt Proceedings. The Trustee-Manager is hopeful of being in a better position to make a more informed decision on whether to proceed with the Voluntary Winding Up after the hearing of the Contempt Proceedings, depending on the outcome thereof. Once there is clarity from the Court and in the absence of any other extenuating circumstances, such as any discussions or negotiations on the injection of a suitable business into RHT, the Trustee-Manager intends to reconvene the EGM for the proposed Voluntary Winding Up.

As of the date of the financial statement, the legal proceedings had not been concluded and the Trustee-Manager will continue to monitor matters leading up to and including the hearing for the Contempt Proceedings.

22. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2021 were authorised for issue in accordance with a resolution of the directors on 31 May 2021.