



FULLERTON HEALTH

Fullerton Healthcare Corporation Limited

(Company Registration Number: 273542)

(incorporated with limited liability in the Cayman Islands on November 30, 2012)

US\$175,000,000 Senior Perpetual Capital Securities

Issue Price: 100.00%

The US\$175,000,000 senior perpetual capital securities (the "Securities") are issued by Fullerton Healthcare Corporation Limited (the "Issuer" or the "Company", and together with our subsidiaries, the "Group"). The Securities confer a right to receive distributions (each, a "Distribution") at the applicable rate described below (the "Distribution Rate") for the period from and including April 6, 2017 (the "Issue Date") or from and including the most recent Distribution Payment Date (as defined below) to, but excluding, the next Distribution Payment Date or any redemption date. Subject to the provisions of the Securities relating to deferral of Distribution, Distributions are payable semi-annually in arrear on the Distribution Payment Dates in each year. "Distribution Payment Dates" are defined as April 6 and October 6 of each year, commencing on October 6, 2017. Unless previously redeemed in accordance with the terms and conditions of the Securities (the "Terms and Conditions"), the Distribution Rate applicable to each Security shall be (i) in respect of each Distribution Payment Date in the period from, and including, the Issue Date to, but excluding, April 6, 2020 (the "Step-Up Date") shall accrue on the outstanding principal amount of the Securities at 7.00% per annum (the "Initial Rate of Distribution") and (ii) in respect of each Distribution Payment Date in the period from, and including, the Step-Up Date and each Reset Date falling thereafter to, but excluding, the immediately following Reset Date, shall accrue on the outstanding principal amount of the Securities at the relevant Reset Distribution Rate, subject to: (A) if a Change of Control Event has occurred, and so long as the Issuer has not already redeemed the Securities in accordance with Condition 7.5, the then prevailing Distribution Rate shall be increased by 5 per cent. per annum with effect from, and including, the immediately following Distribution Payment Date (or, if the Change of Control Event occurs on or after the date which is two Business Days prior to the immediately following Distribution Payment Date, the next Distribution Payment Date); and (B) the provisions set out under Conditions 4.8 and 4.9. Except expressly provided to the otherwise, capitalized terms used herein shall have the meaning ascribed thereto in "Terms and Conditions of the Securities".

The Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date by giving notice (an "Optional Payment Notice") to the Trustee, the Paying Agent and the Securityholders (in accordance with Condition 12) not more than 20 nor less than five Business Days prior to a scheduled Distribution Payment Date, unless a Compulsory Distribution Payment Event has occurred during the Reference Period before that scheduled Distribution Payment Date. Any such deferred Distribution will constitute "Arrears of Distribution". The Issuer may, at its sole discretion, elect to (in the circumstances set out in the Terms and Conditions) further defer any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of an accrued distribution. The Issuer is not subject to any limit as to the number of times Distributions and Arrears of Distribution can or shall be deferred. Each amount of Arrears of Distribution shall bear distributions as if it constituted the principal of the Securities at the applicable Distribution Rate and the amount of such distributions (the "Additional Distribution Amount") with respect to Arrears of Distribution shall be due and payable pursuant to the Terms and Conditions and shall be calculated by applying the applicable Distribution Rate to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the Terms and Conditions. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

Upon the occurrence of a Step-Up Event, unless (x) an irrevocable notice in writing to redeem the Securities has been given by the Issuer to Securityholders, the Trustee and the Paying Agent by the 30th day following the occurrence of the relevant Step-Up Event or (y) the relevant Step-Up Event is remedied by the 30th day following the occurrence of such relevant Step-Up Event, the Distribution Rate will increase by 5 per cent. per annum with effect from (a) the next Distribution Payment Date immediately following the occurrence of the relevant Step-Up Event or (b) if the date on which the relevant Step-Up Event occurs is prior to the most recent preceding Distribution Payment Date, such Distribution Payment Date, provided that the maximum aggregate increase in the Distribution Rate plus any increase due to a Change of Control Event shall be 5 per cent. per annum. If following an increase in the Distribution Rate after a Step-Up Event, such Step-Up Event is cured or no longer exists, and there is no Change of Control Event in existence at such time, upon written notice of such facts being given to the Securityholders, the Trustee and the Paying Agent, the Distribution Rate shall be decreased by 5 per cent. per annum with effect from (and including) the Distribution Payment Date immediately following the date of such notice, provided that the maximum aggregate decrease in the Distribution Rate shall be 5 per cent. per annum.

If on any Distribution Payment Date, payment of all Distributions scheduled to be made on such date is not made in full, the restrictions as described in "Terms and Conditions of the Securities—Distribution—Distribution Discretion—Restrictions in the case of Deferral" shall apply.

The Securities are direct, unconditional, unsubordinated and (subject to Condition 3.3 of the Terms and Conditions) unsecured obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves, and at least *pari passu* with all other (subject to Condition 3.3 of the Terms and Conditions) unsecured and unsubordinated indebtedness of the Issuer, present and future, save for such exceptions as may be provided by applicable legislation.

The Securities are perpetual securities and have no fixed redemption date. The Issuer may redeem all, but not some, of the Securities on the First Call Date or any Distribution Payment Date after the First Call Date at their principal amount (together with any Distribution accrued to (but excluding) the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)). The Securities may also be redeemed at the option of the Issuer in whole, but not in part, at the relevant prices specified in "Terms and Conditions of the Securities—Redemption and Purchase" upon the occurrence of (a) certain changes affecting taxes of the Cayman Islands or Singapore, (b) any change or amendment to the Relevant Accounting Standard such that the Securities will not or will no longer be recorded as "equity" of the Issuer pursuant to the Relevant Accounting Standard, (c) a Breach of Covenant Event, (d) a Relevant Indebtedness Default Event, (e) a Change of Control Event or (f) if at least 90 per cent. in principal amount of the Securities originally issued has already been redeemed or purchased and cancelled by the Issuer and/or its subsidiaries.

Investing in the Securities involves certain risks. See "Risk Factors" beginning on page 24.

The Securities are being offered only outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act"). The Securities have not been, and will not be, registered under the Securities Act or the securities laws of any other jurisdiction. Unless they are so registered, the Securities may be offered only in transactions that are exempt from or not subject to registration under the Securities Act or the securities laws of any other jurisdiction. For further details, see "Subscription and Sale".

Approval-in-principle has been obtained from the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing and quotation of the Securities on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions or reports contained in this Offering Circular. Admission of the Securities to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Securities or the Company or its subsidiaries. Investors are advised to read and understand the contents of this Offering Circular before investing. If in doubt, investors should consult their advisers.

The Securities will be evidenced by a global certificate (the "Global Certificate") in registered form, which will be registered in the name of a nominee of, and deposited with a common depository for, Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream, Luxembourg"). Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg and their respective account holders. Except in the limited circumstances set out herein, definitive certificates for Securities will not be issued in exchange for beneficial interests in the Global Certificate. See "The Global Certificate". It is expected that delivery of the Global Certificate will be made on or about April 6, 2017.

Sole Bookrunner and Lead Manager

CREDIT SUISSE

The date of this Offering Circular is March 30, 2017

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NOTICE TO INVESTORS

The Issuer confirms that: (i) this document contains as of its date of issue all information with respect to the Issuer, the Group and to the Securities which is (in the context of the issue, offering and sale of the Securities) material; (ii) as of such date such information was true and accurate in all material respects and was not misleading in any material respect; (iii) any opinions, predictions or intentions expressed in this document were as of such date honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions; (iv) all proper enquiries were made to ascertain or verify the foregoing; and (v) this document did not, as of its date of publication, omit to state any material fact necessary to make such information, opinions, predictions or intentions not misleading in any material respect. The Issuer accepts responsibility for the information contained in this document accordingly.

This document is highly confidential and has been prepared by the Issuer solely for use in connection with the issuance and offering of the Securities described herein. Credit Suisse (Singapore) Limited (the “Sole Lead Manager”), reserves the right, for any reason, to reject any offer to subscribe for the Securities, in whole or in part, or to sell less than all of the Securities offered hereby. You should read this document before making a decision whether to purchase the Securities.

This document is intended solely for use in connection with the issuance and offering of the Securities described herein, and does not purport to summarize all of the terms, conditions, covenants and other provisions contained in the Trust Deed and other transaction documents described herein. The information provided is not all-inclusive.

The distribution of this document and the offering, sale or delivery of the Securities in certain jurisdictions may be restricted by law. Persons who acquire this document are required by the Issuer and the Sole Lead Manager to inform themselves about and to observe any such restrictions and must obtain any consent, approval or permission required for the purchase, offer or sale by it of the Securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes purchases, offers or sales. No action is being taken to permit a public offering of the Securities or the distribution of this document in any jurisdiction where action would be required for such purposes. See the section entitled “*Subscription and Sale*” for a description of certain restrictions on the offer and sale of the Securities, and the circulation of documents relating thereto, in certain jurisdictions. Nothing contained in this document is, or shall be relied upon as a promise or representation, whether as to the past or the future.

This document is not a prospectus for the purposes of the European Union’s Directive 2003/71 (and amendments thereto, including Directive 2010/73/EU) as implemented in member states of the European Economic Area.

You should rely only on the information contained in this document. No person has been authorized to give any information or to make any representation other than those included in this document in connection with the issuance or sale of the Securities and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer, the Sole Lead Manager, the Trustee or the Agents (each as defined in the Terms and Conditions of the Securities). The information in this document is given only as of the date of this document. Neither the delivery of this document nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the Issuer’s or the Group’s affairs or that there has been no adverse change in the Issuer’s or the Group’s financial position since the date hereof or the date upon which this document has been most recently amended or supplemented or that any other information supplied in connection with the Securities is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. None of the Sole Lead Manager, the Trustee or the Agents undertake to review the financial condition and affairs of the Issuer, the Group following the date of this document nor to advise any investor or potential investor in the Securities of any information coming to the attention of the Sole Lead Manager, the Trustee or the Agents.

This document is personal to the prospective investors to whom it has been delivered by the Sole Lead Manager and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire securities. Investors may not reproduce or distribute this document, in whole or in part, and investors may not disclose any of the contents of this document or use any information herein for any purpose other than considering an investment in the Securities. Distribution of this document to any other person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorized, and any disclosure of any of its contents, without prior written consent of the Issuer, is prohibited. By accepting delivery of this document, the prospective investor agrees to the foregoing and to make no photocopies or other reproduction of this document.

None of the Sole Lead Manager, the Trustee and the Agents or any of their respective affiliates, advisers, directors, employees, agents or representatives make any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this document and investors should not rely on anything contained in this document as a promise or representation by the Sole Lead Manager, the Trustee or the Agents or any of their respective affiliates, advisers, directors, employees, agents or representatives. None of the Sole Lead Manager, the Trustee and the Agents or any of their respective affiliates, advisers, directors, employees, agents or representatives has independently verified any of such information and, to the fullest extent permitted by law, assumes no responsibility for its accuracy or completeness. Each person receiving this document acknowledges that such person has not relied on the Sole Lead Manager, the Trustee and the Agents or any of their respective affiliates, advisers, directors, employees, agents or representatives in connection with its investigation of the accuracy of such information or its investment decision. To the fullest extent permitted by law, none of the Sole Lead Manager, the Trustee and the Agents accept any responsibility for the contents of or any omission from this document or for any statement made or purported to be made by it or on its behalf with respect to the Issuer or the offering and issuance of the Securities. Each of the Sole Lead Manager, the Trustee and the Agents accordingly disclaims any and all liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this document.

Neither this document nor any other information supplied in connection with the offering of the Securities (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Sole Lead Manager, the Trustee or the Agents that any recipient of this document, or any other information supplied in connection with the offering of the Securities, should purchase the Securities. Each person contemplating making an investment in the Securities must make its own investigation and analysis of the Issuer's and the Group's creditworthiness and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience and any other factors which may be relevant to it in connection with such investment. No person should construe the contents of this document as legal, business or tax advice and each person should be aware that it may be required to bear the financial risks of any investment in the Securities for an indefinite period of time. Each person should consult its own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of an investment in the Securities.

This document does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Sole Lead Manager or any affiliate or representative of any of the Issuer or the Sole Lead Manager to subscribe for or purchase, any Securities in any jurisdiction or in any circumstances in which such offer, invitation or solicitation is not authorized or to any person to whom it is unlawful to make such offer, invitation or solicitation.

None of the Issuer, the Sole Lead Manager, the Trustee, the Agents, or any of their respective affiliates, advisers, directors, employees, agents or representatives is or are making any representation to any investor regarding the legality of an investment in the Securities by such investor under applicable laws. Investors should not consider any information in this document to be legal, business and tax advice regarding an investment in the Securities. See the section entitled "*Risk Factors*" for a discussion of certain factors to be considered in connection with an investment in the Securities.

The Issuer and the Sole Lead Manager are relying on the exemption from registration under the Securities Act provided by Regulation S for offers and sales of securities made outside the United States. The Securities have not been registered under the Securities Act or the securities laws of any other jurisdiction and, unless so registered, may be offered or sold only in transactions that are exempt from or not subject to, the registration requirements of the Securities Act and any other applicable laws.

Each purchaser of the Securities must comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, offers or sells such Securities or possesses or distributes this document and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of such Securities under the laws and regulations in force in any jurisdictions to which it is subject or in which it makes such purchases, offers or sales and none of the Issuer, the Trustee or the Sole Lead Manager shall have any responsibility therefor.

The contents of this document have not been reviewed by any regulatory authority in any jurisdiction. You are advised to exercise caution in relation to the offering of the Securities. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

Information on our website or any website directly or indirectly of any of our related corporations or other entities in which we may have an interest is not incorporated by reference into this document and should not be relied upon.

CERTAIN DEFINED TERMS AND CONVENTIONS

In this document, unless otherwise indicated, all references to “we”, “our”, “the Group”, “our Group” and “us” and other grammatical variations thereof are to Fullerton Healthcare Corporation Limited and its subsidiaries taken as a whole. All references to “Fullerton Healthcare Corporation Limited”, “the Issuer”, “the Company” and “our Company” refer to Fullerton Healthcare Corporation Limited as a standalone entity.

In this document, references to “S\$” or “Singapore dollars” and “Singapore cents” are to the lawful currency of Singapore; references to “US\$” or “U.S. dollars” and “U.S. cents” are to the lawful currency of the United States; references to “IDR” or “Rupiah” are to the lawful currency of Indonesia; references to “AUD” or “Australian dollars” are to the lawful currency of Australia; references to “HK\$” and “HK dollars” are to the lawful currency of Hong Kong; references to “RMB” or “Renminbi” are to the lawful currency of China; and references to “Malaysian ringgit” are to the lawful currency of Malaysia.

Any discrepancies in the tables, graphs and charts included in this document between the listed amounts and totals thereof are due to rounding. Save in the case of figures in US\$, S\$, AUD, HK\$ or RMB, which are rounded to the nearest million (to one decimal place) and percentages which are rounded to one decimal place, where applicable, figures are rounded to the nearest whole number. References to “Appendix” are to the appendix set out in this document.

See “*Glossary*” for the definitions of certain terms that are commonly used in this document.

PRESENTATION OF FINANCIAL INFORMATION

We have prepared our consolidated historical financial information in accordance with International Financial Reporting Standards (“IFRS”). This document includes our consolidated financial statements as of and for the years ended December 31, 2014, 2015 and 2016, each of which has been prepared in accordance with IFRS.

Our consolidated financial statements for the year ended December 31, 2014 include the results of operations of PT E-Tirta Medical Center (“Tirta”), Medichcek Australia Pty Ltd (“Medichcek”), Drs Horne & Chin Pte. Ltd. (“H&C”), H C P Pte. Ltd. (“HCP”) and Emerald Medical Pty Ltd. (the “2014 Acquisitions”) from their respective date of acquisition; our consolidated financial statements for the year ended December 31, 2015 include the results of operations of RadLink-Asia Pte Ltd (“RadLink”), Health Maintenance Medical Practice Limited, Health Maintenance Management Services Limited, HMMP (Dental) Limited, Health Maintenance Dentalcare Limited and HM Investment Holding Limited (collectively, the “HMMP Entities”), UrbanRehab Private Limited, Citizens Ambulance & Services Pte. Ltd., Comfort Ambulance & Services Pte. Ltd., Integrated Health Plans Pte Ltd, Advantage Health Benefits Pte. Ltd., Corporate Health Services Pte. Ltd., Corporate Outsource Services Sdn Bhd, The Vascular & General Surgery Center Pte. Ltd. (“TVGSC”), Global Assistance & Healthcare (Singapore) Pte. Ltd., Global Assistance & Healthcare Holdings Pte. Ltd., PT Global Assistance & Healthcare (“PT GAH”) and PT Global Asistensi Medika (“PT GAM”) (together the “GAH Entities”), GJ Medical Clinic, Baseline Group (Personnel) Pty Ltd, Physio Direct Pty Ltd, Top End Physiotherapy and Sports Clinic Pty Ltd and The Trustee for Nirmalendran Family Trust Pty Ltd (the “2015 Acquisitions”) from their respective date of acquisition; and our consolidated financial statements for the year ended December 31, 2016 include the results of operations of Orchard Heart Specialist Pte. Ltd., AME Ambulance Services Pte. Ltd., Dr. Tony Chun Kit Lee Medical Practice Limited (“TCKL”) and PT JLT Gesa (the “2016 Acquisitions”) from their respective date of acquisition. For these reasons, the year-to-year comparison of our operating results for the years ended December 31, 2014, 2015 and 2016 may not be meaningful and you should not use such comparisons as a basis for your investment or to predict our future performance. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Significant Factors Affecting Our Results of Operations—Acquisitions*”, and Note 27 to our consolidated financial statements for the years ended December 31, 2014, 2015 and 2016 for more details of the 2014 Acquisitions, the 2015 Acquisitions and the 2016 Acquisitions.

See “*Exchange Rate Information and Exchange Controls*” for certain historical information on the exchange rate between U.S. dollars and Singapore dollars.

NON-IFRS FINANCIAL MEASURES

“EBITDA” is a non-IFRS financial measure which corresponds to the line item “Earnings before finance cost, taxes, depreciation, amortization, share-based compensation, transaction costs from acquisitions of investments & post-acquisition integration expenses and listing expenses, acquisition break fee and performance stock grant to the co-founders” in our Group’s statements of comprehensive income in our consolidated financial

statements for the years ended December 31, 2014, 2015 and 2016, and represents earnings before (i) depreciation of property, plant and equipment, (ii) amortization of intangible assets, (iii) finance costs, (iv) share-based compensation, (v) transaction costs from acquisitions of investments & post-acquisition integration expenses and listing expenses, (vi) acquisition break fee, (vii) performance stock grant to the co-founders and (viii) income tax expenses. “EBITDA Margin” is a non-IFRS financial measure and is calculated by dividing EBITDA by revenue.

EBITDA and EBITDA Margin in this document are supplemental financial measures of our Group’s performance and liquidity and are not required by, or presented in accordance with, IFRS or generally accepted accounting principles in certain other countries, including the United States. Furthermore, EBITDA and EBITDA Margin are not measures of financial performance or liquidity under IFRS or any other generally accepted accounting principles and should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with IFRS or any other generally accepted accounting principles. You should not consider EBITDA and EBITDA Margin in isolation from, or a substitute for, the analysis of the financial condition or results of operations of our Group, as reported under IFRS. Further, EBITDA and EBITDA Margin may not reflect all of the financial and operating results and requirements of our Group. In particular, EBITDA and EBITDA Margin do not reflect our Group’s needs for capital expenditures, debt servicing or additional capital that may be required to replace assets that are fully depreciated or amortized. Other companies may calculate or define EBITDA and EBITDA Margin differently, limiting their usefulness as comparative measures.

We believe that these supplemental financial measures facilitate operating performance comparisons for our Group from year-to-year by eliminating potential differences caused by variations in capital structures (affecting interest expense), tax positions (such as the impact on periods of changes in effective tax rates or net operating losses) and the age and book depreciation of tangible assets (affecting relative depreciation expense). In particular, EBITDA eliminates the non-cash depreciation expense that arises from the intangible assets recognized in business combinations. We present these supplemental financial measures because we believe these measures are frequently used by securities analysts and investors in evaluating similar issuers.

FORWARD-LOOKING STATEMENTS

This document includes words such as “believe”, “plan”, “expect”, “intend”, “should”, “seek”, “estimate”, “will”, “aim”, “anticipate” and similar expressions that constitute “forward-looking statements”. All statements other than statements of historical facts included in this document, including those regarding future financial position and results, business strategy, plans and objectives of management for future operations (including development plans and dividends) and statements on future industry growth, are forward-looking statements. These forward-looking statements and financial information involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of our Group, or industry results to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements and financial information. These forward-looking statements and financial information are based on numerous assumptions regarding our Group’s present and future business strategies and the environment in which our Group is expected to operate in the future. As these statements and financial information reflect our Group’s current views concerning future events, these statements and financial information necessarily involve risks, uncertainties and assumptions. Actual future performance could differ materially from these forward-looking statements and financial information. You should not place any undue reliance on these forward-looking statements.

The important factors that could cause our Group’s actual results, performance or achievements to differ materially from those in the forward-looking statements and financial information include, but are not limited to:

- changes in laws and regulations in the jurisdictions in which our Group operates;
- the regulatory environment in the jurisdictions in which our Group operates;
- competition in the healthcare industry in the jurisdictions in which our Group operates;
- breaches of laws or regulations in the operation and management of our Group and other future businesses and assets;
- the overall economic environment and general market and economic conditions in the jurisdictions in which our Group operates;
- the ability of our Group to execute our strategies;

- changes in the need for capital and the availability of financing and capital to fund these needs;
- the ability of our Group to anticipate and respond to changes in the healthcare industry, the markets in which we operate, and in customer demands, trends and preferences;
- man-made or natural disasters, including war, acts of international or domestic terrorism, civil disturbances, occurrences of catastrophic events and acts of God such as floods, earthquakes, typhoons and other adverse weather and natural conditions that affect the business or assets of our Group;
- the loss of key personnel of our Group and the inability to replace such personnel on a timely basis or on terms acceptable to our Group;
- exchange rate fluctuations, including fluctuations in the exchange rates of currencies that are used in the business of our Group;
- changes in interest rates or rates of inflation;
- legal, regulatory and other proceedings arising out of the operations of our Group;
- other factors beyond the control of our Group; and
- other matters not yet known to our Group.

Additional factors that could cause our Group's actual results, performance or achievements to differ materially include, but are not limited to, those discussed in "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", and "*Business*". These forward-looking statements and financial information speak only as of the date of this document. We, the Trustee and the Sole Lead Manager expressly disclaim any obligation or undertaking to release publicly any updates of or revisions to any forward-looking statement or financial information contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement or information is based, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other relevant regulatory or supervisory body or agency.

MARKET AND INDUSTRY INFORMATION

This document includes market and industry data and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications, including statements provided by Frost & Sullivan (Singapore) Pte Ltd ("Frost & Sullivan"). Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information. While we believe that the third party information and data contained in this document are reliable, we cannot ensure the accuracy of the information or data, and we, the Trustee, the Sole Lead Manager and any of our or their affiliates or advisors have not independently verified this information or data or ascertained the underlying assumptions relied upon therein.

SUMMARY

This summary highlights information contained elsewhere in this document and may not contain all of the information that may be important to you, or that you should consider before deciding to invest in our Securities. You should read this entire document, including, among others, the financial statements and related notes and “Risk Factors”, before making a decision to invest in our Securities.

Overview

We operate a leading integrated enterprise healthcare solutions platform in the Asia-Pacific region, through which we manage and provide a broad range of healthcare services. Our value proposition entails the integration of our healthcare service offerings with customized healthcare management and advisory capabilities for our enterprise clients, creating value for key stakeholders, including healthcare service providers, employers, insurers and patients, across the healthcare value chain. As of December 31, 2016, we served over 25,000 corporations, directly or through our insurer clients, across the Asia-Pacific region, including multi-national companies, large local companies, SMEs and government organizations.

FHG was incorporated in late 2010 in Singapore and started its business by acquiring 100.0% of the equity interest of Gethin-Jones, an established healthcare provider with over 50 years of operations in Singapore, and A.M. Pharmacy Pte Ltd. FHG further expanded in 2011 with its acquisition of 100.0% of the equity interest in THD, which had three clinics at the time. These acquisitions marked our entry into the Singapore healthcare market, forming the nuclei and foundation of our emerging practice in providing integrated enterprise healthcare solutions. In 2013, our Company became the holding company of FHG and we expanded our operations to Hong Kong and Australia and in 2014, we expanded our operations to Indonesia.

Today, we are organized in two business segments:

Enterprise healthcare services. This segment comprises: (i) primary care services, (ii) executive health screening, (iii) occupational health services, (iv) medical benefits management services (“MBMS”), which is a healthcare administrative toolkit that supplements our other service offerings, and (v) call center services.

Specialty services. This segment comprises (i) medical diagnostic imaging services, (ii) medical specialist services, which currently include, among others, cardiology and general surgery services, (iii) physiotherapy services, (iv) dental services, (v) pharmaceutical services, and (vi) medical assistance and evacuation services.

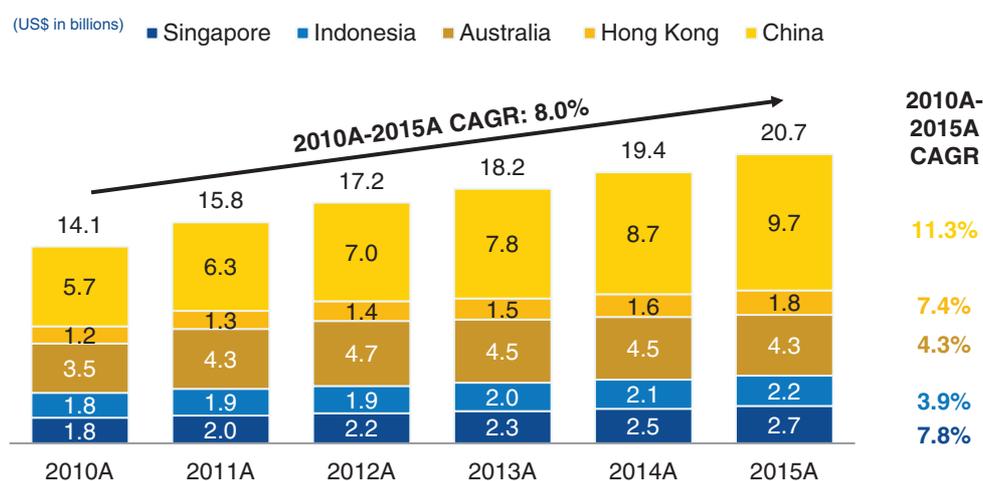


We design and implement cost-effective integrated enterprise healthcare solutions for our corporate and insurer clients, providing their employees and insured members access to our healthcare services while deploying our MBMS capabilities to facilitate management of our service delivery, as customized to fit our clients' needs and budgets.

We provide our clients with access to a global healthcare facilities network, which we refer to and identify in our communications to our clients as our "Fullerton Network". As of December 31, 2016, our Fullerton Network included 193 self-owned facilities, comprising facilities branded under "Fullerton Health" and other brands, including, among others, "Jobfit", "UrbanRehab", "RadLink" and "Tirta Medical Center" and, as of December 31, 2016, we have panel management arrangements covering more than 8,000 healthcare providers. As of December 31, 2016, our self-owned facilities had over 2,000 employees, including over 400 medical professionals.

According to Frost & Sullivan, the addressable market for enterprise healthcare management in our targeted markets (Singapore, Indonesia, Australia, Hong Kong and China) was approximately US\$20.7 billion in 2015. Frost & Sullivan highlights that this growing market remains fragmented, as only a limited number of medical providers can provide an integrated suite of services that can optimize healthcare delivery, and current providers focus on providing specific services rather than integrated solutions. We believe our established client relationships and comprehensive service offerings and capabilities have uniquely positioned us in the Asia-Pacific region to address these market opportunities. The following diagram illustrates the market size of enterprise healthcare services across the five target markets from 2010 to 2015.

Market size of Enterprise Healthcare Management



Source: Frost & Sullivan

Note: "A" refers to actual market size for the years indicated.

Since 2011, we have grown rapidly through both organic growth and strategic acquisitions and investments. We seek to align our growth to anticipate and meet the evolving needs of our clients, and to expand into new service areas and jurisdictions where there is client demand. A key element of our growth strategy is our emphasis on strategic acquisitions of healthcare provider assets to broaden our healthcare delivery network and acquire new competencies or expand our geographic coverage, or to extend our client base and acquire new covered lives. Since 2011, we have completed 26 acquisitions (being acquisitions of controlling equity interests or business assets) and three investments (being T.H.E. Fullerton Healthcare, SC Fullerton and FC Dental Pte. Ltd.) in Singapore, Indonesia, Australia and Hong Kong, which are at various stages of integration. See "*Our Strategies—Expand through acquisitions, joint ventures or strategic alliances*" for more details of our acquisition strategy. To maximize value from our acquisitions and investments, we emphasize the disciplined integration of acquired businesses and assets through our implementation of robust post-acquisition integration processes, which we refer to as our "Fullerton Business Systems".

We believe that our customized and scalable information technology systems play a critical role in ensuring seamless delivery of integrated healthcare solutions to our clients and in our ability to successfully scale our business. Our information technology systems serve to streamline our clients' healthcare management and

administrative functions, such as claims processing, while generating valuable utilization and medical data to which we have proprietary rights. Through our harnessing of such data, we believe we are able to offer advanced data analytics and risk management capabilities to improve our clients' understanding and management of their organizational healthcare needs, budgets and utilization trends.

For the years ended December 31, 2014, 2015 and 2016, our revenue was S\$163.8 million, S\$240.6 million and S\$302.3 million, respectively. For the years ended December 31, 2014, 2015 and 2016, our EBITDA was S\$25.4 million, S\$41.8 million and S\$55.2 million, respectively.

Recent Developments

Our Plans For Expansion Into China

Together with our partners, SC China and CITIC, our strategy is to use the Fullerton China platform to seek acquisition and growth opportunities in China (excluding, at present, Hong Kong and Macau). Our strategy for expansion into China is focused on delivering enterprise healthcare services in major cities such as Beijing, Shanghai and Guangzhou. We believe that our strategy is well supported by the strength of SIN Capital Group and our partners.

Subscription for Securities in Fullerton Health China Limited

On March 8, 2017, we entered into a share subscription agreement with CITIC and SC China pursuant to which (a) CITIC agreed to subscribe for 400 Class A shares and 2,000,000,000 Class B shares in Fullerton Health China Limited ("Fullerton China") for aggregate subscription prices of US\$0.004 and US\$20.0 million respectively; (b) SC China agreed to subscribe for 200 Class A shares and 1,000,000,000 Class B shares in Fullerton China for aggregate subscription prices of US\$0.002 and US\$10.0 million respectively; and (c) the Company agreed to subscribe for 400 Class A shares in Fullerton China for an aggregate subscription price of US\$0.004. The completion of the subscriptions of securities in Fullerton China described in this paragraph (the "FHCL Completion") is expected to occur by the end of March 2017. As of the date of this document, Fullerton China does not own any assets or businesses. Following FHCL Completion, we will own 40.0% of the voting shares of Fullerton China, which will cease to be our subsidiary and will be equity accounted for.

Additionally, the Company has undertaken to subscribe for 2,000,000,000 Class B shares for an aggregate subscription price of US\$20.0 million (the "FHC Class B Subscription") within 20 business days after the occurrence of either (a) the completion of the listing of a class or classes of shares in the Company, under certain specified circumstances; or (b) the completion of a sale of any class or classes of shares in the Company where such sale generates an agreed amount of proceeds for the Company (an "FHC Event"), and in any case no later than the date falling 24 months after FHCL Completion (the "FHC Class B Subscription Date"). If the FHC Class B Subscription is not completed by the FHC Class B Subscription Date, SC China has undertaken to subscribe for 2,000,000,000 Class B shares for an aggregate subscription price of US\$20.0 million (the "SC Class B Subscription") in lieu of FHC. Upon the Completion of the SC Class B Subscription (if applicable) FHC's obligations in respect of the FHC Class B Subscription shall fully, unconditionally and irrevocably lapse and FHC shall sell to SC China all of the 400 Class A shares owned by FHC for an aggregate consideration of US\$0.004.

The subscription price for each such Class A share to be issued pursuant to the share subscription agreement will be the same for each subscriber of Class A shares, and the subscription price for each such Class B share to be issued pursuant to the share subscription agreement will be the same for each subscriber of Class B shares.

Business of Fullerton China; Non-Compete

The business of the Fullerton China group shall be the management and operation of healthcare business in China (excluding, at present, Hong Kong and Macau). Among other things, each of our Company and SC China has agreed that it shall not, and shall procure that its affiliates (as defined in the Glossary) shall not, undertake or carry on or be engaged or interested in any business or activities in competition with Fullerton China and its subsidiaries for as long as it owns any shares in Fullerton China and for 12 months after ceasing to own any shares in Fullerton China. Our existing businesses in Hong Kong continue to be held under and carried out by other companies in our Group.

Class A and Class B shares in Fullerton China

Class A shares are voting shares in Fullerton China which carry no economic rights, including no entitlements to dividends or other distributions and no rights to distributions of assets and funds in liquidation. Class A shares

are also non-transferable except to certain affiliated transferees (as identified in the relevant shareholders' agreement), provided that such permitted affiliated transferee holds Class B shares, provided, however, that upon any such transfer or sale of Class A shares to such an affiliated transferee, a number of Class B shares (corresponding in proportion to the aggregate subscription amount received by Fullerton China in respect of the particular Class A shares being sold/transferred by the relevant holder expressed as a percentage of the aggregate subscription amount received by Fullerton China in respect of all Class A shares held by the relevant holder immediately before such sale/transfer) shall be transferred to such affiliated transferee.

Class B shares are shares in Fullerton China which carry limited voting rights and which have full economic and liquidation preference rights. Class B shares may be transferred or sold to certain affiliated transferees (as identified in the relevant share subscription agreement or shareholders' agreement) or to third parties (other than an agreed restricted list of parties, consisting of certain competitors of our Company and certain of these competitors' shareholders) ("Qualified Third Parties", and collectively with the aforesaid permitted affiliated transferees, the "Permitted Transferees"), provided, however, that upon any such transfer or sale of Class B shares to a Qualified Third Party, a number of Class A shares (corresponding in proportion to the aggregate subscription amount received by Fullerton China in respect of the particular Class B shares being sold/transferred by the relevant holder expressed as a percentage of the aggregate subscription amount received by Fullerton China in respect of all Class B shares held by the relevant holder immediately before such sale/transfer) shall be repurchased by Fullerton China at nominal consideration. If Class B shares are transferred or sold to a permitted affiliate, a number of Class A shares (corresponding in proportion to the aggregate subscription amount received by Fullerton China in respect of the particular Class B shares being sold/ transferred by the relevant holder expressed as a percentage of the aggregate subscription amount received by Fullerton China in respect of all Class B shares held by the relevant holder immediately before such sale/transfer) shall be transferred to such permitted affiliate.

Prior to any such sale of Class B shares to third party purchasers, the other Class B shareholders of Fullerton China shall have a right of first refusal to purchase such Class B shares. If such other Class B shareholders do not exercise their right of first refusal, the shareholder proposing to sell its Class B shares may sell such Class B shares to Permitted Transferees on terms no more favorable than those offered to the other Class B shareholders. Should our Company and/or SC China decide to sell any Class B shares to a third party purchaser, the details of such proposed sale, including price and other terms, must be notified to CITIC, who shall have a tag right to sell a *pro rata* portion of their Class B shares to such third party purchaser on the basis that the number of Class B shares that our Company and/or SC China may sell, and the number of Class B shares that CITIC may sell, shall be *pro rata* (based on the number of Class B shares held by each such shareholder as against the aggregate number of Class B shares held amongst our Company, SC China, and CITIC) on the same terms to the same third party purchaser. If CITIC chooses to exercise their tag right, the completion of the tag along sale and the sale by our Company and/or SC China of our Class B shares must occur concurrently.

Further Equity Funding

Any further issues of equity securities by Fullerton China after FHCL Completion other than as agreed in the Fullerton China transaction documents shall be subject to customary pre-emption rights of the Class A shareholders of Fullerton China and the issue of any additional Class A shares shall be a shareholder reserved matter as further detailed below.

Governance of Fullerton China

Upon FHCL Completion, the board of directors of Fullerton China will consist of five directors. The shareholders' agreement relating to Fullerton China provides that our Company will be entitled to appoint two nominee directors, SC China will be entitled to appoint one nominee director, and CITIC will be entitled to appoint (a) two nominee directors provided that it holds at least 40.0% of the issued Class A shares, or (b) one nominee director provided that it holds at least 20.0% but less than 40.0% of Class A shares. In the event that CITIC holds less than the requisite proportion of Class A shares, its right to appoint nominee director(s) shall be subject to the majority approval of the other Class A shareholders. Save for certain surviving provisions as set out in the shareholders' agreement, the shareholders' agreement will terminate in respect of each Class A shareholder of Fullerton China if it ceases to own Class A shares in Fullerton China and accordingly, among other things, the foregoing director appointment rights will cease to be in effect once each such shareholder ceases to hold Class A shares in Fullerton China.

The shareholders of Fullerton China have agreed to customary board reserved matters (namely, the approval of the annual budget, the business plan and appointment of the chief executive officer of Fullerton China) which may not be undertaken without majority approval of its board, and customary shareholder reserved matters which may not be undertaken without the approval of the holders of at least 90.0% of the issued Class A shares or the unanimous approval of the holders of issued Class A shares (as the case may be). Among other things, the shareholder reserved matters of Fullerton China include an exit event of Fullerton China (which refers to an initial public offering of the shares of Fullerton China or sale of all or substantially all of the shares or assets of Fullerton China) which will result in a lower-than-stated rate of return for the shareholders of Fullerton China; amendments to the articles of association of Fullerton China, various corporate actions including material acquisitions and disposals, material capital expenditures, material borrowings, material related party transactions, certain changes in capital including issues of Class A shares, declaration or payment of a material amount of dividends, commencing or settling material litigation; changes to auditors or accounting policies and winding up.

CITIC Put Option

In the event that no Exit Event (which refers to an initial public offering or sale of all or substantially all of the shares or assets of Fullerton China) resulting in CITIC and/or its permitted affiliated transferees achieving at least 1.8 times of their investment amount into the Class A shares and Class B shares in Fullerton China (as described in “—Class A and Class B shares in Fullerton China”) occurs before the date falling on the fifth anniversary of FHCL Completion (the “Put Option Date”), within 12 months of such date, CITIC and/or its permitted affiliated transferees may exercise a put option and require our Company to purchase the Class B shares subscribed and held by CITIC and/or its permitted affiliated transferees (the “Put Option Shares”) and accompanying Class A shares. The purchase of the Put Option Shares will be at the higher of (i) a valuation of Fullerton China that will result in CITIC and/or its permitted affiliated transferees achieving at least 1.8 times their investment amount into the Class A shares and Class B shares (the “Fixed Return Valuation”) and (ii) a valuation of Fullerton China calculated on the basis of the following formula (the “EV/EBITDA Formula-Based Valuation”):

$$\{[(80.0\% \times A \times B) - C - D] \times E / F\},$$

Where:

- A means the then prevailing EV/EBITDA multiple of our Company (if any) on the date on which the put option is exercised;
- B means the EBITDA of Fullerton China based on the audited consolidated financial statements of Fullerton China for the financial year ended immediately prior to the date on which the put option is exercised;
- C means the consolidated net debt of Fullerton China on the date on which the put option is exercised;
- D means the minority interest of Fullerton China at book/market value (as applicable) on the date on which the put option is exercised;
- E means the number of Put Option Shares on the date on which the put option is exercised; and
- F means the total number of Class B shares in the capital of Fullerton China on the date on which the put option is exercised.

For the purposes of calculating the EV/EBITDA multiple, EBITDA of our Company shall be based on the audited consolidated financial statements of our Company for the financial year ended immediately prior to the date on which the put option is exercised and “EV” means the market capitalization of our Company, plus consolidated net debt of our Company on the date on which the put option is exercised, plus minority interest at book/market value (as applicable) of our Company on the date on which the put option is exercised, where:

- (a) “market capitalization” means the volume weighted average price of our Company’s Shares during the 30 calendar days immediately prior to the date on which the put option is exercised (determined from the Bloomberg <VWAP> platform), multiplied by total number of issued Shares in the capital of our Company on a fully-diluted basis; and
- (b) “net debt” means our Company’s long-term and short-term borrowings (including but not limited to bank loans, bonds payable, commercial papers and finance leases) excluding shareholder loans and perpetual securities (where such perpetual securities are not accounted as debt in the applicable financial statements) less cash and cash equivalents.

For details of the accounting treatment of the put option, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Indebtedness—Indebtedness and Liabilities Associated with our Fullerton China Transaction*”.

Proposed Strategic Investment in the Company

We are currently in discussions with a strategic investor (the “Strategic Investor”) in relation to its proposed equity investment in our Company (the “Strategic Investment”), through a combination of new shares to be issued and the acquisition of Shares from certain existing shareholder(s), resulting in the Strategic Investor holding no more than 20% of our issued share capital. The Strategic Investor is expected to have shareholder rights and other protections customary to similar private investments, including a right to appoint one director to the board of our Company. In addition, we expect to agree to certain post-closing adjustments to the purchase price paid for our Shares if we do not achieve certain specified financial targets.

There are no assurances that we will sign a binding agreement with the Strategic Investor on the terms described here, or at all. Please see “*Risks—Risks Relating To Our Business—We may not be successful in the implementation of our growth strategy or the effective management of our growth, which may cause our business to suffer*” for more details.

Our Strengths

We believe our principal competitive strengths include the following:

Leading position and early entrant in the fast growing Asia-Pacific enterprise healthcare solutions market

We are a leading vertically integrated enterprise healthcare solutions provider in the Asia-Pacific region. We have successfully built a leading market position in Singapore, Indonesia and Australia, based on our comprehensive and integrated suite of healthcare services. In Singapore, for example, we are the number one player in the enterprise healthcare management industry, with a market share of 37.4%, as measured by revenues in 2015, according to Frost & Sullivan. We are a trusted medical advisor and health management partner, offering a unique set of healthcare management solutions to our diversified client base across the Asia-Pacific region. As of December 31, 2016, we serviced, directly or through our insurer clients, more than 25,000 corporations, including multi-national companies, large local companies, small and medium enterprises and government organizations, and operate in five countries across the Asia-Pacific region.

According to Frost & Sullivan, there will be growing demand for integrated enterprise healthcare solutions in the Asia-Pacific region in light of an increasingly educated workforce and competition for qualified workers. Employers have identified healthcare benefits as one of the key components for employee recruitment and retention, and many corporations in the Asia-Pacific region currently do not provide the same level of healthcare benefits to their employees relative to common practices in other developed countries. In addition, corporations have to manage increasing healthcare costs while upholding the quality of healthcare services provided to their employees. The aging of the workforce has also increased demand for wellness and preventive care and chronic disease management, which implies higher costs of healthcare services. As such, Frost & Sullivan expects that there will be significant growth potential for healthcare benefits spending by enterprises in Asia. This ultimately drives corporations towards efficient healthcare delivery via outsourcing to integrated corporate healthcare service providers to improve cost efficiencies.

As a result of the key growth drivers described above, we expect that demand for healthcare management solutions will increase, which will boost demand for healthcare solution providers to better coordinate the provision of enterprise healthcare solutions in a cost-effective manner. We believe that our proven track record, our broad and well-established client base and position as a leading enterprise healthcare solutions provider in the Asia-Pacific region provides us with an early-mover advantage that will enable us to capitalize on growth opportunities in the Asia-Pacific markets.

Vertically integrated and scalable platform offers significant cost efficiencies and creates high barriers to entry

We offer a comprehensive suite of healthcare services through our Fullerton Network, which comprises 193 self-owned facilities and more than 8,000 panel healthcare providers as of December 31, 2016. Leveraging on our Fullerton Network, we are able to provide integrated enterprise healthcare solutions across our range of services, from MBMS to specialist healthcare services. Our self-owned facilities offer extensive healthcare services,

including primary, secondary and tertiary care (including general practitioner services and medical specialist care), medical diagnostic imaging services, chronic disease management, physiotherapy services, dental services, executive health screening, occupational health services, medical assistance and evacuation services and pharmaceutical services.

Our large and growing Fullerton Network, growing client base and integrated healthcare model allow us to deliver cost-efficient solutions to our clients due to benefits from economies of scale. This is further supported by our proprietary information technology platform, which allows the delivery of customized, data-driven, reliable and cost-efficient solutions to our clients. We are able to have control and supervision over the costs associated with our businesses across the healthcare value chain, providing us with competitive advantages that are challenging for competitors to replicate. We believe that the sophistication of our integrated healthcare model favors us in tenders for client contracts, as we have few competitors in the Asia-Pacific markets in which we operate that are able to provide a similar value proposition.

Healthcare service providers within our Fullerton Network are able to cross-refer patients across our various services. Through cross-referring services within our Fullerton Network, we believe we are able to capture a bigger portion of the healthcare value chain, enabling us to pass on cost savings to our corporate and insurer clients. We also provide value-added healthcare solutions including occupational health advisory, preventive care solutions or pre-employment assessments which result in enhanced productivity, reduction of medical leave and future healthcare and manpower cost savings.

All these factors not only enable us to have control over the costs associated with our businesses across the healthcare value chain, but also maximize client relationships and provide us with competitive advantages that are challenging for competitors to replicate.

The above ensures that we can link our clients with a network of experienced medical professionals, i.e., the Fullerton Network, whose pricing falls within what we aim to be a reasonable range and which are agreed on in our contracts with our panel of healthcare providers, thereby seeking to reduce instances of potential over-servicing or over-billing of our clients.

Our Fullerton Network delivers value to all stakeholders across the healthcare value chain

Our unique platform delivers value to all stakeholders across the healthcare value chain, including our corporate clients, our insurer clients, healthcare service providers in our Fullerton Network and our patients.

We believe that we benefit key stakeholders in the following ways:

- *For our corporate clients*, we believe our business model provides cost savings by reducing their administrative burden through designing and implementing integrated healthcare solutions that address their specific requirements, while providing access for their employees to healthcare services across our extensive Fullerton Network.
- *For our insurer clients*, our Fullerton Network provides economies of scale from long-term negotiated contracts with healthcare service providers, including significant cost savings from aggregation and consolidation of purchasing. Our in-house medical expertise also facilitates our evaluation of quality of care and adjudication of medical claims on behalf of our insurer clients.
- *For the healthcare service providers in our Fullerton Network*, we believe that we generate increased patient volumes from our corporate and insurer clients, while our customized and scalable information technology systems facilitate efficient administration of claims processing and payment. Our data analytics capabilities also provide clinical insights into care management, improving delivery of service.
- *For patients*, we believe we offer convenience and value due to the extent and diversity of medical services available via our Fullerton Network, which comprises reputable healthcare service providers spread across multiple regions.

Proprietary information technology platform enabling advanced analytics

We believe that our proprietary information technology systems are leading industry solutions that we believe facilitate seamless operational management of our service offerings whilst protecting patient and corporate data according to stringent industry standards and applicable laws and regulations. In accordance with industry standards, FHG holds ISAE 3402 Certification, an assurance standard published in 2011 for documenting that a service organization has adequate internal controls, including controls on information security. Our data is held at

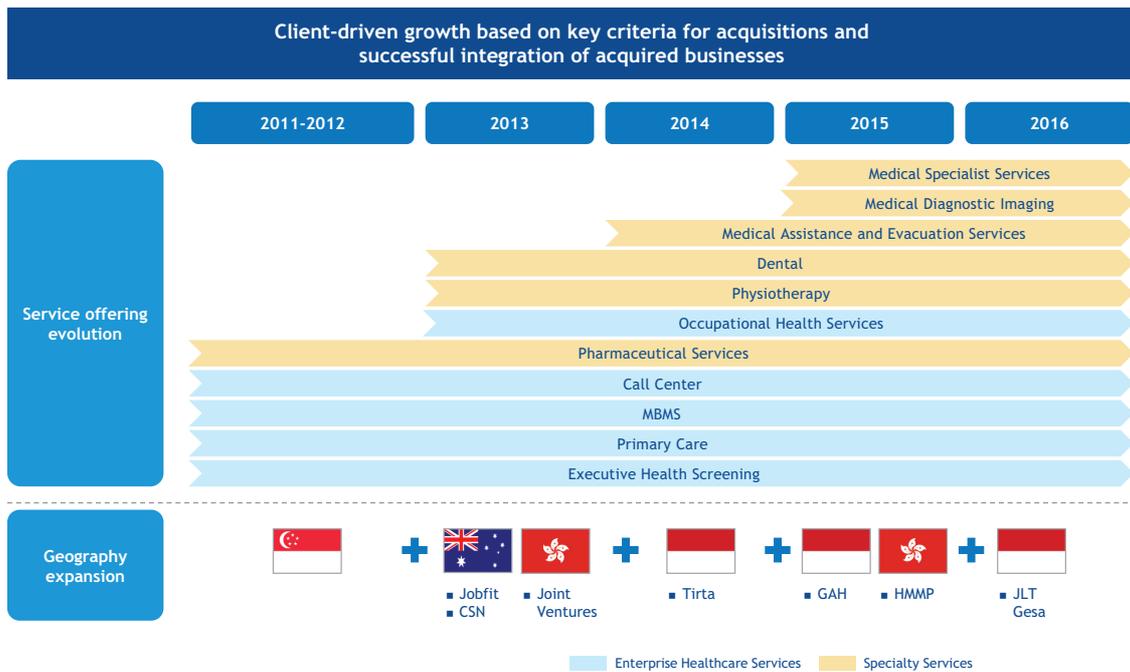
accredited data centers which employ state-of-the-art monitored security. Our systems are scalable and customizable to meet the different needs of our customers. We also possess advanced data analytics capabilities which allow us to analyze and identify utilization patterns to improve business performance, overall efficiency and the well-being of the lives we care for.

Our proprietary technology systems drive the expansion of our Fullerton Network and enhance customer retention by facilitating the quick and simple onboarding of new clients and the integration of new medical providers and institutions into our Fullerton Network. As a result, we have the ability to scale quickly and offer consistent similar services in each of the countries in which we operate. Furthermore, our partnerships with established and reputable technology partners, such as Microsoft, provide assurance to our global corporate and insurer clients on the security and stability of our information technology systems. We believe that this plays a role in attracting new global corporate clients and expanding our business. We are also able to utilize data analytics to identify and fill gaps in the healthcare value chain, enhancing value to our patients and clients. As we utilize our technology platform to organize and analyze employee medical data and our clients' healthcare needs, we have capabilities to deploy data-driven and customized solutions to our clients, which maximize our client relationships. See “—Our Information Technology Platform” for a discussion of our technology platform and its capabilities.

Proven track record and ability to grow

We have a successful track record in growing our business, in particular, the number of lives covered, the types of service offerings and medical expertise we provide. Since 2011, we have been able to sustain our growth through disciplined integration of acquired assets and by replicating our business model in new markets.

The following diagram illustrates our growth based on the above-mentioned metrics since 2011.



We have a multi-pronged growth strategy—we seek to expand our existing business organically through continuously expanding our client and membership base and improving operating efficiencies, to expand into new geographies and new service segments, and to concurrently pursue an acquisition strategy focused on strategic acquisitions of businesses and assets that are synergistic to our existing businesses and disciplined integration of acquired businesses and assets to unlock value for our business through robust post-acquisition integration processes, which we refer to as our “Fullerton Business Systems”. We integrate our acquisitions with our existing businesses and then strive to develop and achieve their potential through organic growth. This model was used to build our Initial Singapore Business and has been used in other markets subsequently.

Our successful integration of different businesses and assets that vary in size, history, culture and operating environments is testament to our proven ability to grow inorganically. For example, when we acquired Gethin-Jones and THD, established healthcare providers in Singapore which formed the foundation of our emerging enterprise healthcare business together with FHG, we were able to increase the aggregated revenue of

the Initial Singapore Business from S\$14.3 million to S\$139.7 million and EBITDA from S\$1.8 million to S\$20.1 million over the period from 2010 (the full year prior to the acquisition of the Initial Singapore Business) to 2016. We believe that this was primarily attributable to our focus on integrating these acquired businesses with our other businesses and developing and identifying synergies.

We believe that our disciplined approach to growth allows us to concurrently sustain organic growth alongside our acquisition strategy, by ensuring that management attention and resources continue to be prudently deployed to achieve operational efficiencies. In particular, we believe that we have been able to sustain strong growth in our Singapore businesses, which accounted for approximately 63.8% of our revenue for the year ended December 31, 2016, underscoring the success of our strategy in expanding our specialty services, which provide higher margins. For example, we were able to significantly increase our revenue and EBITDA growth from our Singapore businesses in 2015 through our acquisition and successful integration of RadLink, which provides high margin specialty services, and we believe that RadLink will continue to reinforce our future organic growth.

We have consistently expanded our client and patient base, along with the provision of additional service offerings. Part of our geographic expansion has been driven by direct requests from existing corporate clients to provide similar services in other countries which they operate in. By leveraging our established integrated healthcare and information technology platform, we believe we are poised to grow and achieve greater synergies, competitive advantages and economies of scale.

Experienced management team and leadership includes Shareholders with uniquely complementary experience and capabilities, in addition to qualified medical doctors with in-depth industry experience

We believe the experience, depth and diversity of our management team and leadership are a distinct competitive advantage in the complex and rapidly evolving healthcare industry in which we operate. Our management team has two main competencies that we believe position them well to lead and grow our business: first, three Executive Officers are qualified doctors, who have, or are in the midst of obtaining, management degrees (Masters of Business Administration or equivalent), with first-hand and in-depth knowledge of healthcare operations as well as experience in working with and managing medical professionals. Second, more than ten of the managers who lead the financial performance of our various subsidiaries are former entrepreneurs who had successfully built profitable companies before we acquired their operations and who have remained with us to grow the businesses of our subsidiaries. Six nationalities are represented in our senior management team, which is testament to the diversity of our leadership and our international outlook.

The members of our senior management team and leadership have extensive industry experience in their respective professional fields and have been instrumental to building our businesses in the Asia-Pacific region. Further, our country managing directors are empowered to drive the growth of the businesses in their respective geographic markets.

The members of our senior management team have on average more than 13 years of healthcare-related experience, spanning the healthcare value chain from primary care to hospital management. Our co-founder, Group Chief Executive Officer and Executive Director, Dr. Michael Tan Kim Song, and our co-founder, Group Deputy Chief Executive Officer, Regional Managing Director, Singapore & Malaysia and Executive Director, Dr. Daniel Chan Pai Sheng, each have extensive experience of more than 13 years in the enterprise healthcare space and are familiar with the needs of employers and insurers in the Asia-Pacific region. Dr. Michael Tan Kim Song was named 2015 Entrepreneur of the Year in Singapore by Ernst & Young. Dr. Michael Tan Kim Song was the Chief Executive Officer of Parkway East Hospital prior to co-founding our Group, and during his tenure there he executed a successful re-positioning and re-branding of the hospital that led to increased revenue and profitability under his leadership. Dr. Daniel Chan Pai Sheng has more than 13 years of experience in the private healthcare sector and has extensive experience in hospital administration and the provision of corporate healthcare benefits prior to co-founding our Group. See “*Management*” for more details on our Directors and Executive Officers.

Our Deputy Chairman and Non-Executive Director, Mr. David Sin is the owner and Chief Executive Officer of SIN Capital Group. Mr. David Sin is also a controlling shareholder of our Company. Under the Service Agreement, SIN Capital Group provides certain corporate services to us, including sourcing, structuring and managing our acquisitions and other transactions (such as managing due diligence, execution, negotiation and completion processes), establishing and implementing our corporate governance and risk framework and post-acquisition integration plans, participating in and leading our new market entry strategies and growth and participating in our operational, financial and business organization structuring and management. Mr. David Sin

and SIN Capital Group have lent their extensive expertise in various industries, particularly in healthcare, to our management and led various investments undertaken by our Group. In particular, Mr. David Sin and SIN Capital Group have assisted in further tightening our policies and instilling discipline in our approach towards corporate activities.

Our Strategies

Our vision is to become the pre-eminent total healthcare solutions provider in the Asia-Pacific region. Our business growth strategy has multiple elements and is focused on aligning ourselves with the evolving needs and demands of our clients. Furthermore, enhancing our position along the healthcare value chain and offering a broader and more integrated continuum of care is a key objective as we seek to expand our service offerings, client base and geographic coverage, leading to increased patient flows and capturing of a larger share of healthcare spend.

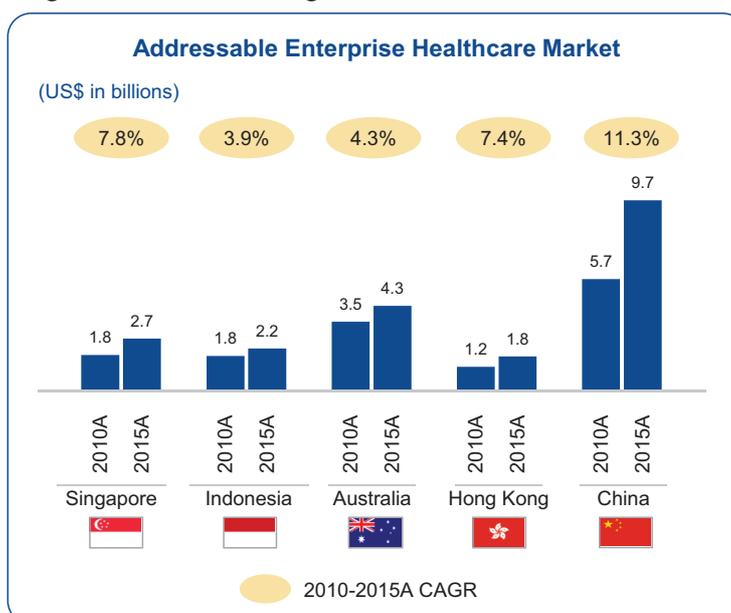
To achieve our goal, we intend to leverage our existing strengths and investments to focus on and execute the following strategies:

Financial Prudence

We have grown rapidly through both organic growth and strategic acquisitions and investment. We evaluate each potential acquisition and investment on the basis of stand-alone profitability and efficiency in addition to its potential synergistic contribution within our business model. Although our leverage has increased over the past years and may increase further in the future, we strive to maintain an efficient capital structure as we grow to provide us sufficient financial flexibility in operations and sufficient liquidity in our cash flow position. Please refer to the section “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Indebtedness*” for further details on our material borrowings.

Expand client base across different client segments

We aim to expand our existing client base by winning new clients across various client segments including insurers, large corporates and SMEs. We believe there are significant opportunities for growth within each of the markets we operate in, given the demand for enterprise healthcare services and the fragmented and underserved nature of the markets. According to Frost & Sullivan, the addressable enterprise healthcare management market in Singapore grew at a CAGR of 7.8% between 2010 and 2015; the addressable enterprise healthcare management market in Indonesia grew at a CAGR of 3.9% between 2010 and 2015; the addressable enterprise healthcare management market in Australia grew at a CAGR of 4.3% between 2010 and 2015; the addressable enterprise healthcare management market in Hong Kong grew at a CAGR of 7.4% between 2010 and 2015; and the addressable enterprise healthcare management market in China grew at a CAGR of 11.3% between 2010 and 2015.



Source: Frost & Sullivan

Note: “A” refers to actual market size for the years indicated.

We will also leverage best practices across markets. We believe that we can use our information technology systems and associated data analytics to demonstrate our comprehensive capabilities to our existing and prospective clients in improving quality of care while reducing their costs and administrative burden. Through increasing our client base both organically and inorganically, we believe we will be able to realize economies of scale and further enhance our value proposition to our clients.

Expand into new geographic markets based on client-driven demand and market opportunity

We have been able to successfully expand into new markets such as Indonesia, Australia and Hong Kong, by leveraging existing client demand and by choosing to expand into new jurisdictions in which our multi-national clients have operations. We believe this approach facilitates quicker and greater utilization of new service offerings and enables us to realize better overall returns on our investments. We plan to continue expanding on the back of client-driven demand into new markets that represent attractive growth opportunities, including other Asia-Pacific markets.

We also believe that China represents an attractive growth market driven by strong fundamental and demographic factors. Through leveraging the strategic value of our joint venture partners, we seek to replicate and adapt our proven business model to the challenges and opportunities of the Chinese market, seeking to use contractual arrangements that are appropriate for our strategic objectives and which comply with all applicable Chinese laws, regulations and policies. We intend to use the Fullerton China platform to seek acquisition and growth opportunities in the China region. See “*Business—Recent Developments—Our Plans For Expansion into China*”.

We also believe that there is significant market potential for quality enterprise healthcare management services in other Asia-Pacific markets in which we do not currently have a presence.

Enhance value proposition to our existing clients and capture more care margins through vertical integration across the healthcare value chain into specialty services

We believe vertical integration continues to be an attractive growth area due to increasing demand for specialty services in the Asia-Pacific region. Frost & Sullivan expects that rising healthcare costs, vertical integration of healthcare services and increasing complexity of healthcare services result in a need for a value-based, integrated and cost-effective solution from corporate healthcare service providers. We are well positioned to maximize the benefits from our vertical integration, as we have an extensive base of primary care facilities that are able to refer patients to our specialty service facilities to enable us to earn larger profit margins within our network of facilities. We seek to continue our strategy of vertical integration to provide more consistent and integrated care to our clients, capture a larger part of overall healthcare spend and share cost savings with our clients.

We aim to pursue different strategies for expansion into specialist services in each of the markets in which we operate based on the prevalence of and demand for such services by our clients. For example, we acquired a physiotherapy practice in Singapore, UrbanRehab Private Limited, in January 2015 based on our analysis of patient data and needs via our customizable and scalable information technology systems. We also acquired RadLink, one of Singapore’s largest private providers of outpatient diagnostic imaging and nuclear medicine services, in May 2015. We are exploring using RadLink as a platform to extend similar diagnostic imaging services across the Asia-Pacific region. Through cross-referrals of services and patients and refining operational efficiencies, we seek to increase profitability across our existing and acquired businesses. We also intend to exercise the lease option to lease and operate commercial floor space in the Bideford Road Building, allowing us to consolidate our current footprint of clinics in the Orchard Road area into a single location, and to position it as our flagship facility in Asia, which is expected to enhance our Fullerton Health brand. See “*Interested Person Transactions—Investment in the Bideford Road Building*”.

Expand through acquisitions, joint ventures or strategic alliances

Expansion through value-creating acquisitions, joint ventures or strategic alliances will continue to play a key role in our growth strategy. Compared to greenfield projects, acquisitions, joint ventures or strategic alliances allow us to establish an immediate presence in new markets, expand service offerings and acquire new clients much more rapidly. In line with our strategy, we are currently pursuing various acquisitions within the specialty care segment in Singapore and the primary care segment in Australia, which we believe would add value to our overall business. We may also pursue certain strategic acquisitions in new markets and/or segments.

We will continue to adopt a disciplined approach to the execution of our growth strategy and focus on identifying healthcare businesses and assets with the following key criteria: (i) a strong management team, (ii) strong or established brand and reputation, (iii) proven track record of profitability, (iv) synergies with our existing businesses, and (v) potential for further growth. We will continue to leverage our business development teams and on-the-ground expertise to evaluate market dynamics and risks, and assess potential target companies and business partners. In addition, we will continue to work with our clients who have relationships with the incumbent players in local markets to provide us with referrals to potential acquisition targets and opportunities to enhance our business development initiatives.

We seek to achieve seamless integration of our acquired businesses with our existing business platform through implementation of our Fullerton Business Systems. The implementation of Fullerton Business Systems begins in parallel to the acquisition process with a pre-integration preparation phase, followed by a full integration process upon successful closing of the transaction.

Continue to develop our information technology systems to improve service quality and provide data analytics capabilities

We believe that our information technology platform is critical in maintaining our competitive advantage. We plan to continuously enhance, upgrade and leverage our customized and scalable information technology systems to further improve service delivery to our clients to foster relationships and maximize client retention. To ensure that our information technology systems are scalable across different countries and to ensure continued data security, we have partnered with Microsoft to shift our on-premise (data center) application hosting to cloud-based application solutions and services. We expect that these initiatives will help to facilitate our delivery of affordable and accessible healthcare services, which allows us to reinforce our value proposition to our clients.

Our fully-owned healthcare information database continues to grow as our client base increases. By leveraging on our integrated business intelligence and analytics platform, we believe that we are able to organize and analyze data to obtain insights on healthcare service utilization patterns. These insights can be used to enhance client service quality, improve fraud detection, save costs and provide greater customization in designing healthcare solutions for our clients.

We will also continue to study utilization trend data to identify shifts in our clients' demands, which facilitates our strategy to grow in alignment with our clients' needs. Furthermore, our integrated business intelligence and analytics platform would enable us to forecast and mobilize resources more quickly and efficiently to deal with care gaps that develop in circumstances such as influenza outbreaks, which would help our clients improve productivity while providing us with new opportunities to generate revenue.

THE OFFERING

The following is a brief summary of certain terms of the Securities. For a more complete description of the Terms of the Securities, see “Terms and Conditions of the Securities”. Capitalized terms not otherwise defined herein shall have the meaning set forth under “Terms and Conditions of the Securities”.

| | |
|---|---|
| Issuer | Fullerton Healthcare Corporation Limited |
| Securities Offered | US\$175,000,000 senior perpetual capital securities |
| Expected Issue Date | April 6, 2017 |
| Issue Price | 100.00% |
| Status of the Securities | The Securities are direct, unconditional, unsubordinated and (subject to Condition 3.3) unsecured obligations of the Issuer and rank and will rank <i>pari passu</i> without any preference among themselves, and at least <i>pari passu</i> with all other (subject to Condition 3.3) unsecured and unsubordinated indebtedness of the Issuer, present and future, save for such exceptions as may be provided by applicable legislation. |
| Negative Pledge | The Terms and Conditions contain a negative pledge provision with certain limitations on the ability of the Issuer to create or have outstanding any mortgage, charge, lien, pledge or other security interest upon, or with respect to, any of its present or future property, assets or revenues (including any uncalled share capital) to secure certain types of indebtedness, as set out in Condition 3.3 of the Terms and Conditions. |
| No Set-Off | Subject to applicable law, no Securityholder may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Securities, and each Securityholder shall, by virtue of his holding of any Securities, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any Securityholder by the Issuer in respect of, or arising under or in connection with the Securities is discharged by set-off, such Securityholder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its Winding-up, the liquidator or, as appropriate, administrator of the Issuer) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of the Issuer) and accordingly any such discharge shall be deemed not to have taken place. “Winding-up” means bankruptcy, winding-up, liquidation or similar proceedings. |
| Initial Rate of Distribution | 7.00% |
| Form and Denomination | The Securities are issued in registered form in amounts of US\$200,000 and integral multiples of US\$1,000 in excess thereof. |
| Distributions | The Securities bear distributions on their outstanding principal amount from and including the Issue Date at the applicable Distribution Rate, payable semi-annually in arrear on April 6 and |

October 6 of each year (each a “Distribution Payment Date”). Subject to the Terms and Conditions, the first payment (for the period from and including the Issue Date to but excluding October 6, 2017 and amounting to US\$35 per US\$1,000 principal amount of Securities) shall be made on October 6, 2017.

Rate of Distribution The rate of distribution (the “Distribution Rate”) applicable to each Security shall be:

- (a) in respect of each Distribution Payment Date in the period from, and including, the Issue Date to, but excluding, the Step-Up Date, 7.00 per cent. per annum; and
- (b) in respect of each Distribution Payment Date in the period from, and including, the Step-Up Date and each Reset Date falling thereafter to, but excluding, the immediately following Reset Date, the Reset Distribution Rate,

subject to: (A) if a Change of Control Event has occurred, and so long as the Issuer has not already redeemed the Securities in accordance with Condition 7.5, the then prevailing Distribution Rate shall be increased by 5 per cent. per annum with effect from, and including, the immediately following Distribution Payment Date (or, if the Change of Control Event occurs on or after the date which is two Business Days prior to the immediately following Distribution Payment Date, the next Distribution Payment Date); and (B) the provisions set out under Conditions 4.8 and 4.9.

Upon the occurrence of a Step-Up Event, unless (x) an irrevocable notice in writing to redeem the Securities has been given by the Issuer to Securityholders (in accordance with Condition 12), the Trustee and the Paying Agent by the 30th day following the occurrence of the relevant Step-Up Event or (y) the relevant Step-Up Event is remedied by the 30th day following the occurrence of such relevant Step-Up Event, the Distribution Rate will increase by 5 per cent. per annum with effect from (a) the next Distribution Payment Date immediately following the occurrence of the relevant Step-Up Event or (b) if the date on which the relevant Step-Up Event occurs is prior to the most recent preceding Distribution Payment Date, such Distribution Payment Date, provided that the maximum aggregate increase in the Distribution Rate pursuant to Condition 4.8 plus any increase due to a Change of Control Event shall be 5 per cent. per annum.

Optional Deferral of Distributions The Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date by giving an Optional Payment Notice to the Trustee, the Paying Agent and the Securityholders (in accordance with Condition 12) not more than 20 nor less than five business days prior to a scheduled Distribution Payment Date.

Compulsory Distribution Payment Event The Issuer may not elect to defer any distribution if during the six-month period ending on the day before that scheduled Distribution Payment Date (“Reference Period”), either or both of the following have occurred:

- (a) a dividend, distribution or other payment has been declared or paid on or in respect of any of its Junior Obligations or

(except on a pro rata basis with the Securities) any of the Issuer's Parity Obligations; or

- (b) any of the Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired by the Issuer for any consideration or (except on a pro rata basis with the Securities), any of the Parity Obligations has been redeemed, reduced, cancelled, bought back or acquired by the Issuer for any consideration,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group (as defined in the Trust Deed); (2) a Permitted Strategic Investor Payment; or (3) as a result of the exchange or conversion of the Issuer's Parity Obligations for the Issuer's Junior Obligations.

Restrictions in the case of Deferral If on any Distribution Payment Date, payments of all distribution scheduled to be made on such date are not made in full by reason of Condition 5, the Issuer shall not:

- (a) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of its Junior Obligations or (except on a pro rata basis) any of its Parity Obligations; or
- (b) redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition by the Issuer for any consideration is made in respect of, any of its Junior Obligations or (except on a pro rata basis) any of its Parity Obligations,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group; (2) a Permitted Strategic Investor Payment; (3) as a result of the exchange or conversion of the Issuer's Parity Obligations for the Issuer's Junior Obligations; or (4) unless and until (A) the Issuer has satisfied in full all outstanding Arrears of Distribution or (B) the Issuer is permitted to do so by an Extraordinary Resolution (as defined in the Trust Deed) of the Securityholders.

Payments of Arrears of Distribution The Issuer:

- (a) may, at its sole discretion, satisfy any Arrears of Distribution (in whole or in part) at any time by giving notice of such election to the Trustee, the Paying Agent and the Securityholders (in accordance with Condition 12) not more than 20 nor less than five Business Days prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Arrears of Distribution on the payment date specified in such notice); and
- (b) in any event shall satisfy any outstanding Arrears of Distribution (in whole but not in part) on the earliest of:
 - (i) the date of redemption of the Securities in accordance with the redemption events set out in Condition 7 (as applicable);

- (ii) the next Distribution Payment Date following the occurrence of a breach of Condition 5.4 or following the occurrence of a Compulsory Distribution Payment Event; and
- (iii) the date such amount becomes due under Condition 10 or on a Winding-up of the Issuer.

Any partial payment of Arrears of Distribution by the Issuer shall be shared by the Securityholders of all outstanding Securities on a *pro rata* basis.

Redemption The Securities are perpetual securities and have no fixed redemption date.

Redemption at the option of the Issuer The Issuer may, having given:

- (a) not less than 30 nor more than 60 days' notice to the Securityholders; and
- (b) notice to the Paying Agent, the Registrar and the Trustee not less than 15 days before the giving of the notice referred to in (a),

(which notices shall be irrevocable and shall specify the date fixed for redemption) redeem all (and not some only) of the Securities on the First Call Date or any Distribution Payment Date thereafter. Any such redemption of Securities shall be at their principal amount, together with distribution accrued (including any Arrears of Distribution and any Additional Distribution Amount) to (but excluding) the date fixed for redemption.

Redemption for taxation reasons The Issuer may, having given:

- (a) not less than 30 nor more than 60 days' notice to the Securityholder; and
- (b) notice to the Paying Agent, the Registrar and the Trustee not less than 15 days before the giving of the notice referred to in (a),

(which notices shall be irrevocable and shall specify the date fixed for redemption) redeem all (and not some only) of the Securities at any time at their principal amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:

- (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of the Cayman Islands or Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements (including a holding by a court of competent jurisdiction), which change or amendment is made public on or after the Issue Date; and

- (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Securities then due.

Redemption for accounting reasons The Issuer may, having given:

- (a) not less than 30 nor more than 60 days' notice to the Securityholders; and
- (b) notice to the Paying Agent, the Registrar and the Trustee not less than 15 days before the giving of the notice referred to in (a),

(which notices shall be irrevocable and shall specify the date fixed for redemption) redeem all (and not some only) of the Securities at any time:

- (i) prior to (and excluding) the First Call Date, at 101 per cent. of their principal amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption); or
- (ii) at their principal amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption),

if, as a result of any changes or amendments to the Relevant Accounting Standard, the Securities will not or will no longer be recorded as "equity" of the Issuer pursuant to the Relevant Accounting Standard.

Redemption in the case of a Change of Control Event The Issuer may, having given:

- (a) not less than 30 nor more than 60 days' notice to the Securityholders; and
- (b) notice to the Paying Agent, the Registrar and the Trustee not less than 15 days before the giving of the notice referred to in (a),

(which notices shall be irrevocable and shall specify the date fixed for redemption) redeem all (and not some only) of the Securities at any time:

- (i) prior to (and excluding) the First Call Date, at 101 per cent. of their principal amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption); or
- (ii) from (and including) the First Call Date at their principal amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption),

if a Change of Control Event occurs.

Redemption in the case of Minimal

Outstanding Amount In the event that the Issuer and/or any of its subsidiaries has, individually or in the aggregate, purchased (and not resold) Securities equal to or in excess of 90% of the aggregate principal amount of the Securities issued on the Issue Date, the Issuer may, having given:

- (a) not less than 30 nor more than 60 days' notice to the Securityholders; and
- (b) notice to the Paying Agent, the Registrar and the Trustee not less than 15 days before the giving of the notice referred to in (a),

(which notices shall be irrevocable and shall specify the date fixed for redemption) redeem all (and not some only) of the Securities at any time at their principal amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption).

Redemption in the case of a Step-Up

Event The Issuer may, having given:

- (a) not less than 30 nor more than 60 days' notice to the Securityholders in accordance with Condition 12; and
- (b) notice to the Paying Agent, the Registrar and the Trustee not less than 15 days before the giving of the notice referred to in Condition 12,

(which notices shall be irrevocable and shall specify the date fixed for redemption) redeem all (and not some only) of the Securities at any time at their principal amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) upon the occurrence of a Step-Up Event.

Taxation and Additional Amounts All payments in respect of the Securities by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("Taxes") imposed, levied, collected, withheld or assessed by or within the Cayman Islands or Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Securityholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Securities in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect of any Security:

- (a) by or on behalf of a Securityholder who is subject to such Taxes by reason only of the holding of such Security or the receipt of any sums due in respect of such Security (including, without limitation, the holder being a resident of, or a permanent establishment in, the Cayman Islands or Singapore);

- (b) held by or on behalf of a holder who would have been able to avoid such withholding or deduction by complying with any statutory requirement or by making a declaration of non-residence or any other claim for exemption or any filing, but fails to do so; or
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that a Securityholder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming that day to have been a Business Day (as defined in Condition 6).

Limited Rights to Institute Proceedings ... The right to institute proceedings for Winding-up is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 5. In addition, nothing in Condition 10, including any restriction on commencing proceedings, shall in any way restrict or limit the rights of the Trustee or any of its directors, officers, employees or agents to claim from or to otherwise take any action against the Issuer in respect of any costs, charges, fees, expenses or liabilities incurred by such party pursuant to or in connection with the Securities or the Trust Deed.

Proceedings for Winding-up If (i) a final and effective order is made or an effective resolution is passed for the Winding-up of the Issuer or (ii) the Issuer fails to make payment in respect of the Securities on the date on which such payment is due and such failure continues for a period of 8 Business Days after the due date, the Issuer shall be deemed to be in default under the Trust Deed and the Securities and the Trustee may, subject to the provisions of Condition 10.4, institute proceedings for the Winding-up of the Issuer and/or prove in the Winding-up of the Issuer and/or claim in the liquidation of the Issuer for such payment.

Further Issues The Issuer may from time to time without the consent of the Securityholders create and issue further securities, having terms and conditions the same as those of the Securities, or the same except for the amount and date of the first payment of distributions, which may be consolidated and form a single series with the outstanding Securities.

Listing and Trading We have made an application to the SGX-ST for the listing and quotation of the Securities on the SGX-ST.

Expected Closing Date April 6, 2017

Use of Proceeds We intend to use the net proceeds due to us from the Offering primarily to fund potential acquisitions in (i) the specialty services segment in Singapore, (ii) the enterprise healthcare services segment in Australia, and (iii) other areas including new strategic markets and/or segments, and for capital expenditures.

For a complete description of the application of the net proceeds due to us, see “*Use of Proceeds*”.

Transfer Restrictions The Securities offered in this Offering have not been, and will not be, registered under the Securities Act or under any U.S. state

securities laws or of any other jurisdiction and will be subject to customary restrictions on transfer and sale. See “*Subscription and Sale*”.

Risk Factors Prospective investors should carefully consider certain risks connected with an investment in the Securities, as discussed in “*Risk Factors*”.

ISIN XS1589875548

Common Code 158987554

Governing Law English law

SUMMARY CONSOLIDATED FINANCIAL AND OTHER INFORMATION

You should read the following summary consolidated financial information for the years indicated in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements, the accompanying notes and the related auditor’s report included elsewhere in this document.

The summary consolidated financial information as of and for the years ended December 31, 2014, 2015 and 2016 has been derived from our audited consolidated financial statements included elsewhere in this document and is qualified in its entirety by reference to those consolidated financial statements and the notes thereto. Unless otherwise stated, all financial information relating to us is prepared and presented in accordance with IFRS.

Summary Consolidated Statement of Comprehensive Income Data

| | Year ended December 31, | | |
|--|-------------------------|---------------|---------------|
| | 2014 | 2015 | 2016 |
| | (\$ in millions) | | |
| Revenue | 163.8 | 240.6 | 302.3 |
| Other income | 0.8 | 3.3 | 4.6 |
| Expenses: | | | |
| Purchase of inventories, net of changes | (17.3) | (27.4) | (41.2) |
| Cost of outsourced medical consultations | (64.2) | (91.6) | (106.4) |
| Employee compensation | (43.0) | (64.7) | (76.3) |
| Rental on operating leases | (6.3) | (9.9) | (12.2) |
| Professional fees | (1.2) | (1.4) | (1.3) |
| Repair and maintenance of equipment | (0.4) | (1.5) | (1.5) |
| Others | (6.8) | (5.6) | (12.8) |
| Earnings before finance cost, taxes, depreciation, amortization, share-based compensation, transaction costs from acquisitions of investments & post-acquisition integration expenses and listing expenses, acquisition break fee and performance stock grant to the co-founders | 25.4 | 41.8 | 55.2 |
| Depreciation of property, plant and equipment | (4.6) | (8.7) | (12.5) |
| Amortization of intangible assets | (5.3) | (6.3) | (7.3) |
| Finance costs | (0.5) | (3.3) | (5.2) |
| Share-based compensation | (2.8) | (5.8) | (14.3) |
| Transaction costs from acquisitions of investments & post-acquisition integration expenses and listing expenses | (8.3) | (15.6) | (33.0) |
| Acquisition break fee ⁽¹⁾ | - | (6.6) | - |
| Performance stock grant to the co-founders | - | (2.8) | (1.3) |
| (Loss)/Profit before income tax | 3.9 | (7.3) | (18.4) |
| Income tax expense | (2.7) | (4.1) | (3.8) |
| (Loss)/Profit for the year | 1.2 | (11.4) | (22.2) |
| Other comprehensive gain/(loss), net of tax: | | | |
| <i>Item that may be reclassified subsequently to profit or loss:</i> | | | |
| Exchange differences on translation of foreign operations | (3.2) | (1.6) | 4.5 |
| Total comprehensive income/(loss) | (2.0) | (13.0) | (17.7) |
| Profit/(Loss) attributable to: | | | |
| Owners of the Company | 1.8 | (12.4) | (24.2) |
| Non-controlling interests | (0.6) | 1.0 | 2.0 |
| | 1.2 | (11.4) | (22.2) |
| Total comprehensive income/(loss) attributable to: | | | |
| Owners of the Company | (1.4) | (13.6) | (20.1) |
| Non-controlling interests | (0.6) | 0.6 | 2.4 |
| | (2.0) | (13.0) | (17.7) |

Note:

(1) See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations—2015 compared with 2014—Acquisition Break Fee”.

Summary Consolidated Balance Sheet Data

| | As of December 31, | | |
|---|--------------------|--------------|--------------|
| | 2014 | 2015 | 2016 |
| | (S\$ in millions) | | |
| Current assets | | | |
| Cash and bank deposits | 22.3 | 38.1 | 19.8 |
| Trade and other receivables | 35.0 | 69.4 | 97.8 |
| Inventories | 1.6 | 2.0 | 2.6 |
| Other current assets | 4.9 | 25.5 | 11.7 |
| | <u>63.8</u> | <u>135.0</u> | <u>131.9</u> |
| Non-current assets | | | |
| Property, plant and equipment | 22.1 | 41.4 | 63.1 |
| Goodwill | 82.5 | 232.7 | 262.2 |
| Intangible assets | 19.6 | 32.3 | 24.9 |
| Investment in associate | 0.1 | 0.5 | 0.5 |
| Other assets | 0.3 | 0.4 | 0.4 |
| Deferred tax assets | - | - | 0.9 |
| | <u>124.7</u> | <u>307.3</u> | <u>352.0</u> |
| Total assets | <u>188.5</u> | <u>442.3</u> | <u>483.9</u> |
| Current liabilities | | | |
| Trade and other payables | 27.2 | 78.8 | 97.0 |
| Current income tax liabilities | 2.6 | 3.8 | 5.5 |
| Finance lease liabilities | * | 8.2 | * |
| Bank borrowings | 5.8 | 98.3 | 43.8 |
| | <u>35.6</u> | <u>189.1</u> | <u>146.3</u> |
| Non-current liabilities | | | |
| Bank borrowings | 5.5 | 26.5 | 12.7 |
| Finance lease liabilities | * | * | * |
| Deferred income tax liabilities | 4.9 | 9.1 | 5.8 |
| Other long term liabilities | * | 2.0 | 9.7 |
| Senior unsecured guaranteed bonds | - | - | 97.8 |
| | <u>10.4</u> | <u>37.7</u> | <u>126.0</u> |
| Total liabilities | <u>46.0</u> | <u>226.8</u> | <u>272.3</u> |
| Net assets | <u>142.5</u> | <u>215.6</u> | <u>211.6</u> |
| Equity | | | |
| Share capital and share premium | 140.2 | 210.9 | 253.3 |
| Share option reserve | 3.1 | 11.7 | 8.5 |
| Currency translation reserve | (3.9) | (5.1) | (1.0) |
| Other reserves | - | - | (19.6) |
| Retained profits (accumulated losses) | 0.1 | (11.9) | (36.0) |
| | <u>139.5</u> | <u>205.6</u> | <u>205.2</u> |
| Non-controlling interests | 3.0 | 10.0 | 6.4 |
| Total equity | <u>142.5</u> | <u>215.6</u> | <u>211.6</u> |

Note:

* Amount is less than S\$100,000.

Summary Consolidated Statement of Cash Flows Data

| | Year ended December 31, | | |
|---|-------------------------|---------|--------|
| | 2014 | 2015 | 2016 |
| | (\$S in millions) | | |
| Net cash provided by operating activities | 13.9 | 31.0 | 46.2 |
| Net cash used in investing activities | (48.2) | (209.8) | (75.2) |
| Net cash provided by financing activities | 32.1 | 194.0 | 17.1 |
| Net (decrease) / increase in cash and cash equivalents | (2.2) | 15.2 | (11.9) |
| Cash and cash equivalents at beginning of financial year | 17.9 | 15.7 | 30.9 |
| Cash and cash equivalents at end of financial year ⁽¹⁾ | 15.7 | 30.9 | 19.0 |

Note:

(1) Cash and cash equivalents excludes fixed deposits pledged with a bank amounting to S\$6,622,000, S\$7,200,000 and S\$808,000 for the years ended December 31, 2014, 2015 and 2016, respectively.

Non-IFRS Financial Data

| | Year ended December 31, | | |
|---|---|-------|-------|
| | 2014 | 2015 | 2016 |
| | (\$S in millions unless otherwise stated) | | |
| EBITDA ⁽¹⁾ | 25.4 | 41.8 | 55.2 |
| EBITDA attributable to enterprise healthcare services | 22.4 | 26.9 | 33.6 |
| EBITDA attributable to specialty services | 3.0 | 14.9 | 21.6 |
| EBITDA Margin ⁽²⁾ | 15.5% | 17.4% | 18.3% |

Notes:

(1) "EBITDA" is a non-IFRS financial measure which corresponds to the line item "Earnings before finance cost, taxes, depreciation, amortization, share-based compensation, transaction costs from acquisitions of investments & post-acquisition integration expenses and listing expenses, acquisition break fee and performance stock grant to the co-founders" in our statements of comprehensive income in our consolidated financial statements for the years ended December 31, 2014, 2015 and 2016, and represents earnings before (i) depreciation of property, plant and equipment, (ii) amortization of intangible assets, (iii) finance costs, (iv) share-based compensation, (v) transaction costs from acquisitions of investments & post-acquisition integration expenses and listing expenses, (vi) acquisition break fee, (vii) performance stock grant to the co-founders and (viii) income tax expenses. EBITDA is a supplemental financial measure of our Group's performance and liquidity and is not required by, or presented in accordance with, IFRS or generally accepted accounting principles in certain other countries, including the United States. Furthermore, EBITDA is not a measure of financial performance or liquidity under IFRS or any other generally accepted accounting principles and should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with IFRS or any other generally accepted accounting principles.

You should not consider EBITDA in isolation from, or a substitute for, analysis of the financial condition or results of operations of our Group, as reported under IFRS. Further, EBITDA may not reflect all of the financial and operating results and requirements of our Group. In particular, EBITDA does not reflect our Group's needs for capital expenditures, debt servicing or additional capital that may be required to replace assets that are fully depreciated or amortized.

Set forth below is a reconciliation of our Group's profit/(loss) for the year to EBITDA:

| | Year ended December 31, | | |
|--|-------------------------|-------------|-------------|
| | 2014 | 2015 | 2016 |
| | (\$S in millions) | | |
| Profit/(Loss) for the year | 1.2 | (11.4) | (22.2) |
| ADD: Depreciation of property, plant and equipment | 4.6 | 8.7 | 12.5 |
| ADD: Amortization of intangible assets | 5.3 | 6.3 | 7.3 |
| ADD: Finance costs | 0.5 | 3.3 | 5.2 |
| ADD: Share-based compensation | 2.8 | 5.8 | 14.3 |
| ADD: Transaction costs from acquisitions of investments & post-acquisition integration expenses and listing expenses | 8.3 | 15.6 | 33.0 |
| ADD: Acquisition break fee | - | 6.6 | - |
| ADD: Performance stock grant to the co-founders | - | 2.8 | 1.3 |
| ADD: Income tax expense | 2.7 | 4.1 | 3.8 |
| EBITDA | 25.4 | 41.8 | 55.2 |

(2) "EBITDA Margin" is a non-IFRS financial measure and is calculated by dividing EBITDA by revenue.

RISK FACTORS

An investment in the Securities involves risks. You should carefully consider all of the information in this document and, in particular, the risks described below before making an investment decision.

The following describes some of the significant risks that could affect us and the value of the Securities. Additionally, some risks may be unknown to us and other risks, currently believed to be immaterial, could turn out to be material. All of these could materially adversely affect our business, financial condition, results of operations, cash flows and prospects. You should also consider the information provided below in connection with the forward-looking statements in this document and the warning regarding forward-looking statements in “Forward-Looking Statements”.

Before deciding to invest in the Securities, you should seek professional advice from your advisors about your particular circumstances.

Risks Relating to Our Business

Many of our business operations are subject to extensive and evolving government laws, regulations, licensing and accreditation requirements, and we could suffer penalties, additional costs and restrictions to our operations if we fail to comply.

Many of our business operations are highly regulated and our business is subject to extensive laws, regulations, licensing and accreditation requirements in the countries in which we operate. Such laws, regulations, licensing and accreditation requirements cover many aspects of our business, including but not limited to:

- the conduct of our operations and the ownership of our assets;
- the provision of services;
- the quality of medical and dental facilities, equipment and services;
- the purchase and sale of medications and pharmaceutical drugs;
- the handling and disposal of regulated items such as radioactive, other hazardous waste and associated environmental regulations for medical and dental facilities;
- the qualifications of medical, dental and other clinical personnel; and
- the confidentiality and maintenance of, and security issues associated with, health-related information and medical or dental records.

The qualifications and practicing activities of our medical and dental professionals, nurses and assistants are also strictly regulated under the laws and regulations of the jurisdictions in which we operate, as well as by other applicable codes of professional conduct or ethics. Medical and dental professionals, nurses and assistants who practice at medical institutions must hold practicing licenses and may only practice within the scope and at the specific medical institutions for which their practicing licenses are registered. If our medical and dental professionals, nurses and assistants fail to comply with their professional licensing requirements, we may be subject to administrative penalties including fines, loss of licenses or restrictions on our medical and dental facility operations, which could materially and adversely affect our business and reputation.

In addition, there are various licensing requirements governing different aspects of our business, including primary and secondary healthcare services, pharmaceutical services, and medical administration, which we must comply with and which may impose conditions that may restrict our operations. Regulatory authorities may exercise broad discretion in assessing our compliance with licensing requirements, varying licensing requirements or introducing new licensing requirements, and we may incur significant costs and suffer operational restrictions that could be harmful to our business.

We are also subject to laws and regulations governing the corporate administration and management of the entities we own. There is no assurance that we will be able to maintain at all times full compliance with such laws as we continue to expand across multiple jurisdictions, and as the number and forms of entities we own and manage continues to grow. In respect of an Indonesian subsidiary, we submitted late applications for certain licenses, and certain existing licenses were inadequate in scope. We have since rectified these non-compliances. However, we may still be subject to penalties for our historical non-compliances, which may include potential criminal liability (including potential imprisonment) for the directors and responsible persons of such Indonesian subsidiary, fines or other administrative sanctions.

We have encountered, and inherited from our acquisitions, and as our operations expand, we may also encounter, or inherit from our acquisitions, corporate secretarial irregularities that may conflict with or affect the validity of corporate actions we take, such as with respect to transfers and allotments of shares. Such irregularities may also give rise to potential claims from past Shareholders and other third parties.

For example, since 2014, each of SC Fullerton, our joint venture in Hong Kong in which we hold a 60.0% shareholding interest, FHHK, our wholly-owned subsidiary which is the 60.0% shareholder of SC Fullerton, and FHI, our subsidiary, have failed to comply with various Hong Kong statutory requirements relating to the convening of annual general meetings, approval by shareholders of audited financial statements and submission of its tax filings. On February 27, 2017, SC Fullerton received a summons relating to the submission of its tax filings. The summons is fixed for hearing on May 31, 2017. To secure information for the purposes of submitting the relevant tax filings, we issued notices on March 8, 2017 to our joint venture partners, requesting the provision of information. At present, we continue to exchange views on our respective responsibilities in respect of such summons, among other things, with our joint venture partners, and there can be no assurance that our joint venture partners will provide the requested information or that we will be able to resolve our differences amicably or at all.

The non-compliances with regard to SC Fullerton have arisen as a result of ongoing differences with our joint venture partners. Certain other non-compliances in relation to FHHK and FHI were caused by administrative oversight or were consequences from our ongoing differences with our joint venture partners. See also “—*We have entered into a number of non-wholly-owned investments and we face risks from these investments that are not wholly-owned by us*”. While we have rectified certain non-compliances in relation to FHHK and FHI as of the date of this document, our non-compliance or delayed compliance has resulted and may continue to result in breaches of applicable Hong Kong laws, which may subject our Hong Kong subsidiaries and their respective directors and responsible persons to penalties and fines, including fines of up to three times the amount of tax undercharged (if any) and other criminal liabilities, including imprisonment.

Notwithstanding that the regulation of managed care companies such as ourselves does not come under the ambit of the Singapore Medical Council, the Ministry of Health has acknowledged publicly that it is currently engaging various stakeholders on managed care. Hence we are unable to ascertain if and when there will be further regulation of our business and what form any such regulations or guidelines may take and there can be no assurances that any changes to legislation, regulations or guidelines or any adoption or change in the official interpretation thereof will not have a material adverse effect on our business and/or the fee arrangements we are able to have with our clients and panel healthcare providers. See also “—*We face competition from existing and potentially new participants in the countries we operate, and the risk of negative publicity from third parties arising from our attempts to differentiate ourselves from traditional industry practices*”.

Laws and regulations, while complex, are sometimes loosely defined, and at times conflicting in nature, intent, or interpretation, in particular in certain countries in which we operate. Many are untested in courts and can have different interpretation and guidance, even from the same regulators. Laws and regulations can vary by different states, regions and jurisdictions. Our business and growth prospects may be constrained by such laws and regulations. Laws and regulations may also evolve over time, and we may have to incur additional costs managing and ensuring our continued compliance.

If courts or regulatory authorities hold us to be in violation of any laws or regulations, including conditions in the permits, licenses and accreditations required for our operations, we may have to pay fines and/or be subject to other penalties, including the revocation of such permits and licenses, modify, suspend or discontinue our operations, incur additional operating costs or make capital expenditures. Our Directors, Executive Officers and employees may also face criminal charges in some instances. Any investigation or legal and regulatory proceedings in connection with alleged violations could also result in the imposition of further financial or other obligations or restrictions on us, or generate negative publicity for our business. Any violation of laws, regulations, licensing and accreditation requirements or investigations and proceedings in connection with any such alleged violation may also have a material and adverse effect on our business, financial condition, results of operations, cash flows and prospects.

Changes to existing laws, regulations and guidelines could also have a negative impact on our operations. Should there be any subsequent modifications, additions or new restrictions to the current compliance standards, we may incur additional costs in complying with the new or modified standards which may materially and adversely affect our profitability and consequently, our business, financial condition, results of operations, cash flows and prospects.

Facilitating our panel healthcare providers' compliance with the 2016 edition of the Singapore Medical Council's Ethical Code and Ethical Guidelines (the "2016 ECEG") may disrupt or have a negative impact on our operations.

On September 13, 2016, the Singapore Medical Council revised its Ethical Code and Ethical Guidelines applicable to medical professionals (now known as the "2016 ECEG"). Among other things, the 2016 ECEG prescribes that medical professionals must not allow financial constraints or pressures inherent in managed care to influence the objectivity of their clinical judgment in managing patients, such that the required standard of care is not provided, and provides guidelines relating to financial conflicts of interest. Particularly, Guideline H3(7) of the 2016 ECEG ("Guideline H3(7)") prohibits doctors from paying managed care companies (such as ourselves) (a) fees that are based primarily on the services the doctors provide or the fees doctors collect, (b) fees that are so high as to constitute fee splitting or fee sharing, or (c) fees which render doctors unable to provide the required standard of care. The 2016 ECEG came into force on January 1, 2017, however Guideline H3(7) will only come into force on July 1, 2017. Although rates for such fees are not prescribed by regulation, there have been (and may continue to be) negative publicity regarding the charging of such fees on a "percentage-of-bill" basis by managed care companies such as ourselves.

At present, the fees charged for our MBMS services are negotiated and agreed with our clients and the management fees we charge our panel healthcare providers are agreed pursuant to our panel management arrangements with our panel healthcare providers. See "*Business—Our Fullerton Network—Our Panel Facilities—Our Panel Management Arrangements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Significant Factors Affecting Our Results of Operations—Utilization of our Healthcare Services—Enterprise Healthcare Services—Fee Arrangements*". In order to facilitate our panel healthcare providers' compliance with Guideline H3(7), given the ambiguity of whether "percentage-of-bill" based fees are permissible under the 2016 ECEG, we are considering several options to restructure the management fees we charge our panel healthcare providers as part of our MBMS services and intend to implement changes to our panel healthcare arrangements prior to July 1, 2017.

While we do not expect any significant financial impact from these changes to our management fee structure, the implementation of new panel management arrangements with our panel healthcare providers could cause disruption to or have a negative impact on our operations.

As of December 31, 2014, 2015 and 2016, revenue attributable to our Singapore MBMS services accounted for approximately 39.0%, 34.9% and 34.4% of our consolidated revenue, respectively.

We are dependent on the demand for enterprise healthcare services from corporations and insurers.

Our business is focused on providing enterprise healthcare services and solutions to corporations and insurers, and substantially all our revenue is derived from these clients. We are dependent on the financial ability of these clients to pay us and on their demand for our enterprise healthcare services and solutions.

Corporate and insurer clients typically conduct periodic reviews on the level of services provided to their employees and insured members under our enterprise healthcare solutions. If any of our corporate or insurer clients cease to use our services or not renew their contracts with us for any reason, revise the manner or amount of negotiated rates they have agreed to pay us under their contracts with us, or reduce the coverage or reimbursement levels for our services, the value of our contracts with these clients may be adversely affected, which could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

Our dependence on our corporate and insurer clients also exposes us to risks associated with their internal management, financial condition and creditworthiness. If these clients significantly reduce their demand for our services, switch to other similar healthcare service providers, or are unable to pay us in a timely manner, or at all, whether due to the deterioration of their financial position, an economic downturn or other reasons, our business, financial condition, results of operations, cash flows and prospects would be materially and adversely affected. Under highly competitive or challenging market conditions, we may have to offer discounts or more favorable credit terms to retain our corporate and insurer clients. Any consolidation, restructuring, reorganization or other ownership change in these corporate and insurer clients may also result in contracts being terminated or renegotiated, which could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects. See also "*—We depend on a number of key clients for a material portion of our revenue*".

As we provide healthcare services and solutions through our contracts with insurer clients to a sizeable number of companies who are their policyholders, our contracts with our larger insurer clients are of particular

significance and contribute substantially to our revenue. If our insurer clients reduce the coverage of treatment options we provide, impose more onerous reimbursement policies, or change their policies in a manner which makes access to our enterprise healthcare services more difficult or costly to clients, our business, financial condition, results of operations, cash flows and prospects could be materially and adversely affected. Risks that generally affect the insurance sector, such as increased regulatory restrictions or a downturn in the sector, could impose operational or financial constraints on our insurer clients and in turn adversely affect us.

We may not be successful in the implementation of our growth strategy or the effective management of our growth, which may cause our business to suffer.

We have experienced rapid growth in our scale and operations since we commenced operations in 2011. Our revenue grew by 46.9% from S\$163.8 million in the year ended December 31, 2014 to S\$240.6 million in the year ended December 31, 2015, and by 25.6% to S\$302.3 million in the year ended December 31, 2016. While our strategy is to continue to grow our business both organically and inorganically, we may not be able to maintain our historical growth rates in future periods.

Revenue growth may slow or revenues may decline for any number of reasons, including:

- our inability to attract and retain our corporate and insurer clients;
- decreased spending by our clients;
- increased competition;
- slowing growth of the overall enterprise healthcare services and solutions market;
- the emergence of alternative business models; and
- changes in government policies or general economic conditions.

Although the size of our client base has continuously increased in the past, the growth rate of our client base may decline over time. We may also lose clients for other reasons, including, but not limited to, failure to deliver satisfactory enterprise healthcare services and solutions, or for any other reason.

To maintain our revenue and to continue to grow, we have to realize our growth strategy and continue to grow both organically and inorganically through acquisitions, joint ventures and strategic alliances, as well as through vertical integration across the healthcare value chain, into specialist or secondary care, and also to expand into new geographic markets, depending on client demand and opportunities for growth. All of these endeavors will require substantial management attention and efforts and require significant additional expenditures, and may be subject to factors that are not within our control. The number of attractive expansion opportunities may be limited, and we may be unable to secure the necessary financing to implement our expansion plans. We may also compete with other companies, including our competitors, who may have greater financial and other resources, for the acquisitions of attractive targets.

Additionally, we may experience delays and other difficulties in consummating acquisitions, investments or joint ventures, including pending or future transactions, if, among other things, we are unable to obtain the necessary financing or fail to meet the conditions and other terms specified in the relevant transaction agreements, as a result of events outside our control or for any other reason. For example, the Strategic Investment is currently being discussed and there are no assurances that we will sign a binding agreement on the terms described in “*Business—Recent Developments—Proposed Strategic Investment in the Company*”, or at all. Even if we come to a binding agreement on the terms of the Strategic Investment, there is no assurance that the Strategic Investment will be completed as contemplated. Another significant transaction pending completion as of the date of this document is our proposed investment in the Bideford Road Building. Additionally, even after FHCL Completion occurs under the Fullerton China transaction, the FHC Class B Subscription will not have been completed. There are no assurances that any of these transactions will complete as contemplated as there are customary terms and conditions to be satisfied through to their respective completion dates. See “*Business—Recent Developments—Proposed Strategic Investment in the Company*” for details of the proposed Strategic Investment, “*Business—Recent Developments—Our Plans For Expansion into China*” for details of our proposed investment in Fullerton China and “*Interested Person Transactions—Investment in the Bideford Road Building*” for details of our proposed investment in the Bideford Road Building. Our failure to complete either of these transactions, or any other pending acquisitions, investments, joint ventures or other transactions, could adversely affect our results of operations and future growth. In particular, failure to complete our proposed investment in Fullerton China for any reason will likely cause delays to our expansion plans for China, or possibly a postponement or suspension of such plans. Among other things, we may need to find alternative suitable partners or agree a commercially viable strategy for such expansion plans.

We may also have difficulty managing our expansion into new areas of the healthcare value chain such as secondary or tertiary care where we are less experienced. We may experience delays or be unsuccessful in any stage of service development, introduction or implementation. We may not be able to successfully market our new services or our clients may not be receptive to our new services. Our competitors' service development capabilities may be more effective than ours, and their new services may reach the market before ours. Our competitors may also be more effective at providing services or be able to provide services at a lower cost. The introduction of new or similar services by our competitors may result in price reductions on our services or reduced margins or loss of market share. Our new services may impact our gross margins depending on the level of market acceptance and the pricing environment for each service.

If we are unable to develop, introduce or implement new services in a timely manner to meet market demand, or if there is insufficient demand for our new services as compared with those of our competitors, our business, financial condition, results of operations, cash flows and prospects may be materially and adversely affected.

We may also engage in the development of greenfield projects as a growth strategy. Building new greenfield facilities brings about risks including those relating to construction, engineering, weather interference, environmental and disaster issues. New medical facilities are characterized by long gestation periods and substantial capital expenditures. We may not achieve the operating levels that we expect from newly developed greenfield facilities and we may not be able to achieve our targeted returns on investment on, or intended benefits from, these projects. Our newly developed greenfield facilities may not be successfully integrated with our existing businesses or achieve the synergies and other benefits we expect from such expansion.

Any of the foregoing factors could adversely affect the successful implementation of our expansion plans, which may limit our growth and materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

The Fullerton China transaction will result, and the Strategic Investment could involve, the issue of securities that will result, in liabilities for us.

The Fullerton China transaction will result in liabilities for us. As part of the Fullerton China transaction, we have granted a put option to CITIC which will require our Company to purchase the Put Option Shares should the put option be exercised. The put option is exercisable within 12 months of the Put Option Date, and in the event that the put option is exercised, we may be required to utilize our cash and/or incur additional indebtedness to fund the exercise of the put option. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Significant Factors Affecting our Results of Operations—Indebtedness and Liabilities Associated with our Fullerton China Transaction*" for more details on this put option and our related obligations and liabilities. We may have other liabilities, including but not limited to S\$50.0 million in principal amount of our 2021 Bonds maturing in 2021 and S\$50.0 million in principal amount of our 2023 Bonds maturing in 2023, that could fall due at or around the time that we are required to fund the exercise of the put option. The put option will become exercisable on the date falling on the fifth anniversary of FHCL Completion (the "Put Option Date"), which will be shortly after our 2021 Bonds mature on July 7, 2021. If we are required to make substantial cash payments pursuant to the exercise of this put option, our cash flow may be affected and the value of our Securities may decline.

If completed, the Strategic Investment could result in liabilities for us. As part of the Strategic Investment, we expect to agree to certain post-closing adjustments to the purchase price paid for our Shares if we do not achieve certain specified financial targets. Subsequent to completion of the transaction, we expect to record a gross liability on our consolidated statement of financial position of the present value of the estimated adjustment payable to the Strategic Investor (if any). See "*Business—Recent Developments—Proposed Strategic Investment in the Company*" for more details of the proposed Strategic Investment.

We have been, and may in the future be, the subject of negative publicity and disputes, claims and complaints arising from our panel healthcare providers and other external parties.

Our panel healthcare providers are external parties who do not operate under our management or control. In order to monitor the clinical quality and service quality and sustainable healthcare pricing of our panel healthcare providers, our panel relations team performs ongoing evaluations of these healthcare service providers based on quality, pricing and other metrics, and we may from time to time make recommendations to our clients based on these evaluations. Our panel healthcare providers may disagree with and challenge the results of our evaluations, the client communications we make based thereon, or the related measures we take.

In adjudicating, adjusting and determining claim amounts payable to our panel healthcare providers, we often make adjustments to the amounts claimed, in accordance with the terms of our panel healthcare arrangements. See “*Business—Our Fullerton Network—Our Panel Facilities—Our Panel Management Arrangements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Significant Factors Affecting Our Results of Operations—Utilization of our Healthcare Services—Enterprise Healthcare Services—Fee Arrangements*”. Our panel healthcare providers may dispute these adjustments, and may also dispute the timings for the payment of their claims. See “*—We are dependent on our relationships with our suppliers, panel healthcare providers and other third parties for various services and functions*”. While we have sought to continuously improve our communications with our panel healthcare providers, there is no assurance that our panel healthcare providers will not dispute our reimbursements of claims made by them.

We have also been, and may in the future be, the subject of various complaints from panel healthcare providers and other external third parties, alleging, among other things, that our services or fee structures, or other aspects of our business, do not comply with existing laws and regulations, or other professional standards. For example, we have been the subject of anonymous complaints as well as related negative publicity (including reports in the local Singapore press) which occurred during an earlier planned capital raising.

Responding to disputes, claims, complaints and/or negative publicity arising from any of the above circumstances, regardless of their ultimate outcomes and notwithstanding that they may be baseless, frivolous or vexatious, can divert the time and effort of our management from our business. Claims and complaints that assert some form of wrongdoing, regardless of the factual basis for the assertions being made, may further result in negative publicity, lawsuits, or investigations by regulators. Adverse publicity, public scrutiny and legal and enforcement proceedings can also have a negative impact on our reputation and affect our relationships with our clients and our panel network, which could materially and adversely affect our businesses, prospects and results of operations.

We may not be able to successfully replicate our business model in other geographic markets.

We may not succeed in expanding our business into new jurisdictions on a timely basis or achieve profitability, and we may not be able to transfer skills and experience from one market to another or be able to deliver consistent quality of service across the markets we are targeting to expand into. In addition to regulatory barriers, we may also encounter problems conducting operations in new jurisdictions with different cultures and legal systems where historical practices may not align with our business practices and corporate policies, or where we have limited knowledge and understanding of the local economy and businesses, an absence of business relationships, or unfamiliarity with local governmental and relevant laws and regulations. The different jurisdictions in which we operate also present distinct market opportunities, risk profiles and competitive landscapes. Growth strategies we successfully adopt in one jurisdiction may not be viable for our business in another jurisdiction. There is no assurance we would be able to transplant and adapt our existing business model successfully to any other jurisdiction or that we would not risk prohibitive costs and expenses doing so. Any of these factors could materially and adversely affect our ability to successfully expand our business, and our failure to effectively manage any expansion may adversely affect our business, financial condition, results of operations, cash flows and prospects.

We may not be able to successfully integrate or achieve synergies from our investments or acquisitions, and we may be exposed to contingent liabilities relating to the businesses we acquire.

We have made a significant number of strategic acquisitions and investments in medical facilities or companies and businesses owning and operating networks of medical facilities, having completed 26 acquisitions (being acquisitions of controlling equity interests or business assets) and three investments (being T.H.E. Fullerton Healthcare, SC Fullerton and FC Dental Pte. Ltd.) since 2011 in Singapore, Indonesia, Australia and Hong Kong, which are at various stages of integration. We continue to integrate our recent acquisitions and we may from time to time make further acquisitions of medical facilities, companies or businesses. Integration of the acquired medical facilities, companies or businesses is critical to ensure coordinated and sustainable growth for our business, but there is no assurance that we will be able to do so successfully.

We may encounter a number of challenges in seeking to integrate the medical facilities, companies or businesses we acquire, including but not limited to the following:

- difficulties arising from expanding into new areas and territories, for example, having to deal with unfamiliar government authorities, laws and regulations;
- the loss of clients or medical professionals of our targets following any acquisition;

- the diversion of attention of both our management and the management of our targets from existing businesses and an interruption of, or a loss of momentum in, the activities of such businesses;
- difficulties arising from coordinating and consolidating corporate and administrative functions, including the integration of internal controls and procedures such as timely financial reporting;
- unforeseen legal, regulatory, contractual, labor or other issues; and
- difficulties arising from language, cultural and geographic barriers.

While we believe that we have a disciplined approach to post-merger integration for our acquisitions, there is no assurance that we will be able to successfully anticipate and deal with the challenges arising from the integration of our acquisitions. Our integration of our acquisitions and investments may also take significant time, which may vary in duration depending on the size and nature of the acquired business or investment. If we are unable to successfully integrate our acquisitions or realize anticipated synergies or economic, operational and other benefits from our acquisitions or investments in a timely manner, we could incur substantial costs and delays or other operational, technical or financial problems, and our business, financial condition, results of operations, cash flows and prospects could be materially and adversely affected. While we have not to date disposed or wound down any operating entities we have acquired, we may be required to do so in the future if we fail to successfully integrate an acquisition or an investment, which could also materially and adversely impact our business.

Businesses, assets and companies that we acquire may also expose us to associated unknown or contingent liabilities, such as liabilities for failure to comply with laws and regulations, and we may become liable for the past activities of such businesses. Additionally, we may require consents and waivers from third parties under the leases, financing and other legal agreements to which we are party to consummate or integrate our acquisitions or to effect corresponding transfers of our assets or changes to our corporate structure. There is no assurance that we will obtain these consents and waivers in a timely manner or at all, and any delay or failure to obtain necessary consents and waivers may expose us to penalties and liabilities under the relevant agreement and may materially and adversely affect our business operations. Although we conduct due diligence on all businesses, assets and companies that we acquire, there is no assurance that every risk associated with the business, asset or company that we acquire, or every consent or waiver required from third parties in connection with an acquisition, can be identified through our due diligence exercises, and failure to do so may have a material and adverse effect on our business, financial condition, results of operations, cash flows and prospects.

We may not be able to successfully execute our expansion into China due to legal, regulatory and other restrictions, including exchange controls imposed by the Chinese government.

Our Company is a Cayman Islands exempted company and as such is classified as a foreign enterprise under Chinese laws. In China, various laws, regulations and rules restrict foreign ownership in, and restrict foreign invested enterprises from holding certain licenses required to operate, healthcare businesses. Although some of the restrictions on foreign investment in healthcare businesses were lifted in December 2011, restrictions still exist in practice. As we execute our China expansion strategy, we may have to rely on contractual arrangements to manage and control any Chinese entities we may become affiliates with. These contractual arrangements may not be as effective as direct ownership in providing us with control over Chinese entities we may become affiliated with and their subsidiaries, and we may not be able to direct the operations of any such affiliated Chinese entities and their subsidiaries in alignment with our interests, which may affect our business, financial condition, results of operations, cash flows and prospects.

Operations in China are subject to Chinese laws, including those governing corporate structure. Chinese regulatory authorities may change their policies to further restrict foreign participation in healthcare services businesses. If we, any Chinese subsidiaries or Chinese affiliates we may have, or their respective subsidiaries are found to be in violation of any existing or future Chinese laws, rules or regulations, we may not be able to consolidate the results of operations of any such affiliated Chinese entities and their subsidiaries. In addition, the relevant regulatory authorities would have broad discretion in dealing with such violations, including:

- revoking the business licenses or operating licenses of our Chinese subsidiaries or affiliated Chinese entities and their respective subsidiaries;
- discontinuing or restricting our operations in China, including shutting down our servers or blocking our websites or discontinuing or placing restrictions or onerous conditions on our operations;

- restricting our ability to collect revenues or confiscating our income or the income of our Chinese subsidiaries or affiliated Chinese entities;
- requiring us to undergo a costly and disruptive restructuring such as forcing us to transfer our equity interests in our Chinese subsidiaries to a domestic entity or invalidating the agreements that our Chinese subsidiaries have entered into with our affiliated Chinese entities and their respective shareholders;
- imposing additional conditions or requirements with which we may not be able to comply; and
- taking other regulatory or enforcement actions, including levying fines, that could be harmful to our business.

There is no assurance that we would not be subject to laws, regulations and policies that would restrict the scope of our business activities in China, expose us to onerous compliance requirements, or subject us to any of the above or other penalties, fines or regulatory actions and proceedings. Any of these consequences may result in a material and adverse effect on our ability to conduct our business and a loss of our economic benefits in the assets and operations of our affiliated Chinese entities and their subsidiaries. If the imposition of any of these penalties causes us to lose the rights to direct the activities of these affiliated entities or our right to receive their economic benefits, we may no longer be able to consolidate, control and/or derive economic benefits from these entities. Additionally, the Chinese government imposes controls on the convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of currency out of China, and we have not analyzed the impact of any such exchange controls on any potential future expansion of our business into China. Any existing and future restrictions on currency exchange and remittance may limit the ability of our affiliated Chinese entities and their subsidiaries to pay dividends and distributions to us, purchase goods and services outside China, or otherwise fund any of their future business activities that may be conducted in currencies other than Renminbi. Regulatory restrictions related to foreign currency loans to, and non-ownership arrangements in, domestic Chinese enterprises, may also limit our ability to finance the operations of our affiliated Chinese entities and their subsidiaries by loans or capital contributions.

Our performance depends on our ability to attract and retain skilled and qualified medical and dental professionals and support staff.

Our performance depends on our ability to attract and retain skilled and qualified medical and dental professionals such as doctors and dentists, support staff such as nurses and assistants, and other healthcare professionals. We rely on the services of these medical and dental professionals and support staff to provide the comprehensive range of services we offer from our self-owned facilities, and we face intense competition from other healthcare service providers to recruit skilled and qualified medical and dental professionals and support staff.

Our expansion plans include the scaling of operations at our self-owned facilities and further acquisition of healthcare businesses and facilities in and beyond the countries in which we currently operate. Our continued expansion may be hampered if we are unable to employ sufficient skilled and qualified medical and dental professionals and support staff to support the increase in the scale of our operations, or if we are unable to retain the medical and dental professionals and support staff of our targets.

In addition, competition for skilled workers including, but not limited to, qualified medical and dental professionals, may require us to enhance our various remuneration packages in order to remain competitive in recruiting or retaining our staff, which may significantly increase our recruiting and staffing costs. We believe that factors that medical and dental professionals and support staff consider important in choosing their employer include the level of compensation, the reputation of the healthcare service provider, professional relationships, number of patient visits, quality of facilities, research opportunities, community relations, and job satisfaction. We may not always compare favorably with our competitors.

In addition, changes in government policies may result in a shortage of qualified medical and dental professionals and support staff and will likely increase the costs of recruiting and retaining such personnel. Our profitability and operating results could be materially and adversely affected if we are required to significantly increase our costs of recruiting and retaining suitable medical and dental professionals and support staff. If we are unable to successfully manage our growth and expansion in the countries in which we operate through recruiting and retaining sufficient skilled and qualified medical and dental professionals and support staff, our business, financial condition, results of operations, cash flows and prospects may be materially and adversely affected. The quality of the healthcare services we offer may also suffer and we may be limited in the scope of our healthcare service offerings to our clients.

We depend on the continued service of our management team and other key executives and employees.

Our future success depends on the continued service of certain individuals and employees. In particular, we rely on the expertise, experience and leadership ability of Dr. Michael Tan Kim Song, our co-founder, Group Chief Executive Officer and Executive Director and Dr. Daniel Chan Pai Sheng, our co-founder, Group Deputy Chief Executive Officer, Regional Managing Director, Singapore & Malaysia and Executive Director, both of whom have substantial experience in the healthcare services industry, and Mr. David Sin, our Deputy Chairman and Non-Executive Director. These individuals have been instrumental in spearheading and implementing our growth, corporate development and overall business strategies. We also rely on our country managing directors and other Executive Officers, our technology officers and staff for the development and operation of our business, and medical professionals for the provision of medical care. In addition, as we expect to focus increasingly on the development of our business, we will need to continue attracting and retaining skilled and experienced medical personnel and sales and marketing staff for our business to maintain our competitiveness.

If one or more of our key executives or employees are unable or unwilling to continue in their present positions, we may not be able to replace them easily or at all and may incur additional expenses to recruit and train new personnel. Consequently, our business could be severely disrupted, and our business, financial condition, results of operations, cash flows and prospects could be materially and adversely affected. In addition, if any of our Executive Officers or employees joins a competitor or forms a competing company, we may lose know-how, trade secrets, clients and key professionals and staff. Certain of our Executive Officers have non-compete provisions in their employment agreements and have also signed non-disclosure and confidentiality agreements with us in relation to the sensitive business information to which they have access. Non-compete provisions may be restrictively interpreted by the courts of the countries in which we operate in the context of employment contracts. If we need to enforce our rights under the non-compete provisions, we cannot assure you that a court would enforce such provisions in a manner that protects our interests or at all.

Furthermore, since the demand and competition for talent is intense in our industry, and the availability of suitable and qualified candidates is limited, we may need to offer higher compensation and other benefits in order to attract and retain key personnel in the future, which could increase our compensation expenses. We have previously granted to certain of our employees and Directors share awards and options, of which some options are still outstanding, and may grant further share awards and options pursuant to the Share Plans. See “*Management—Directors’ and Employees’ Share Incentive Schemes*” for more information on these share awards and options. Such retention awards may cease to be effective to retain our current employees once the awards vest and the options are exercised. We may need to increase our total compensation costs to attract and retain experienced personnel required to achieve our business objectives and failure to do so could severely disrupt our business and growth. We cannot assure you that we will be able to attract or retain the key personnel that we will need to implement our strategies and achieve our business objectives.

We have entered into a number of non-wholly-owned investments and we face risks from these investments that are not wholly-owned by us.

Although we typically maintain a certain level of control over our investments through ownership of a controlling interest or through management control, as part of our expansion strategy, we have entered into and may continue to enter into partnership investments in entities that are not wholly-owned by us. Our investments into entities that are not wholly-owned by us may involve risks or problems with our partners, regardless of whether we have a majority or minority stake. Among other things, our co-shareholders and partners may:

- be unable or unwilling to fulfill their obligations, whether of a financial nature or otherwise;
- have economic or business interests or goals that are inconsistent with ours;
- take actions contrary to our instructions or requests or contrary to our policies and objectives;
- take actions that are not acceptable to regulatory authorities; or
- have disagreements or disputes with us.

On July 29, 2016, our subsidiary, FHG, received two letters from a law firm acting for T.H.E. Check-up Center Limited, our joint venture partner in respect of T.H.E. Fullerton Healthcare, and for The Specialist Consortium Limited, our joint venture partner in respect of SC Fullerton.

In respect of T.H.E. Fullerton Healthcare, our joint venture partner alleged, among other things, that we had breached our obligations under the joint venture agreement by failing to advance shareholders’ loans to finance

certain expenses we had accumulated. Furthermore, it was also alleged that as our appointed director failed to countersign checks, payments were not or may not be made to among others, landlords and employees. It was also alleged, among other things, that members of our Group, being the HMMP Entities, were carrying on business in competition with T.H.E. Fullerton Healthcare in breach of our joint venture agreement. Through our own legal counsel, we wrote in reply and denied these allegations. We also noted that without access to the appropriate documents and information and/or confirmation that employees have not been paid, we are unable to verify the alleged accumulated expenses.

In respect of SC Fullerton, our joint venture partner has among other things, denied that information is pending from SC Fullerton or our joint venture partner in order to enable us to remedy certain statutory non-compliances with respect to SC Fullerton. See “—Many of our business operations are subject to extensive and evolving government laws, regulations, licensing and accreditation requirements, and we could suffer penalties, additional costs and restrictions to our operations if we fail to comply” for a discussion of these statutory non-compliances. Through our own legal counsel, we wrote in reply to reiterate that in the absence of sufficient and complete information and documents which are to be provided by our joint venture partner or persons affiliated with our joint venture partner, we have not been able to prepare the relevant financial information necessary to remedy the statutory non-compliances with respect to SC Fullerton described above.

In light of the ongoing exchanges with our joint venture partners, we have taken steps to engage an external accountant to inspect the accounting records of each of T.H.E. Fullerton Healthcare and SC Fullerton. At present, we have been unable to reach an amicable resolution of our differences with our joint venture partners, and we continue to exchange views on our respective responsibilities in respect of the summons SC Fullerton received on February 27, 2017 for failure to submit its tax filings, among other things. As highlighted above, on March 8, 2017, we sent notices to our joint venture partners requesting that they provide us and the external accountant with financial information and records relating to each of T.H.E. Fullerton Healthcare and SC Fullerton, respectively, in order to enable us to remedy such statutory non-compliances.

While we would like to seek a resolution of these management difficulties with our joint venture partners, there can be no assurance that we will be able to do so, amicably or at all. There may be further disagreements with our joint venture partners or persons affiliated with or otherwise connected to our joint venture partners, litigation or other proceedings may be initiated by either party to resolve these disputes, including but not limited to the summons and over the agreements in relation to and in connection with the joint ventures. Any or all of the foregoing may lead to further allegations, unsubstantiated or otherwise, further statutory non-compliance(s), other liabilities, and/or the winding-up of T.H.E. Fullerton Healthcare and/or SC Fullerton. We may incur damages, loss, and/or further professional costs and expenses to resolve or respond to these matters and may be required to write off some or all of our investments in these joint ventures, which could have a negative impact on our financial condition.

Our disputes with our joint venture partners may potentially expose us to liability for amounts that cannot currently be determined. Both T.H.E. Fullerton Healthcare and SC Fullerton currently remain in operation and are loss-making. Each of T.H.E. Fullerton Healthcare and SC Fullerton accounted for a 1.0% to 2.0% reduction to our Group’s net assets as of December 31, 2016. Each of T.H.E. Fullerton Healthcare and SC Fullerton contributed less than 1.0% of our revenue for each of the years ended December 31, 2014, 2015 and 2016 and accounted for losses amounting to up to 3.2% of EBITDA for each of the years ended December 31, 2014, 2015 and up to 1.0% of EBITDA for the year ended December 31, 2016. In the event we are required to buy out our joint venture partners in order to resolve our differences with them, or, in respect of T.H.E. Fullerton Healthcare, to pay the amount of shareholders’ loans that our joint venture partner alleges we are required to advance under our joint venture agreement, we do not believe these payments would have a material adverse impact on our Group.

We monitor our joint ventures and take steps to maintain amicable and professional relations with our joint venture partners, but there is no assurance that these measures will be adequate or successful. Risks or problems with our partners that we encounter could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects. The resolution of disagreements or disputes between us and our joint venture partners may take time, and there can be no assurance that such disagreements or disputes will be resolved in our favor. Any disagreement with our joint venture partners or an inability to arrive at a consensus may also harm our reputation and impede our ability to grow our business in the relevant country or area of service, which may adversely affect our business, financial condition, results of operations, cash flows and prospects. Also see “—Risks Relating to the Countries in Which We Operate—Our investments in certain countries are subject to foreign ownership and investment restrictions”.

We may fail to integrate, control, update or secure our information technology systems.

The efficient operation of our business depends on our information technology systems. We rely on our information technology systems to, among other things, schedule and manage the provision of services to our clients, effectively manage accounting and financial functions, monitor our internal cost factors and facilitate consultations among medical professionals. These systems are often tailored to the particular needs of our clients and the specific markets in which we operate. In particular, our information technology systems are critical to our ability to offer our clients seamless MBMS between our clients, their employees or insured members and our Fullerton Network.

If we experience an interruption or a reduction in the performance, reliability or availability of our information systems from natural or man-made causes, or from disruptions from our local service providers, our operations and ability to manage our administrative systems could be adversely impacted. Any technical failures associated with our information technology systems, including those caused by power failures and computer viruses and other unauthorized tampering may cause interruptions in our ability to provide services to our patients. Corruption of certain information could also lead to delayed or inaccurate judgments or diagnoses in our treatment of patients and could result in damage to the welfare of our patients.

Our business depends significantly on effective information technology systems, and we have several different information technology systems for our various businesses across the countries in which we operate. The failure to effectively maintain and upgrade our information technology systems could adversely affect our business. Moreover, the proposed expansion of facilities and acquisition of new centers requires transitions to or from, and the integration of, various information systems. The failure to implement and maintain sufficiently advanced technological capabilities could result in competitive and cost disadvantages to us as compared to our competitors. In the event of any failure of our information technology systems, the inability to effectively implement our business continuity plans would lead to a disruption in operations and may have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

Our information technology systems require an ongoing commitment of resources to maintain and enhance existing systems and develop new systems in order to keep pace with continuing changes in information processing technology. We are also reliant on our information technology vendors, including our Internet service providers, to provide us with continued technical support and to maintain the integrity of our information technology systems.

We may be subject to cyber-attacks and other cybersecurity risks and threats, including computer break-ins, phishing, and social engineering. Cybersecurity vulnerabilities may put us at risk for possible losses due to fraud or operational disruption. If we are unable to prevent or contain the effects of any cyber-attacks, or prevent other privacy or data security incidents that result in security breaches that disrupt our operations or result in the unintended dissemination of sensitive personal information or proprietary or confidential information, we may incur financial losses, substantial regulatory fines or penalties, liability, reputational harm, and the downtime required to rectify any such security breaches that may disrupt our business, and/or also lead to material adverse effects on our business, financial condition, results of operations, cash flows and prospects. See also “—*We could be exposed to risks relating to the handling of medical data*”.

We are exposed to fluctuations in foreign exchange rates.

Our functional currency for our medical healthcare services in Indonesia, Australia, Hong Kong, and Malaysia are denominated in Rupiah, Australian dollars, Hong Kong dollars, and Malaysian ringgit, respectively. Some transactions we may engage in may also involve investments and payments by us in currencies other than our functional currencies. In particular, our proposed investment in Fullerton China involves investments and payments by us in U.S. dollars, and the liabilities arising from these transactions are accordingly denominated in U.S. dollars. The accounts of our overseas subsidiaries have to be translated into Singapore dollars for consolidation into our consolidated financial statements at every reporting date.

Generally, monetary assets and liabilities are translated from Rupiah, Australian dollars, Hong Kong dollars, Malaysian ringgit and U.S. dollars into Singapore dollars using the exchange rate on the relevant reporting balance sheet date, while non-monetary assets and liabilities are translated using their respective historical dates. Statements of comprehensive income are generally translated using the average exchange rate for the reporting period. Any currency exchange gain or loss arising from the translation process is recognized as other comprehensive income and accumulated in the foreign currency translation reserve under equity.

While we have hedged some of our foreign currency exposure, we have not engaged significantly in hedging. Generally, if our business activities which are denominated in foreign currencies increase substantially, the

resulting translation differences may materially and adversely affect our results and consequently, our business, financial condition, results of operations, cash flows and prospects. The computation of bank covenants and debt servicing ratios in our financing arrangements may also be affected. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Quantitative and Qualitative Disclosures about Market Risk—Currency Risk*” for more details.

We face the risk of experiencing fraudulent medical claims.

In the provision of healthcare services, fraud takes the form of inflated or falsified medical bills, as well as improper provisioning of prescription drugs. We have taken steps to reduce the risk of fraudulent billing, including the anti-fraud measures described in “*Business—Our Information Technology Platform*”. However, these measures cannot eliminate the possibility of fraud.

Fraudulent medical billing directly increases our costs, which could adversely affect our business, financial condition, results of operations, cash flows and prospects. Fraud also harms our reputation as a trusted service provider in managing our clients’ medical claims. Fraud may also increase the likelihood of government inspections and even criminal prosecutions, which may adversely affect our reputation as a healthcare service provider, with additional adverse consequences for our business, financial condition, results of operations, cash flows and prospects.

We face competition from existing and potentially new participants in the countries we operate, and the risk of negative publicity from third parties arising from our attempts to differentiate ourselves from traditional industry practices.

The enterprise healthcare business is competitive. While we believe our business model presents a different value proposition from other enterprise healthcare providers competing in the markets we operate, we face the risk that these competitors may adopt similar business strategies and directly compete with us.

We believe our business model differs from traditional industry practices and the perception that our growth may be at the expense of other industry participants in the markets in which we operate, coupled with the lack of familiarity with our business model, may also give rise to negative publicity by third parties regarding our business or calls for increased scrutiny or regulation of our business. See also “—*We have been, and may in the future, be the subject of negative publicity and disputes, claims and complaints arising from our panel healthcare providers and other external parties.*”

We also face the risk that more established international competitors from developed markets may seek entry into the emerging markets in which we operate, through mergers and acquisitions or otherwise, leveraging their experience, scale and resources to gain market share from us, or directly through forward integration of their value chains. Our competitors may have longer operating histories, better brand recognition, greater financial resources, more specialized medical staff, a stronger reputation in the market, or cheaper fees. Our competitors may also have established relationships with many of our current or potential clients. If any of our competitors successfully exploit their competitive advantages, we may lose clients and market share, which could adversely affect our revenue and limit our growth. Increased competition may also lead to competitive pricing pressures on our services, which could reduce our profit margins and result in a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

We depend on a number of key clients for a material portion of our revenue.

We are dependent on a small number of clients for a material portion of our revenue. Our five largest client groups by revenue (each client group consisting of affiliated individual clients), in aggregate, contributed 36.8%, 30.6% and 29.2%, respectively, of our total revenue for the years ended December 31, 2014, 2015 and 2016. Our largest individual client by revenue was AIA Singapore Pte Ltd (“AIA Singapore”). For further information, see “*Business—Our Clients—Key Clients*”. We anticipate that a number of our key clients will continue to account for a material portion of our revenue for the foreseeable future. Our dependence on these corporate and insurer clients increases their bargaining power and the need for us to maintain good relationships with them. The loss of one or more of our key clients, or reduced service requirements from any of our key clients could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects. The majority of these key clients use our services on a fee-for-service basis under agreements and arrangements, and there is no guarantee that they will maintain a consistent volume of service from us or that they will not terminate these agreements or arrangements.

We could be exposed to risks relating to handling of medical data.

National laws, rules and regulations generally require medical institutions to protect the privacy of their patients or clients and prohibit unauthorized disclosure of personal information. We may be subject to liability as the result of any theft or misuse of personal information stored on our systems.

Regulations in the jurisdictions in which we operate may require licensees of a private medical clinic or healthcare establishment to keep and maintain proper medical records. In this regard, such licensees are generally required to take all reasonable steps, including implementing such processes as are necessary, to ensure that such medical records are accurate, complete and up-to-date and to implement adequate safeguards (whether administrative, technical or physical) to protect the medical records against accidental or unlawful loss, modification or destruction, or unauthorized access, disclosure, copying, use or modification. Any contravention of these laws and regulations may render the person committing the offense liable on conviction to a fine or imprisonment. These laws, rules and regulations are subject to change. Compliance with new privacy and security laws, regulations and requirements may result in increased operating costs and may constrain or require us to alter our business model or operations which may in turn affect our business, financial condition, results of operations, cash flows and prospects.

We have taken measures to maintain the confidentiality of our clients' medical information, including encrypting such information in our information technology system so that it cannot be viewed without proper authorization and setting internal rules requiring our employees to maintain the confidentiality of our clients' medical information. In accordance with industry standards, FHG holds ISAE 3402 Certification, an assurance standard published in 2011 for documenting that a service organization has adequate internal controls, including controls on information security. Our data is held at accredited data centers which employ state-of-the-art monitored security. However, these measures may not always be effective in protecting our clients' medical information. In addition, although we do not make the clients' medical information available to the public, we compile such data on an aggregated basis after redacting identifying information and provide such data to the human resource departments of our corporate clients and to the insurance professionals of our insurer clients for their analysis and monitoring. Although we believe our current usage of clients' medical information is in compliance with applicable laws and regulations governing the use of such information, there is no assurance that there would not be data leakage or improper use of such medical information due to technology failures or lapses in our controls over access to such information. Any breach of our confidentiality obligations to patients using our Fullerton Network could expose us to potential liabilities such as litigation or regulatory proceedings and adversely impact our reputation.

We may be unable to keep pace with advances in medical technology, or deal with medical technological failures.

We strive to keep up with advances in medical technology relevant to our business. Rapid changes in the medical and healthcare industry require sourcing for and investing in new medical equipment and technology. From time to time, we also need to upgrade existing medical equipment and facilities. This may require significant capital expenditures. If we are unable to adapt to and acquire such advances in medical technology, demand for our medical and healthcare services may decline. There is also no assurance that we will be able to recover the financial outlay for these medical equipment and systems. If we are unable to acquire the necessary equipment and systems and recover the financial outlay, our business, financial condition, results of operations, cash flows and prospects may be materially and adversely affected.

We use sophisticated and expensive medical equipment in the diagnostics imaging business we conduct through RadLink to provide services, including devices required for complex treatment procedures, such as magnetic resonance imaging ("MRI") and computed tomography ("CT") scan machines. Replacement, upgrading or maintenance of equipment may involve significant costs. In addition, because of the high costs of medical equipment and space constraints in our self-owned facility premises, we may not maintain back-up equipment, and, therefore, if such equipment is damaged or breaks down, our ability to provide the relevant services to patients may be impaired and the repair or replacement costs of such equipment may have a material adverse impact on our financial condition and results of operations. If we are unable to keep up with advances in medical technology, our competitive edge will be reduced, which may have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

Malpractice, misconduct or sub-standard services by our healthcare service providers may expose us to the possibility of litigation, complaints, or government investigations, which may result in penalties, reputational harm, or otherwise adverse consequences for our business.

As an operator of medical facilities, we are exposed to the risk of legal claims and regulatory actions arising out of the healthcare services provided within our network of self-owned facilities and our panel healthcare providers.

In addition, with the advent of new technologies and modalities of treatment, the amount of medical malpractice litigation brought by patients has increased across the industry. Moreover, if we were to offer novel healthcare services that involve the treatment of more complex medical conditions which do not have guaranteed positive outcomes, our exposure to medical malpractice litigation may increase. Such medical malpractice litigation is typically brought against the patient's medical professional, who may also seek to include as a defendant the medical facility at which treatment was given.

While we seek to ensure that our medical professionals have appropriate medical malpractice insurance and that clinical insurance is maintained in line with industry custom for our self-owned facilities, there is no assurance that such insurance coverage will be sufficient to cover all potential liabilities and risks that they may face. See "*—Our insurance coverage may not be adequate to indemnify us against all possible liabilities*". In addition, our medical personnel may be subject to disciplinary actions from the respective governing professional bodies and they may be fined and/or have their licenses suspended or revoked.

We are constantly subject to risks of investigations, disciplinary actions or legal claims. If our arrangements for insurance or indemnification are not adequate to cover potential claims, including in the case of claims exceeding policy aggregate limitations or exceeding the resources of the indemnifying party, we may be required to make substantial payments, which may have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects. Additionally, if there are any investigations, disciplinary actions or legal claims, or any other major lapses in our service quality by our medical professionals and service staff, whether actual or perceived, or if there are other circumstances beyond our control that result in adverse publicity to us, our brands and reputation could be negatively impacted and our customers may lose confidence in our healthcare services as a whole.

We could suffer reputational harm arising from any misconduct of the practitioners at our panel healthcare providers.

We have panel management arrangements covering more than 8,000 third party panel healthcare providers as of December 31, 2016, including general practitioner and specialist panel clinics, and hospitals, who provide services to our clients under the terms of their panel management arrangements. We require and expect the practitioners in our panel healthcare providers to possess the licenses and qualifications that are required for their operations and to adhere to certain performance standards both in terms of client service and the quality of the medical care that they provide, and we monitor our relationships with our panels. However, medical professionals in our panel healthcare providers may engage in conduct which our clients find unacceptable, including providing sub-standard service, mishandling sensitive personal healthcare information and committing medical malpractice. We could be exposed to reputational harm and possible liability as a result of servicing a client through a panel healthcare provider who performs unsatisfactorily, which may result in a materially adverse effect on our business, financial condition, results of operations, cash flows and prospects.

Our leverage could adversely affect our ability to raise additional capital, limit our operational flexibility and expose us to interest rate risk.

As of December 31, 2016, our total indebtedness was S\$154.3 million, comprising our bank borrowings of S\$56.5 million and S\$97.8 million comprising our 2021 Bonds and our 2023 Bonds, and we had availability of S\$30.0 million under our credit facilities. Our leverage has increased over the past years and may increase in the future.

Our degree of leverage could have important consequences, including:

- increasing our vulnerability to downturns or adverse changes in general economic, industry or competitive conditions and adverse changes in government regulations;
- requiring a portion of our cash flows from operations to be dedicated to the payment of principal, premium, if any, and interest on our indebtedness, therefore reducing our ability to use our cash flows to fund our operations, capital expenditures and future business opportunities;

- exposing us to the risk of being unable to maintain sufficient levels of cash flows to permit us to pay the principal, premium, if any, and interest on our indebtedness;
- exposing us to the risk of increased interest rates as all of our bank borrowings are unhedged and at variable or floating rates of interest;
- limiting our ability to pay dividends on, repurchase or make distributions in respect of our capital stock or make other restricted payments;
- limiting our ability to make strategic acquisitions or causing us to make non-strategic divestitures;
- requiring lenders' consent to any change of control or changes in shareholding, as defined in the applicable loan agreement;
- limiting our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes; and
- limiting our ability to adjust to changing market conditions and placing us at a competitive disadvantage compared to our competitors who are less highly leveraged.

Under our bank facilities, we are required to satisfy and maintain specified financial ratios. We are also required to comply with certain financial covenants under the reimbursement and indemnity agreement dated July 7, 2016 that we entered into in connection with our Bonds (the "Reimbursement and Indemnity Agreement"). See "*Management's Discussion and Analysis of Financial Condition and Results of Operation—Indebtedness—2021 Bonds and 2023 Bonds*". These financial covenants require, among other things, that we maintain certain maximum gearing ratios (generally defined as gross debt divided by normalized EBITDA). We are currently in compliance with such covenants relating to financial ratios for all of our credit facilities. However, our ability to meet those financial ratios may be affected by events beyond our control, and there can be no assurance that we will continue to meet those ratios.

Any breach of our financial or other covenants under our existing bank facilities would trigger events of default under our other debt agreements that could further result in acceleration under these debt agreements that contain cross-acceleration or cross-default provisions, and we may consequently be required to repurchase or repay a significant amount of our borrowings prior to the date they are due. Upon the occurrence of an event of default under our bank facilities, the lenders thereunder could elect to declare all amounts outstanding under such bank facilities to be immediately due and payable and terminate all commitments to extend further credit. If we were unable to repay those amounts, our lenders could proceed against any collateral granted to us to secure such indebtedness. We have given guarantees under certain of the credit facilities. If any of our lenders accelerate the repayment of borrowings, there can be no assurance there will be sufficient assets to repay them and our other indebtedness. Such events of default under our other debt agreements could result in an event of default under the terms and conditions of our Bonds.

Any breach of our financial covenants under the Reimbursement and Indemnity Agreement would also trigger an event of default under the Reimbursement and Indemnity Agreement. Additionally, it is an event of default under the Reimbursement and Indemnity Agreement if as a group, SIN Capital (Cayman) Ltd (which is controlled by Mr. David Sin) ("SCCL"), Dr. Michael Tan Kim Song and Dr. Daniel Chan Pai Sheng ceases to maintain control, by contract or otherwise, of the largest ownership of the issued share capital and voting rights, by contract or otherwise, in our Company as compared to any other Shareholder or group of Shareholders acting in concert.

The occurrence of an event of default under the Reimbursement and Indemnity Agreement entitles the guarantor, CGIF, to exercise certain remedies at its discretion, including increasing the guarantee fees we pay, imposing on us additional financial and non-financial covenants, enforcing security we have provided pursuant to the Reimbursement and Indemnity Agreement, or requiring us to provide further security or guarantees. We may also have to indemnify CGIF for any losses and additional costs and expenses in connection with any such event of default. Defaults under our existing bank facilities could also trigger an event of default under the Reimbursement and Indemnity Agreement, which would entitle CGIF to the remedies and indemnification described above. In any of these circumstances, our business, financial condition, results of operations, cash flows and prospects could be materially and adversely affected. See "*Management's Discussion and Analysis of Financial Condition and Results of Operation—Indebtedness—2021 Bonds and 2023 Bonds*". As of December 31, 2016, 36.6% of our outstanding debt was subject to interest payments based on variable or floating rates. We do not hedge our interest rate exposure, as we believe we have a reasonable mix of debt with fixed and floating interest rates. Our failure to effectively manage our interest rate risk sensitivity could result in increased

debt service costs and may have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

We have the ability to incur additional indebtedness in the future, subject to the restrictions contained in our existing bank loans. If new indebtedness is added to our current debt levels, the related risks that we now face could intensify, which may have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

We may not be able to generate sufficient cash to service all of our indebtedness and other liabilities, or pay amounts that may become due in respect of the Securities, and may not be able to refinance our indebtedness on favorable terms.

Our ability to make scheduled payments on or to refinance our debt obligations, or to pay Distributions when due (to the extent not deferred in accordance with the terms of the Securities) or any other amounts payable in respect of the Securities including upon a Compulsory Distribution Payment Event or redemption should that occur, depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. There is no assurance that we will be able to maintain a level of cash flow from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness, or to pay any amounts in respect of the Securities to the extent and at the times such amounts become due. Unless the Securities have been previously redeemed, the Distribution Rate will increase beginning on the Step-Up Date. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Indebtedness*” for further details on our material borrowings.

In addition, we conduct our operations principally through our subsidiaries, associates and joint ventures. Accordingly, repayment of our indebtedness, and our ability to pay any amounts in respect of the Securities to the extent and at the times such amounts become due, is dependent on the generation of cash flows by our subsidiaries, associates and joint ventures and their ability to make such cash available to us by dividend, debt repayment or otherwise. Our subsidiaries, associates and joint ventures may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our indebtedness or to pay any amounts in respect of the Securities to the extent and at the times such amounts become due. Each subsidiary, associate and joint venture is a distinct legal entity, and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries, associates and joint ventures.

Our cash flow may also be affected in the event we are required to service certain obligations and liabilities under the legal and financing agreements to which we are party, or to make payments in respect of the Securities pursuant to their terms. For example, in the event that CITIC and/or its permitted affiliated transferees exercise the put option that we have granted to them as part of the Fullerton China transaction, we may be required to utilize our cash, incur additional indebtedness and/or raise additional capital to fund the exercise of this put option. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Significant Factors Affecting Our Results of Operations—Indebtedness and Liabilities Associated with our Fullerton China Transaction*” for more details on this put option and our related obligations and liabilities. We may also have other liabilities, including but not limited to our 2021 Bonds, that could fall due at or around the time that we are required to fund the exercise of this put option.

If our cash flow and capital resources are insufficient to fund any amounts that become payable in respect of the Securities pursuant to their terms, or our debt payment obligations and/or our other liabilities, including the put option granted in connection with the Fullerton China transaction, we may face substantial liquidity problems and may have to dispose our key assets or seek additional capital through alternative means or restructure our indebtedness, which may not necessarily be on favorable terms. We may not be able to consummate those dispositions, or the proceeds from such dispositions may not be adequate to meet any debt service obligations then due, or fund any amounts that become payable in respect of the Securities pursuant to their terms. These dispositions are in turn likely to materially and adversely affect our business, financial condition, results of operations, cash flows and prospects. We may also not be able to seek additional debt capital to fund these obligations and liabilities and among other things, may have to raise additional equity capital which could result in dilution to existing shareholders, and which may be material.

We may also find it necessary or prudent to refinance our outstanding indebtedness with longer-maturity debt or at a higher interest rate. Our ability to refinance our indebtedness on favorable terms, or at all, is directly affected by current global economic and financial conditions as well as our credit position. In addition, our ability to arrange for external financing and the cost of such financing are dependent on numerous factors, including general economic and capital market conditions, currency exchange and interest rates, credit availability from

banks or other lenders, investor confidence in us, the success of our businesses, provisions of tax and securities laws that may be applicable to our efforts to raise capital and political and economic conditions in the countries in which we operate. There can be no assurance that additional financing, either on a short-term or a long-term basis, will be made available or obtained on terms favorable to us.

Our operations may be significantly affected by the occurrence of outbreaks of communicable diseases.

We face risks from epidemics, pandemics and natural disasters in the countries in which we operate. Some of these risks can be mitigated by implementing good risk management systems and appropriate insurance coverage. However, not all such risks can be managed.

During the last decade, the unprecedented outbreak of various communicable diseases, such as the Avian influenza, have affected large parts of Asia and resulted in global economic and social uncertainties. More recently, there has been an outbreak of the Middle East respiratory syndrome that originated in the Middle East, caused by a coronavirus similar to the one that caused the severe acute respiratory syndrome in Asia in 2003. Furthermore, in 2014 and 2016, respectively, the World Health Organization declared the Ebola outbreak in West Africa and the Zika virus outbreak in Central and South America to be international public health emergencies that required extraordinary responses to stop their spread.

There is no assurance that we will not be affected significantly if an outbreak of these communicable diseases should occur in the future. The spread or outbreak of such communicable disease, if uncontrolled, or the measures taken by governments of affected countries against such potential spread or outbreaks, could seriously interrupt our operations, which could materially affect our business, financial condition, results of operations, cash flows and prospects. Furthermore, the medical practitioners in the Fullerton Network will be particularly susceptible to any epidemic or pandemic, given their close contact with patients.

We have certain measures, procedures and protocols in place to mitigate the effects of such outbreaks. This includes, among other things, ensuring a sufficient supply of effective personal protection equipment for all staff (for example, surgical gloves, gowns and caps and N95 respirator masks), having stringent infection control protocols in place to prevent person-to-person contamination and keeping full records of the contact details of patients to facilitate contact tracing if necessary. However, there can be no assurance that our employees in our healthcare facilities will not be infected with communicable diseases, which may disrupt our business or require the affected healthcare facilities to be temporarily shut down for quarantine purposes. Such disruptions to our business and operations may have a negative impact on our financial condition.

Parts of our business may require or may have required us to be licensed as an insurer.

We had, in the past, generally entered into three types of fee arrangements in respect of our integrated enterprise healthcare solutions, namely fee-for-services plans, retainer plans and fixed budget plans.

FHG had entered into contracts with three clients to provide services to them under fixed budget plans and/or on a fee-for-service basis. Where the relevant contract provided fully or partially for services under a fixed budget plan, we provide healthcare services within an agreed scope of healthcare services for an aggregated budgeted fee or a fixed annual fee per employee or insured member. Such fee is generally payable upfront or based on a pre-agreed regular float amount, and reviewed at regular intervals based on the number of employees and insured members enrolled and the claim history of the relevant client. Further, there are certain agreed key performance indicators (“KPIs”), including the time taken for FHG to process claims, the size of medical bills submitted by the employees and the total utilization of FHG’s services. If FHG manages to achieve the KPIs, an incentive or bonus will be due to FHG. If FHG does not achieve the KPIs, FHG may incur contractual penalties.

A person carrying on any class of insurance business in Singapore is required to be licensed by the MAS under the Insurance Act, Chapter 142 of Singapore in respect of that that class of business. The provision of services under fixed budget plans was interpreted by the MAS as amounting to “insurance business” under the Insurance Act.

On May 30, 2016, FHG obtained an exemption from the MAS from the requirement to be licensed as an insurer under the Insurance Act in respect of two of the three clients. The exemption was valid until December 31, 2016 and allowed FHG to service the two clients under the existing contracts until the expiry of the exemption. When the exemption expired on December 31, 2016, the provision of services to those two clients continued under their existing fee-for-service plans that do not require us to be licensed as an insurer.

The MAS did not grant an exemption for the fixed budget plan under the third contract and required that we discontinue providing services under the fixed budget plan to such client (the “**Affected Client**”), which is one of

our key clients, within one month of May 30, 2016. The contract with the Affected Client was terminated as of June 30, 2016, and the provision of services to the Affected Client continued under a fee-for-service plan that does not require us to be licensed as an insurer.

We are working with the Affected Client to agree upon an alternative fee arrangement for all of our services and which would not require us to be licensed as an insurer. There is no assurance that we will be able to successfully agree on an alternative fee arrangement which would not require us to be licensed as an insurer on favorable terms or at all, or that we would not suffer a reduction to our contractual revenue and/or profit as a result of such alternative fee arrangement. If an alternative fee arrangement is reached between us and the Affected Client, there is no certainty that the MAS will consider the alternative fee arrangement to be acceptable. Even if the MAS considers such alternative fee arrangement acceptable, they may still impose penalties on us for our historical non-compliance with the Insurance Act. The Affected Client has also chosen to reserve its rights as regards possible breaches of the earlier contract and there can be no assurance that the Affected Client would not decide to seek remedy or damages. Such remedy or damages (which are not quantifiable at this time), if granted, may have a material adverse impact on our financial condition, results of operations, cash flows and prospects.

Revenue derived from our services under the fixed budget plan portion of our business under these contracts contributed approximately 1.8% 7.7% and 3.5% of our revenue for the financial years ended December 31, 2014, 2015 and 2016, respectively. As of the date of this document, the MAS has not imposed penalties on us for our non-compliance with the requirement to be licensed as an insurer under the Insurance Act.

While we will continue to evaluate our fee arrangements to ensure their compliance with applicable laws and regulations, there is no assurance that we will always be compliant with these requirements, in particular if the relevant regulator should change its approach or amend applicable regulations. In addition, it is unclear whether certain aspects of our business may in future be subject to insurance licensing requirements in certain other jurisdictions. If regulators deem our activities with our corporate and insurer clients and our insurance broker partners to constitute an insurance business, we, along with our competitors, may be required to restructure certain aspects of our business to avoid being characterized as an insurer, or be subject to insurer licensing requirements and capital requirements.

The value of our goodwill and intangible assets from our past acquisitions, and the costs of investment, may become impaired.

Goodwill and other intangible assets represent a substantial portion of our assets. Goodwill constituted 43.8%, 52.6% and 54.2% of our total assets as of December 31, 2014, 2015 and 2016 respectively. Intangible assets constituted 10.4%, 7.3% and 5.1% of our total assets as of December 31, 2014, 2015 and 2016 respectively. If we make additional acquisitions, it is likely that we will record additional intangible assets on our consolidated balance sheet.

In accordance with applicable accounting standards, we periodically evaluate our goodwill and other intangible assets to determine whether all or a portion of their carrying values may no longer be recoverable, in which case a charge to income may be necessary. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies—Impairment of Goodwill*” and Note 2.11 of our consolidated financial statements for the years ended December 31, 2014, 2015 and 2016 included elsewhere in this document for a discussion on our accounting policies in relation to impairment of goodwill and impairment of other intangible assets.

Any future evaluations requiring an impairment of our goodwill and other intangible assets could materially affect our results of operations and Shareholders’ equity in the period in which the impairment occurs. A material decrease in Shareholders’ equity could, in turn, potentially impact our compliance with existing debt covenants.

We are dependent on our relationships with our suppliers, panel healthcare providers and other third parties for various services and functions.

We have contractual relationships with suppliers, including our panel healthcare providers, pharmaceutical companies, medical equipment manufacturers and third party service providers, such as laboratories. If our major suppliers refuse to contract with us, use their market position to negotiate contracts on less favorable terms with us or otherwise place us at a competitive disadvantage, our ability to market products or to be profitable in those areas could be materially and adversely affected. Our contracts with our suppliers may also expose us to contractual disputes and liabilities, and there is no assurance that we will resolve such claims satisfactorily, or at all.

In addition, under our panel healthcare arrangements, we are required to reimburse our panel healthcare providers for valid claims (claims that have been processed and adjudicated by us). Such reimbursement must be effected no later than 60 days from the cut-off date of claim submission provided that in arrangements where amounts are collected from our clients on behalf of the panel healthcare providers, payments to our panel healthcare providers will typically be subject to us having received full payment for such fees from our clients. We aim to reimburse our panel healthcare providers within the relevant time periods and even as some are paid within the said periods, there are times when we have been late in making such reimbursements. We are seeking to tighten our payment cycles. However, we have received several complaints from our panel healthcare providers on this issue and there is no assurance that we will not receive similar complaints from or be the target of legal action by our panel healthcare providers and our other suppliers in the future.

We also contract with various third parties to perform certain functions and services. Certain of these third parties provide us with significant portions of our requirements, and we could become overly dependent on key suppliers, which could cause us to lose core competencies. A termination of our agreements with, or disruption in the performance of, one or more of these service providers could result in service disruptions or unavailability, reduced service quality and effectiveness, increased or duplicative costs, an inability to meet our obligations to clients or require us to seek alternative service providers on less favorable contract terms, any of which could adversely affect our business, reputation, financial condition and operating results.

If we fail to effectively estimate, price and manage our medical costs, or if our fees and charges are regulated, prescribed or otherwise required to be reduced, the profitability of our services could decline.

We are subject to the risks of rising business costs. While we seek to pass these costs to our clients, we may not always be able to do so due to our fee arrangements, or if unanticipated costs arise that we have not priced into our contracts with our clients, or for any number of reasons beyond our control. These costs include payments to our medical and dental professionals and support staff, and various other costs incurred for the provision of our enterprise healthcare services to our clients. Many other factors may cause a rise in actual healthcare costs, including but not limited to:

- increased employee compensation (including share-based compensation);
- increased cost of treatment (including the costs of medical technology and prescription drugs, including specialty prescription drugs);
- changes in the demographic characteristics of a client, category of clients or market;
- catastrophes, including acts of terrorism, public health epidemics, or severe weather;
- medical cost inflation; and
- government-mandated benefits or other regulatory changes.

In addition, certain of our fee arrangements accommodate variable fee components and may allow us to negotiate additional fees upon evaluation of the client's claim history and utilization rates. We face the risk that clients under these contracts may dispute the basis for such additional fees and we may suffer losses in the event we are unable to negotiate for these additional fees. If we are unable to pass on increases in costs to our clients, such increases may have a material adverse effect on our results of operations and financial condition.

Furthermore, we may face higher costs associated with inflationary pressure in the economic environment in which we operate and changes in laws and regulations may also adversely affect our cost basis. Any such increases in operating expenses may affect our profits adversely if we are unable to commensurately raise prices charged to our clients due to the competitive nature of the enterprise healthcare industry. Any changes in the amount and manner in which we are able to charge for our services including the amount and manner in which we are able to charge our suppliers (including panel healthcare providers) for their services, may have a material adverse impact on our business and profitability as well as growth prospects. See also "*—Many of our business operations are subject to extensive and evolving government laws, regulations, licensing and accreditation requirements, and we could suffer penalties, additional costs and restrictions to our operations if we fail to comply*".

Our insurance coverage may not be adequate to indemnify us against all possible liabilities.

We may not be able to maintain insurance at levels of risk coverage or policy limits to cover all possible liabilities. In addition, there can be no assurance that such insurance can be obtained on commercially reasonable

terms or at all, or that any such coverage will sufficiently cover any losses suffered by us. Our insurance policies are generally renewed on an annual basis and there can be no assurance that we will be able to renew all our policies or obtain new policies on similar terms. Liabilities may exceed our available insurance coverage or arise from claims outside the scope of our insurance coverage. In the event that the amount of such claims exceed the coverage of the general insurance policies which we have taken up, we may be liable for shortfalls in the amounts claimed and our business, financial condition, results of operations, cash flows and prospects may be adversely affected.

Some of our employees are unionized, and we may be subject to labor activism, unrest, slowdowns and increased wage costs and may be unable to maintain satisfactory labor relations.

A number of our employees in Singapore are members of a labor union. The jurisdictions in which we operate have labor legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and the termination of employment, and legislation that imposes certain financial obligations on employers upon the retrenchment of employees, subject to certain conditions under the relevant legislation. It is possible that such matters may arise in the future. Any increase in labor related disputes could adversely affect our reputation amongst current and future employees. If more of our personnel unionize, it may become difficult for us to maintain flexible labor policies, and may increase costs and have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

Our Group structure makes us dependent on our subsidiaries for cash flows and subordinates us to the rights of creditors of any of our subsidiaries that become insolvent or are liquidated.

We conduct a substantial portion of our operations through our subsidiaries. A substantial portion of our assets are held by, and a substantial part of our earnings and cash flows are attributable to, our subsidiaries. If earnings from the subsidiaries were to decline, our earnings and cash flow would be materially and adversely affected. We cannot guarantee that the subsidiaries will generate sufficient earnings and cash flows to pay dividends or otherwise distribute sufficient funds to enable us to meet our obligations, pay interest and expenses or declare distributions or dividends.

Our intellectual property may be infringed.

Our ability to compete successfully is affected by our ability to protect our brand names, related marks and logos. Where possible, we have applied for the registration of trademarks which are material to our business, such as the name "Fullerton Healthcare". We may not always be successful in registering or protecting our trademarks or other intellectual property.

Any infringements of our intellectual property could adversely affect the perception of our patients, customers and investors with regards to our credibility, creditworthiness and abilities. This may in turn have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects. If we were to enforce our intellectual property rights through litigation, such litigation, whether successful or unsuccessful, could result in substantial costs and diversion of resources.

Property leases associated with our healthcare services are part of our costs, and any changes in the property leasing market could have a material and adverse impact on our business and operations.

We lease all the properties from which we operate our self-owned facilities, other than our on-site medical centers established on the premises of our clients and a pharmacy we operate in Singapore. As our leases approach expiration, we may not be able to renew them on terms favorable to us, or at all. Landlords may also terminate leases prior to the expiration date upon the payment of a penalty which, in our judgment, makes it unlikely for the landlords to terminate these leases early. If we cannot successfully offset our increased leasing cost with an increase in net revenues, our gross margin, financial condition, results of operations and cash flows could be materially and adversely affected.

Failure to renew or early termination of any of our existing leases may also force us to relocate the affected operations. Relocations will cause disruptions to our normal business operations and we may have to incur additional relocation expenses. Moreover, if we are unable to relocate our medical facilities in a timely manner to strategic locations with favorable rates, our business, financial condition, results of operations, cash flows and prospects may be materially and adversely affected.

As our business has grown significantly both organically as well as through the acquisitions we have made of various companies and businesses, some of which are significant, our consolidated financial statements for the last three years included in this document are not comparable, and may not be reflective of our future performance.

Since 2011, we have completed 26 acquisitions (being acquisitions of controlling equity interests or business assets) and three investments (being T.H.E. Fullerton Healthcare, SC Fullerton and FC Dental Pte. Ltd.) in Singapore, Indonesia, Australia and Hong Kong, which are at various stages of integration. We have also expanded our self-owned facilities from 59 as of December 31, 2013 to 193 as of December 31, 2016. Some of these acquisitions have been significant. As a result, our consolidated financial statements for the last three financial years are not comparable and may not be indicative of our future performance. Our revenue, expenses and operating results may also vary from period to period in response to a variety of factors beyond our control, and accordingly, our results of operations and financial performance may not meet the expectations of market, which could cause the price of the Securities to decline in the future. As a result of the above, you have limited financial information on which to evaluate our Group and your investment decision. For additional information, see “*Notice to Investors—Presentation of Financial and Other Information*”.

We are affected by challenges that affect the healthcare industry generally, including seasonal variation in patient volumes.

We are impacted by the challenges currently facing the healthcare industry. We believe that the key ongoing industry-wide challenges are providing high-quality patient care in a competitive environment and managing costs.

Our results of operations are affected by seasonal factors. Our quarterly revenues and results of operations have fluctuated in the past and may continue to fluctuate significantly. In particular, patient volume and operating income at our medical centers are subject to economic and seasonal variations caused by a number of factors, including, but not limited to unemployment levels, the cultural and business environment in the home countries of medical travelers, seasonal cycles of illness and climate and weather conditions. We typically see a higher volume of patients in the fourth quarter of each year across our healthcare facilities. Any failure by us to effectively manage these challenges could result in a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

The results of the United Kingdom’s referendum on withdrawal from the European Union may have a negative effect on global economic conditions, financial markets and our business.

In June 2016, a majority of voters in the United Kingdom elected to withdraw from the European Union in a national referendum. The referendum was advisory, and the terms of any withdrawal are subject to a negotiation period that could last at least two years after the government of the United Kingdom formally initiates a withdrawal process. Nevertheless, the referendum has created significant uncertainty about the future relationship between the United Kingdom and the European Union, including with respect to the laws and regulations that will apply as the United Kingdom determines which European Union laws to replace or replicate in the event of a withdrawal. The referendum has also given rise to calls for the governments of other European Union member states to consider withdrawal. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Securities.

Our controlling shareholders and their interests could conflict with the interests of Securityholders.

Mr. David Sin and Dr. Michael Tan Kim Song directly and indirectly own approximately 72.4% and 17.8% of our outstanding Shares, as of December 31, 2016, respectively. For more details, please see “*Share Capital and Shareholders*”. Our controlling shareholders will have the ability to exercise significant control over most matters requiring approval by Shareholders, including the election and removal of Directors and significant corporate transactions. This control could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, take-over or other business combination involving our Company, or discourage a potential acquirer from making a take-over offer or otherwise attempting to obtain control of our Company. Additionally, our controlling shareholders may exert, or attempt to exert, influence over our business to achieve social and economic objectives, or other objectives which may otherwise not be in the best interest of the Securityholders.

Additionally, if our controlling shareholders dispose of a substantial number of their Shares or there is a change in their shareholding, we may breach change of control covenants in the financing and legal documents we have entered into. For example, it is an event of default under the Reimbursement and Indemnity Agreement if as a group, SCCL (which is controlled by Mr. David Sin), Dr. Michael Tan Kim Song and Dr. Daniel Chan Pai Sheng cease to maintain control, by contract or otherwise, of the largest ownership of the issued share capital and voting rights, by contract or otherwise, in our Company as compared to any other Shareholder or Shareholders acting in concert. Also see “—Risks Relating to Our Business—Our leverage could adversely affect our ability to raise additional capital, limit our operational flexibility and expose us to interest rate risk” for consequences of an event of default under the Reimbursement and Indemnity Agreement.

We are not able to guarantee the accuracy of third party information.

Market data and certain information and statistics relating to us and general market/industry data are derived from both public and private sources, including market research, publicly available information and industry publications. While we have taken reasonable care to ensure that the facts and statistics presented are accurately reproduced from such sources, they have not been independently verified by us, the Sole Lead Manager or our or its respective affiliates, and, therefore, we make no representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside Singapore. Due to possibly flawed or ineffective calculation and collection methods and other problems, the facts and statistics herein may be inaccurate or may not be comparable to facts and statistics produced for other economies and should not be unduly relied upon. Further, there can be no assurance that the facts and statistics are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere.

Risks Relating to the Countries in Which We Operate

Our business operations are concentrated within the Asia-Pacific region, and are subject to the regulatory, economic, environmental, and competitive conditions and changes within the region.

Our business is influenced by economic and market conditions in the Asia-Pacific region, particularly in Singapore, where we derived 63.8% of our revenues in the year ended December 31, 2016. This concentration makes us particularly sensitive to regulatory, social, political and economic, environmental and competitive conditions and other changes in Singapore.

Any material changes in the regulatory, economic, environmental or competitive conditions in Singapore may have a disproportionate and/or material adverse effect on our business, financial condition, results of operations, cash flows and prospects. Any economic downturn or changes in policies implemented by the government of Singapore, currency and interest rate fluctuations, capital controls or capital restrictions, labor laws, changes in environmental protection laws and regulations, duties, taxation and limitations on imports and exports could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

We also have operations in Indonesia, Australia, Hong Kong and Malaysia. We are governed by the laws, regulations and government policies in each of the countries in which we operate or into which we intend to expand our business and operations, such as China. Our business and future growth is dependent on the political, economic, regulatory and social conditions in these countries. Any material changes in the regulatory, economic, environmental or competitive conditions in those countries may also have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

There may also be political and social factors influencing government policy-making in the future that will lead to a major shift towards nationalized healthcare systems in the jurisdictions in which we operate. Such a shift may result in a higher degree of governmental control over the provision of medical care and reduce the level of private enterprise in the healthcare system. Such shifts may reduce our profitability in the long run and hence have an adverse effect on our financial condition, results of operations and prospects.

Although economic conditions are different in each country, investors’ reactions to developments in one country can adversely affect the securities of companies in other countries. Any material region-wide adverse event may negatively affect the demand for our healthcare services, and in turn, our business operations. Such events may include factors such as political and regulatory action including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, changes in interest rates, commodity and energy prices and various other factors. The occurrence of any such event could adversely affect the ability of our clients to afford our services or may cause disruptions in the provision of our services. There is no assurance that we will be able to effectively manage any potential losses arising from these adverse events, which may materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

Any worldwide financial instability, such as the recent economic slowdown, could also have a negative impact on the regional economy. Financial disruptions may occur and may harm our business, financial condition, results of operations, cash flows and prospects.

We may be exposed to liabilities under various anti-corruption laws.

We are subject to anti-bribery laws in the jurisdictions in which we operate which prohibit companies and their intermediaries from making improper payments to government officials or others for the purpose of obtaining or keeping business and/or other benefits, along with various other anti-corruption laws. In recent years, commercial bribery has increasingly been identified as a key risk in doing business in emerging markets, especially in the healthcare sector. We conduct our business in various markets in the Asia-Pacific region, some of which may have a reputation for presenting business ethics and corruption risks. Our business in those countries, as well as our relationships and dealings with third parties, including joint venture and other partners, and consultants and other agents we may engage from time to time, expose us to potential risks and liability under anti-corruption laws. Moreover, we have also expanded rapidly through acquisitions and joint ventures since our inception and there is a risk that certain businesses we may have acquired or our joint venture partners may have not complied or continue not to comply with anti-bribery laws, and we may face exposure to such compliance risks either for past conduct or conduct which may have continued following our acquisition or investment.

Although we have established an internal control system and policies and procedures to ensure the compliance of our business in the various jurisdictions in which we operate with applicable anti-bribery laws, and we have taken actions to ensure that our affiliated entities, and our and their respective officers, directors, employees, agents, partners, consultants and other intermediaries comply with applicable anti-bribery laws, these measures may not always be effective or completely effective in preventing the breach of anti-bribery laws or other legal requirements. Any investigation of a potential violation of anti-corruption laws could have an adverse impact on our reputation and could damage our ability to carry on our business, and if we or any company which we may have acquired or invested in are not in compliance with such laws or regulations, we may be subject to criminal and civil penalties, substantial fines and other penalties and remedial measures, which could have an adverse impact on our reputation, business, financial condition, results of operations, cash flows and prospects. Further, detecting, investigating, and resolving actual or alleged violations is expensive and can consume significant time and attention of our senior management.

We could suffer adverse tax and other financial consequences if tax authorities do not agree with our interpretation of the applicable tax laws.

Due to the international nature of our operations, we are subject to multiple sets of complex tax laws and rules. Our corporate structure and operations are based, in part, on interpretations of various tax laws, including withholding tax, nexus for tax purposes, compliance with tax holiday requirements and transfer pricing rules, application of changes in tax law to our operations and other relevant laws of applicable taxing jurisdictions. From time to time, the tax authorities of the relevant jurisdictions may conduct examinations of our income tax returns and other regulatory filings. In addition, we are currently and may from time to time be subject to enquiries from tax authorities. We cannot assure you that the tax authorities will agree with our interpretations of tax laws or that the tax authorities will resolve any enquiries in our favor. In addition, it is possible that the relevant tax authorities in the jurisdictions where we do not file returns may assert that we are required to file tax returns and pay taxes in such jurisdiction. To the extent the relevant tax authorities do not agree with our interpretation of tax laws, we may seek to enter into settlements with the tax authorities which may require significant payments and may adversely affect our results of operations or financial condition. We may also appeal against the tax authorities' determinations to the appropriate governmental authorities, but we cannot be sure we will prevail. If we do not prevail, we may have to make significant payments or otherwise record charges (or reduce tax assets) that could adversely affect our results of operations, financial condition and cash flows. Similarly, any adverse or unfavorable determinations by tax authorities on pending enquiries could lead to increased taxation on us, that may adversely affect our results of operations, financial conditions and cash flows.

The section "*Taxation—Singapore Taxation*" has been prepared on the premise that we are not tax resident in Singapore and have no permanent establishment in Singapore. However, and without limiting the generality of the previous paragraph, we cannot assure you that the Singapore tax authorities would accept this position. If the Singapore tax authorities treat us as being tax resident in Singapore, or as having a permanent establishment in Singapore, interest, fees, commissions or other payments in connection with the Securities would be regarded as arising in Singapore for Singapore income tax purposes pursuant to Section 12(6) of the ITA, and would be subject to Singapore withholding tax where paid to a non-resident of Singapore, unless an exemption applies.

If the Securities are “qualifying debt securities” (as defined in the section “*Taxation—Singapore Taxation*”), then subject to certain prescribed conditions having been fulfilled, including (a) the furnishing of a return on debt securities in respect of the Securities in the prescribed format and within the prescribed period to the MAS, and (b) the inclusion in all offering documents relating to the Securities of a statement to the effect that where Qualifying Income from the Securities is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Securities using the funds and profits of such person’s operations through the Singapore permanent establishment, Qualifying Income from the Securities paid by the Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Securities are not obtained from such person’s operation through a permanent establishment in Singapore, are exempt from Singapore tax. We would also not be required to withhold tax subject to certain conditions, including the furnishing of a return on debt securities and the inclusion of a statement in all offering documents relating to the Securities to the effect that any person whose Qualifying Income from the Securities is not exempt from tax shall include such income in a return of income made under the ITA.

However, if at any time during the tenure of the Securities, 50 per cent. or more of the issue of the Securities is held beneficially or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from the Securities held by (a) any related party of the Issuer; or (b) any other person where the funds used by such person to acquire such Securities are obtained, directly or indirectly, from any related party of the Issuer, shall not enjoy the exemption described above.

Individuals would also be exempt from income tax on Qualifying Income from debt securities which is Singapore-sourced.

We may be subject to competition laws and regulations in certain countries in which we operate.

Competition laws and regulations may limit our growth and subject us to antitrust and merger control investigations, particularly in the core countries in which we operate. The Singapore competition regime generally favors increased competition. However, we may be restricted from making further acquisitions or continuing to engage in particular practices to the extent we hold a dominant position in the market we operate in. In addition, violation of such laws or regulations could potentially expose us to financial penalties or rights of private action.

We cannot predict the effect of any investigations by competition authorities on our business. If, as a result of any investigation by the relevant authorities, we are subjected to financial or other penalties or we are prohibited from engaging in certain types of businesses or practices, our business, financial condition, results of operations, cash flows and prospects may be materially and adversely affected.

Our investments in certain countries are subject to foreign ownership and investment restrictions.

We are subject to foreign ownership and investment restrictions in some of the jurisdictions in which we operate, which may affect our ability to expand our operations in these jurisdictions or to assert operational control over such operations.

The healthcare services business in Indonesia is subject to foreign ownership and investment restrictions dictated by the Indonesian government. Direct foreign investments in Indonesia are generally governed by Law No. 25 of 2007 (the “Investment Law”) and its implementing regulations. A foreign investor has to undertake its foreign investment through an Indonesian legal entity known as a foreign investment company, *Penanaman Modal Asing* Company (“PMA Company”). The Investment Law and its implementing regulations also prescribe a limit on foreign ownership of a PMA Company and prohibit nominee arrangements between foreign investors and Indonesian individuals or entities which provide that the shareholding in a PMA Company held by such Indonesian individual or entity is for and on behalf of the foreign investor or other persons. Under the Investment Law, such nominee arrangements would be null and void. There is no further clarification in the Investment Law on the types of arrangements that are classified as nominee arrangements.

Our Indonesian subsidiaries PT GAH, PT GAM, Tirta and PT JLT Gesa are PMA Companies. The Indonesian minority shareholder of PT GAH and PT GAM, holding 10.0% of the issued share capital of PT GAH and 33.3% of the issued share capital of PT GAM, had entered into a financing arrangement with FHG for the purchase of the shares of PT GAH and PT GAM and pursuant to which such shares are pledged to FHG as security. The

pledge and rights over the shares are exercisable by FHG upon a default by the minority shareholder under the financing arrangement. The financing arrangement does not provide for the minority shareholder to hold the shares for and on behalf of FHG.

In the absence of rulings by the Indonesian courts on similar structures, there is uncertainty as to how the Indonesian courts would rule on such financing arrangements. In the event that the Indonesian courts view the financing arrangement between FHG and the minority shareholder as a breach of the Investment Law, the financing arrangement would then be deemed to be null and void and FHG would not be able to enforce the pledge. There are no other penalties for such a breach of the Investment Law and the financing arrangement being deemed to be null and void would not affect our Company's or the minority shareholder's shareholding in PT GAH and PT GAM. We are not currently aware of any other implications for our business operations in Indonesia in the event the Indonesian courts view the financing arrangement as a breach of the Investment Law.

In addition, future amendments to Indonesian laws and regulations may subject us to review of our ownership and investment in our Indonesian assets. There is no assurance that we will be fully compliant in the event of such amendments and our investments in Indonesia may be materially and adversely affected as a result.

Our operations outside Singapore and in emerging markets present greater risks than in Singapore.

While we started our business in Singapore and Singapore remains our most significant source of revenue, we have expanded and our strategy is to continue to expand outside of Singapore. There are risks inherent in doing business in various markets, such as unexpected changes in healthcare regulations, difficulties in staffing and managing foreign operations, social and political instabilities, potentially adverse tax consequences, legal uncertainties regarding liabilities and enforcements, reduced protection for intellectual property rights in some countries, tariffs and other trade barriers, variable and unexpected changes in local laws and barriers to the repatriation of capital or profits. Any of the foregoing factors may materially and adversely affect our overseas operations as well as our financial condition, results of operations and prospects. In addition, emerging markets may expose us to higher risks, including:

- unstable and uncertain political, legal, regulatory and social conditions; and
- third party events such as terrorism, natural disasters and other de-stabilizing events which may lead to substantial and continuing economic and social volatility.

We have dedicated management teams in Indonesia, Australia, Hong Kong and Malaysia to oversee our operations in these regions. However, there is no assurance that circumstances beyond our control will not arise. In the event that any of the above scenarios develop into actual events, our future financial condition may be materially and adversely affected.

Our operations may be significantly affected by the occurrence of natural disasters or acts of terrorism.

Natural disasters such as earthquakes and tsunamis have in the past severely affected the economy of the Asia-Pacific region. If any such event were to occur, our business could be affected due to the event itself or due to our inability to effectively manage the effects of the particular event. Potential effects include the damage to infrastructure and the loss of business continuity and business information. In the event that our facilities are affected by any of these factors, our operations may be significantly interrupted, which may materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

Acts of terrorism may similarly give rise to serious disruptions to our businesses, coupled with heightened medical needs. If such acts were to take place, our business could be adversely affected by damage to infrastructure and to business continuity. Failure to adequately provide treatment to those harmed by such acts would also negatively affect our reputation.

Certain judgments may not be easily enforceable in certain countries in which we operate.

We operate in many jurisdictions, whose legal systems vary widely. For example, Indonesian legal principles and their practical implementation by Indonesian courts differ materially from those that would apply within Singapore. Indonesia's legal system is a civil law system based on written statutes as well as judicial and administrative decisions that do not constitute binding precedent and are not systematically published or made publicly available. Indonesia's commercial and civil laws were historically based on Dutch law as in effect prior to Indonesia's independence in 1945, and some have not been revised to reflect the complexities of modern financial transactions and instruments. Indonesian courts may be unfamiliar with sophisticated commercial or

financial transactions, leading in practice to uncertainty in the interpretation and application of Indonesian legal principles. The application of Indonesian law depends upon subjective criteria such as the good faith of the parties to the transaction and principles of public policy, the practical effect of which is difficult or impossible to predict. Indonesian judges operate in an inquisitorial system, have very broad fact-finding powers and a high level of discretion in relation to the manner in which those powers are exercised. In practice, Indonesian court decisions may omit a clear articulation of the legal and factual analysis of the issues presented in a case. As a result, the administration and enforcement of laws and regulations by Indonesian courts and Indonesian governmental agencies may be subject to considerable discretion and uncertainty, which may render the judgments inaccurate on enforcement of certain contracts we enter into, or the impact which a development or interpretation of Indonesian laws may have on us. In addition, there is no certainty as to how long it will take for proceedings in Indonesian courts to be concluded, and the outcome of proceedings in Indonesian courts may be more uncertain than that of similar proceedings in other jurisdictions. Accordingly, in the event that we are involved in legal proceedings in Indonesia, it may not be possible for us to obtain swift and equitable enforcement of our legal rights.

Risks Relating to the Securities

The Securities may not be a suitable investment for all investors.

The Securities are complex financial instruments and may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Securities unless they have the expertise (either alone or with the help of a financial advisor) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of such Securities and the impact this investment will have on the potential investor's overall investment portfolio.

Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this offering circular;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact the Securities will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including where the currency for principal or distribution payments is different from the potential investor's currency;
- understand thoroughly the terms of the Securities and be familiar with the behavior of any relevant financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate, foreign exchange rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Securities are perpetual securities and investors have no right to require redemption.

The Securities are perpetual and have no fixed final maturity date. We are under no obligation to redeem the Securities at any time and the Securities can only be disposed of by sale. Securityholders who wish to sell their Securities may be unable to do so at a price at or above the amount they have paid for them, or at all, if insufficient liquidity exists in the market for the Securities. Therefore, holders of the Securities should be aware that they may be required to bear the financial risks of an investment in the Securities for an indefinite period of time.

The Securities are unsecured obligations.

As the Securities are unsecured obligations, their repayment may be compromised if:

- we enter into bankruptcy, liquidation, reorganization or other winding-up proceedings;
- there is a default in payment under our future secured indebtedness or other unsecured indebtedness;

- there is an acceleration of any of our indebtedness; or
- our assets are not sufficient to pay amounts due on the Securities.

Securityholders may not receive Distribution payments if we elect to defer Distribution payments under the Terms and Conditions.

We may, at our sole discretion and subject to certain conditions, elect to defer any scheduled Distribution on the Securities for any period of time. We are not subject to any limits as to the number of times Distributions can be deferred, subject to compliance with certain restrictions and notwithstanding any increase in the Distribution Rate which may be provided for in the Terms and Conditions. Although, following a deferral, Arrears of Distribution are cumulative, subject to the Terms and Conditions, we may defer their payment for an indefinite period of time by delivering the relevant deferral notices to the Securityholders. Any such deferral of Distributions shall not constitute a default for any purpose. We are subject to certain restrictions in relation to the payment of discretionary dividends on our Junior Securities and our Parity Securities, the discretionary redemption and repurchase of our Parity Securities or Junior Securities until any outstanding Arrears of Distribution and Additional Distribution Amount are satisfied or save in certain specified situations as further described in the Terms and Conditions. Such restrictions on discretionary payments act as the main deterrent against deferral of Distribution on the Securities.

Any deferral of Distribution will likely have an adverse effect on the market price of the Securities. In addition, as a result of the Distribution deferral provision of the Securities, the market price of the Securities may be more volatile than the market prices of other securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in our business and financial condition.

The Securities may be redeemed at our option on the First Call Date and each Distribution Payment Date thereafter or upon the occurrence of certain other events.

The Securities may be redeemable at our option, in whole but not in part, on the First Call date or on each Distribution Payment Date thereafter at their principal amount, together with distribution accrued (including any Arrears of Distribution and any Additional Distribution Amount) to (but excluding) the date fixed for redemption.

We also have the right to redeem the Securities at their principal amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) (a) if we have or will become obliged to pay additional amounts as provided or referred to in Condition 8, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of the Cayman Islands or Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements (including a holding by a court of competent jurisdiction), which change or amendment is made public on or after the Issue Date; and such obligations cannot be avoided by us taking reasonable measures available to us, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which we would be obliged to pay such additional amounts were a payment in respect of the Securities then due; (b) if as a result of any changes or amendments to the Relevant Accounting Standard, the Securities will not or will no longer be recorded as “equity” of the Issuer pursuant to the Relevant Accounting Standard; (c) in the event that we and/or any of our subsidiaries have, individually or in the aggregate, purchased (and not resold) Securities equal to or in excess of 90% of the aggregate principal amount of the Securities issued on the Issue Date or (d) if a Step-Up Event occurs.

In addition, we may, prior to (and excluding) the First Call Date, at 101 per cent. of their principal amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption); or from (and including) the First Call Date, at their principal amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), redeem the Securities if a Change of Control Event occurs.

The date on which we may elect to redeem the Securities may not accord with the preference of individual Securityholders. This may be disadvantageous to the Securityholders in light of market conditions or the individual circumstances of the holder of the Securities. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the Securities.

In addition, upon occurrence of a Step-Up Event or a Change of Control Event, the Distribution Rate of the Securities will be increased, which may affect our ability to pay such increased Distributions or redeem the Securities.

There are limited remedies for non-payment under the Securities.

Any scheduled Distribution will not be due if the Issuer elects to defer that Distribution pursuant to the Terms and Conditions. Notwithstanding any of the provisions relating to non-payment defaults, the right to institute Winding-up proceedings is limited to circumstances where payment under the Securities has become due in accordance with the Terms and Conditions. The only remedy against the Issuer available to the Trustee or (where the Trustee has failed to proceed against the Issuer as provided in the Terms and Conditions) any Securityholder for recovery of amounts in respect of the Securities will be instituting Winding-up proceedings and/or proving and/or claiming in the liquidation of the Issuer in respect of any of the Issuer's payment obligations arising from the Securities.

The applicable Distribution Rate may decline on any Reset Date.

The Distribution Rate will be reset on each Reset Date by reference to the then prevailing Treasury Rate. Accordingly, a Securityholder is exposed to the risk of a fluctuating Distribution Rate and uncertain distribution income. A fluctuating Distribution Rate makes it impossible to determine the yield of the Securities with respect to any Reset Period in advance.

Uncertainty of characterization of the Securities for the purposes of the Income Tax Act of Singapore.

The Singapore income tax treatment of the Securities as described in "*Taxation—Singapore Taxation*" is subject to the agreement of the IRAS. It is not clear whether the Securities will be regarded as "debt securities" by the IRAS for the purposes of the Income Tax Act and therefore if the holders of the Securities may be eligible to receive the tax concessions available for "qualifying debt securities" under the qualifying debt securities scheme (as described in the section entitled "*Taxation—Singapore Taxation*").

The Issuer does not intend to request an advance tax ruling from the IRAS to confirm, amongst other things, whether the Securities would be regarded as "debt securities" for the purposes of the Income Tax Act. If the Securities are not regarded as "debt securities" or the distribution payments made under the Securities are not regarded as interest payable on indebtedness for the purposes of the ITA and Securityholders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to Securityholders may differ. Investors and Securityholders should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Securities.

No credit rating agencies have assigned ratings to the Securities.

The Securities have not been assigned ratings by any rating agencies, and we have not requested any rating agencies to assign ratings to the Securities. Ratings assigned by rating agencies represent such rating agencies' assessment of our ability to perform our obligations under the terms of the Securities and credit risks in determining the likelihood that payments will be made when due under the Securities. We currently have no plans to obtain ratings on the Securities from any credit rating agencies. If we in the future obtain ratings on the Securities from any rating agencies, such ratings (and any subsequent revision, downgrade or withdrawal of such ratings) may adversely affect the market price of the Securities and our ability to access the debt capital markets in the future that in turn may have a material adverse effect on our financial condition and results of operations. Similarly, the lack of a rating may adversely affect the market price and liquidity of the Securities.

There has been no prior market for the Securities, an active trading market for the Securities may not develop, and the trading price of the Securities could be materially and adversely affected.

The Securities are a new issue of securities for which there is currently no trading market. Application has been made to the SGX-ST for the listing of the Securities on the Official List of the SGX-ST. However, we cannot assure you that we will be able to obtain or maintain such listing or that, if listed, a liquid trading market will develop for the Securities. Accordingly, even though the Securities may be listed on an exchange, we cannot assure you that an active market will develop for the Securities. If an active market does develop, future trading prices of the Securities will depend on many factors, including, but not limited to:

- prevailing interest rates and interest rate volatility;
- the market for similar securities;

- the Issuer’s operating and financial results;
- the publication of earnings estimates or other research reports and speculation in the press or the investment community;
- changes in the Issuer’s industry and competition; and
- general market, financial and economic conditions.

Corporate disclosure standard for debt securities listed on the SGX-ST.

We will be subject to reporting obligations in respect of the Securities to be listed on the SGX-ST. The disclosure standards imposed by the SGX-ST are different from those imposed by securities exchanges in other countries or regions, such as the United States. As a result, the level of information that is available may not correspond to what investors in the Securities are accustomed to.

Rights of the Securityholders may be altered without their consent.

The Trust Deed contains provisions for calling meetings of Securityholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Securityholders, including Securityholders who did not attend and vote at the relevant meeting and Securityholders who voted in a manner contrary to the majority. The Trust Deed also provides that the Trustee may, without consent of the Securityholders, agree to any modification of any provision of the Securities (i) which it may be proper to make provided that such modification is not materially prejudicial to the interests of the Securityholders or (ii) which is of a formal, minor or technical nature or is made to correct a manifest or proven error in the circumstances described in Condition 13.2.

The Trustee may decline to take actions requested by the Securityholders.

Under the Trust Deed, in certain circumstances, the Trustee may, at its sole discretion, request the Securityholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes actions on behalf of the Securityholders. The Trustee shall not be obliged to take any such actions if no such indemnity or security or pre-funding is provided to its satisfaction. Even if the Securityholders agree to indemnify and/or provide security to and/or pre-fund the Trustee, the time taken to agree to the indemnity and/or security and/or pre-funding may have an impact as to when such action is taken. In addition, notwithstanding the provision of an indemnity or security or pre-funding to the Trustee, the Trustee may decline to take action requested by the Securityholders if it determines that such actions are not permitted under the terms of the Trust Deed or applicable law.

We may raise other capital which affects the price of the Securities.

We may raise additional capital through the issue of other securities or other means. Other than certain restrictions on issuing certain secured indebtedness as set out in Condition 3.3, there is no restriction, contractual or otherwise, on the amount or type of securities or other liabilities, whether secured or unsecured, which we may issue or incur and which rank senior to, or *pari passu* with, the Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Securityholders on a Winding-up or may increase the likelihood of a deferral of Distributions under the Securities. The issue of any such securities or the incurrence of any such other liabilities might also have an adverse impact on the trading price of the Securities and/or the ability of Securityholders to sell their Securities.

Our intended use of the proceeds of the Offering may not come to fruition.

We intend to use the proceeds due to us from the Offering for the purposes and in the manner set out in “*Use of Proceeds*”. We do not currently have definite and specific commitments for the entire proceeds due to us from the Offering, and our current intentions may not materialize and may be prohibited. As a result of the number and variability of factors that determine our use of the proceeds due to us from the Offering, the actual uses may vary substantially from our current intentions. In such event, as we have broad discretion in the way we invest or spend the proceeds due to us from the Offering, there can be no assurance that we will invest or spend the proceeds in ways with which you agree or which you believe will have the most beneficial effect on our profitability.

Investment in the Securities may subject investors to foreign exchange risks.

The Securities are denominated and payable in U.S. dollars. If an investor measures its investment returns by reference to a currency other than U.S. dollars, an investment in the Securities entails foreign exchange-related

risks, including possible significant changes in the value of the U.S. dollar relative to the currency by reference to which an investor measures its investment returns, because of, among other things, economic, political and other factors over which we have no control. Depreciation of the U.S. dollar against such currency could cause a decrease in the effective yield of the Securities below their stated coupon rates and could result in a loss when the return on the Securities is translated into such currency. In addition, there may be tax consequences for investors as a result of any foreign exchange gains resulting from any investment in the Securities.

Protection afforded to Securityholders under Singapore law may be limited as a significant part of our assets and operations are located in Indonesia, Australia, Hong Kong and Malaysia.

Outside Singapore, our operations and assets are located across Indonesia, Australia, Hong Kong and Malaysia, and are therefore subject to the relevant laws and regulations of these jurisdictions. Singapore law may provide our Securityholders with certain rights and protections for which there may be no corresponding or similar provisions under the relevant laws and regulations in Indonesia, Australia, Hong Kong and Malaysia. As a result, it may be difficult for investors to enforce a judgment obtained in Singapore against our assets in Indonesia, Australia and Hong Kong. It may also be difficult for investors to take legal action against us or our controlling shareholders in a foreign jurisdiction and the costs of bringing such action could be prohibitive.

Securities law restrictions on the resale may impact Securityholders' ability to sell the Securities.

The Securities have not been registered under the Securities Act, any state securities laws or the securities laws of any other jurisdiction. Unless and until they are registered, the Securities may not be offered, sold or resold except pursuant to an exemption from registration under the Securities Act and applicable state laws or in a transaction not subject to such laws. The Securities are being offered and sold only outside the US in reliance on Regulation S. Hence, future resales of the Securities may only be made pursuant to an exemption from registration under the Securities Act and applicable state laws or in a transaction not subject to such laws.

As the Global Certificate is held by or on behalf of the clearing systems, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

The Securities will be represented by the Global Certificate except in certain limited circumstances described under "*The Global Certificate*". The Global Certificate will be deposited with a common depository for Euroclear and Clearstream, Luxembourg (each, a "Clearing System"). Except in certain limited circumstances described under "*The Global Certificate*", investors will not be entitled to receive Certificates. The relevant Clearing System(s) will maintain records of the beneficial interests in the Global Certificate. While the Securities are represented by the Global Certificate, investors will be able to trade their beneficial interests only through the Clearing Systems. The Issuer will discharge its payment obligations under the Securities by making payments to or to the order of the relevant Clearing System for distribution to its accountholders. A holder of a beneficial interest in the Global Certificate must rely on the procedures of the relevant Clearing System(s) to receive payments under the Securities.

The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate. Securityholders of beneficial interests in the Global Certificate will not have a direct right under the Global Certificate to take enforcement action against the Issuer in the event of a default under the Securities but will have to rely upon the Trustee to enforce their rights under the Trust Deed.

If definitive Securities are issued, holders should be aware that definitive Securities which have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade.

It is possible that the Securities may be traded in amounts that are not integral multiples of the minimum denomination. In such a case, a holder who, as a result of trading such amounts, holds a principal amount of less than the minimum denomination will not receive a definitive Security in respect of such holding (should definitive Securities be printed) and would need to purchase a principal amount of Securities such that it holds an amount equal to one or integral multiples of the minimum denomination. If definitive Securities are issued, holders should be aware that definitive Securities which have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade.

The Issuer may issue additional Securities in the future.

The Issuer may, from time to time, and without prior consultation of the Securityholders, create and issue further Securities (see "*Terms and Conditions of the Securities—Further Issues*") or otherwise raise additional capital

through such means and in such manner as it may consider necessary. There can be no assurance that such future issuance or capital raising activity will not adversely affect the market price of the Securities.

The Securities confer Securityholders with limited rights upon the occurrence of a Change of Control Event, Breach of Covenants Event or a Relevant Indebtedness Default Event.

The Securities confer Securityholders with limited rights upon the occurrence of a Change of Control Event or a Step-Up Event. The Issuer may, at any time, on giving irrevocable notice to the Trustee, the Paying Agent the Registrar and Securityholders, redeem in whole, but not in part, the Securities if any of such events occurs. The Issuer is, however, not obliged to redeem the Securities upon the occurrence of any of such events under the Securities. If the Issuer elects not to redeem the Securities upon the occurrence of such events, the Distribution Rate will increase by a certain percentage per annum pursuant to Conditions 4.3 and 4.8 of the Terms and Conditions.

TERMS AND CONDITIONS OF THE SECURITIES

The following is the text of the Conditions of the Securities which (subject to modification and except for the paragraphs in italics) will be endorsed on the Certificates issued in respect of the Securities:

The US\$175,000,000 Senior Perpetual Securities (the “Securities”, which expression shall in these Conditions, unless the context otherwise requires, include any further securities issued pursuant to Condition 15 and forming a single series with the Securities) of Fullerton Healthcare Corporation Limited (the “Issuer”) are constituted by a Trust Deed to be dated April 6, 2017 (the “Trust Deed”) made between the Issuer and DB International Trust (Singapore) Limited (the “Trustee, which expression shall include its successor(s)”) as trustee for the holders of the Securities (the “Securityholders”).

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Trust Deed. Copies of the Trust Deed and the Agency Agreement to be dated April 6, 2017 (the “Agency Agreement”) made between the Issuer, the Registrar and other Agents, the Calculation Agent and the Trustee) are available for inspection during normal business hours by the Securityholders at the specified office of each of the Agents. The Securityholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them.

1. FORM, DENOMINATION AND TITLE

1.1 Form and denomination

The Securities are issued in registered form in amounts of US\$200,000 and integral multiples of US\$1,000 in excess thereof (referred to as the “principal amount” of a Security). A definitive certificate (each a “Certificate”) will be issued to each Securityholder in respect of its registered holding of Securities. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Securityholders which the Issuer will procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement.

1.2 Title

Title to the Securities passes only by registration in the register of Securityholders. The holder of any Security will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership or writing on it, or the previous theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions “Securityholder” and (in relation to a Security) “holder” means the person in whose name a Security is registered in the register of Securityholders.

For so long as any of the Securities is represented by a Global Certificate held on behalf of Euroclear Bank SA/NV (Euroclear) and/or Clearstream Banking S.A. (Clearstream, Luxembourg), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Securities (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee and the Agents as the holder of such nominal amount of such Securities for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Securities, for which purpose the registered holder of the Global Certificate shall be treated by the Issuer, the Trustee and any Agent as the holder of such nominal amount of such Securities in accordance with and subject to the terms of the Global Certificate and the expressions Securityholder and holder of Securities and related expressions shall be construed accordingly.

2. TRANSFERS OF SECURITIES AND ISSUE OF CERTIFICATES

2.1 Transfers

A Security may be transferred by depositing the Certificate issued in respect of that Security, with the form of transfer on the back duly completed and signed, at the specified office of the Registrar or any of the Agents.

2.2 Delivery of new Certificates

Each new Certificate to be issued upon transfer of Securities will, within five business days of receipt by the Registrar or the relevant Agent of the duly completed form of transfer endorsed on the relevant Certificate, be mailed by uninsured mail at the risk of the holder entitled to the Security to the address specified in the form of transfer. For the purposes of this Condition, “business day” shall mean a day on which banks are open for business in the city in which the specified office of the Agent with whom a Certificate is deposited in connection with a transfer is located.

Where some but not all of the Securities in respect of which a Certificate is issued are to be transferred a new Certificate in respect of the Securities not so transferred will, within five business days of receipt by the Registrar or the relevant Agent of the original Certificate, be mailed by uninsured mail at the risk of the holder of the Securities not so transferred to the address of such holder appearing on the register of Securityholders or as specified in the form of transfer.

2.3 Formalities free of charge

Registration of transfer of Securities will be effected without charge by or on behalf of the Issuer or any Agent but upon payment (or the giving of such indemnity as the Issuer or any Agent may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

2.4 Closed periods

No Securityholder may require the transfer of a Security to be registered during the period of 15 days ending on the due date for any payment of principal, premium (if any) or distributions on that Security.

2.5 Regulations

All transfers of Securities and entries on the register of Securityholders will be made subject to the detailed regulations concerning transfer of Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Securityholder who requests one.

3. STATUS

3.1 Status of the Securities

The Securities are direct, unconditional, unsubordinated and (subject to Condition 3.3) unsecured obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves, and at least *pari passu* with all other (subject to Condition 3.3) unsecured and unsubordinated indebtedness of the Issuer, present and future, save for such exceptions as may be provided by applicable legislation.

3.2 No set-off

Subject to applicable law, no holder of Securities may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Securities, and each holder of Securities shall, by virtue of his holding of any Securities, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Securities by the Issuer in respect of, or arising under or in connection with the Securities is discharged by set-off, such holder of Securities shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its Winding-up, the liquidator or, as appropriate, administrator of the Issuer) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.

“Winding-up” means bankruptcy, winding-up, liquidation or similar proceedings.

3.3 Negative pledge

So long as any Security remains outstanding (as defined in the Trust Deed), the Issuer shall not create or permit to subsist any Security Interest upon the whole or any part of its present or future property, assets or revenues (including uncalled share capital) to secure any Relevant Indebtedness or guarantee of Relevant Indebtedness without:

- (a) at the same time or prior thereto securing the Securities equally and rateably therewith to the satisfaction of the Trustee; or
- (b) providing such other security for the Securities (x) that is not materially less beneficial to the interests of the Securityholders or (y) as may be approved by an Extraordinary Resolution (as defined in the Trust Deed) of Securityholders.

“Security Interest” means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction.

“Relevant Indebtedness” means any indebtedness which is in the form of or represented by any bond, note, loan stock, certificate or other investment securities which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market). For the avoidance of doubt, the obligations of the Issuer under the reimbursement and indemnity agreement dated July 7, 2016 entered into among the Issuer, Credit Guarantee and Investment Facility and certain subsidiaries of the Issuer named therein, shall not be regarded as “Relevant Indebtedness”.

3.4 Provision of financial statements and reports

The Issuer has undertaken in the Trust Deed, inter alia, that so long as any of the Securities remain outstanding, the Issuer shall:

- (a) provide to the Trustee in the English language as soon as they are available, but in any event within 120 calendar days after the end of the fiscal year of the Issuer, copies of the Issuer’s financial statements (on a consolidated basis) in respect of such financial year (including a statement of comprehensive income, statement of financial position and cash flow statement) audited by a member firm of an internationally recognized firm of independent accountants;
- (b) provide to the Trustee in the English language as soon as they are available, but in any event within 60 calendar days after the end of each of the first, second and third fiscal quarters of the Issuer, copies of the Issuer’s financial statements (on a consolidated basis) in respect of such quarterly period (including a statement of comprehensive income, statement of financial position and cash flow statement), together with a certificate signed by the person then authorized to sign financial statements on behalf of the Issuer to the effect that such financial statements present fairly the financial position, results of its operation and cash flows of the Issuer for or as at the end of, as applicable, such quarterly period;
- (c) as soon as reasonably practicable and in any event within 14 days after the Issuer becomes aware of the occurrence thereof, provide to the Trustee written notice of the occurrence of any event or condition which constitutes an Event of Default (as defined below) or Default (as defined below) and an Officer’s Certificate (as defined in the Trust Deed) of the Issuer setting forth the details thereof and the action the Issuer is taking or proposes to take with respect thereto,

provided that, if at any time the shares of the Issuer are listed for trading on a recognized stock exchange (each such exchange, a “Relevant Exchange”), the Issuer shall only be obligated to provide to the Trustee, as soon as they are available but in any event no more than 10 calendar days after any financial reports of the Issuer are filed with any such Relevant Exchange, true and correct copies of any financial report filed with such Relevant Exchange.

“Default” means an event or circumstance which would, with the giving of notice, lapse of time, the issuing of a certificate and/or fulfillment of any other requirement provided for in Condition 10.2 become an Event of Default.

4. DISTRIBUTIONS

4.1 Distribution Payment Dates

The Securities bear distributions on their outstanding principal amount from and including the Issue Date at the applicable Distribution Rate, and will be payable, subject as provided herein, semi-annually in arrear on April 6 and October 6 of each year (each a “Distribution Payment Date”). Subject as provided herein, the first payment (for the period from and including the Issue Date to but excluding October 6, 2017 and amounting to US\$35 per US\$1,000 principal amount of Securities) shall be made on October 6, 2017.

4.2 Distribution accrual

Each Security will cease to bear distributions from and including its due date for redemption unless, upon due presentation, payment of the principal in respect of the Security is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event distributions will continue to accrue as provided in the Trust Deed.

For so long as any of the Securities is represented by the Global Certificate and the Global Certificate is held by Euroclear and/or Clearstream, Luxembourg, the Distributions (including Arrears of Distribution and Additional Distribution Amount) payable on such Securities will be determined based on the aggregate holdings of Securities of each person who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular principal amount of such Securities.

4.3 Distribution Rate

The rate of distribution (the “Distribution Rate”) applicable to each Security shall be:

- (a) in respect of each Distribution Payment Date in the period from, and including, the Issue Date to, but excluding, the Step-Up Date, 7.00 per cent. per annum; and
- (b) in respect of each Distribution Payment Date in the period from, and including, the Step-Up Date and each Reset Date falling thereafter to, but excluding, the immediately following Reset Date, the Reset Distribution Rate,

subject to: (A) if a Change of Control Event has occurred, and so long as the Issuer has not already redeemed the Securities in accordance with Condition 7.5 below, the then prevailing Distribution Rate shall be increased by 5 per cent. per annum with effect from, and including, the immediately following Distribution Payment Date (or, if the Change of Control Event occurs on or after the date which is two Business Days prior to the immediately following Distribution Payment Date, the next Distribution Payment Date); and (B) the provisions set out below under Conditions 4.8 and 4.9.

For the purpose of these Conditions:

- (i) “Initial Spread” means 5.484 per cent. per annum;
- (ii) “Reset Date” means the Step-Up Date and each successive date falling every three years after the Step-Up Date;
- (iii) “Reset Determination Date” means, in respect of each Reset Period, the second Business Day prior to the relevant Reset Date;
- (iv) “Reset Distribution Rate” means the Treasury Rate with respect to the relevant Reset Date plus the Initial Spread plus the Step-Up Margin;
- (v) “Reset Period” means the period from and including the Step-Up Date to but excluding the next Reset Date, and each successive period from and including a Reset Date to but excluding the next succeeding Reset Date;
- (vi) “Step-Up Date” means April 6, 2020;
- (vii) “Step-Up Margin” means 5 per cent. per annum; and
- (viii) “Treasury Rate” means the rate in per cent. per annum equal to the yield, under the heading that represents the average for the week immediately prior to the Reset Determination Date,

appearing in the most recently published statistical release designated “H.15(519)” (currently set out on the website <http://www.federalreserve.gov/release/h15/data.htm>) or any successor publication that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded non-inflation indexed U.S. Treasury securities adjusted to constant maturity under the caption “Treasury constant maturities,” for the maturity corresponding to three years. If such release (or any successor release) is not published during the week preceding the Reset Determination Date or does not contain such yields, “Treasury Rate” shall be obtained from an internationally recognized investment bank selected by the Issuer.

4.4 Calculation of Reset Distribution Rate

The Calculation Agent shall, as soon as practicable after 11.00 a.m. (New York time) on each Reset Determination Date, but in no event later than the third Business Day thereafter, determine the U.S. dollars amount payable in respect of distribution (the “Distribution Amount”) on each US\$1,000 principal amount of Securities (the “Calculation Amount”) for the relevant Distribution Period. The Distribution Amount shall be determined by applying the Distribution Rate to such principal amount, multiplying the sum by the actual number of days in the Distribution Period concerned divided by 360 and rounding the resultant figure to the nearest cent (half a cent being rounded upwards). The distribution payable in respect of a Security shall be the product of such Distribution Amount as so rounded and the amount by which the Calculation Amount is multiplied to reach the denomination of the relevant Security, without any further rounding.

“Distribution Period” means the period from (and including) a Distribution Payment Date (or, in respect of the first Distribution Period, the Issue Date) to (but excluding) the next Distribution Payment Date.

4.5 Publication of relevant Reset Distribution Rate and Distribution Rate

The Calculation Agent shall cause the Distribution Rate and the Distribution Amount for each Reset Period to be notified to the Issuer and the Trustee as soon as practicable after their determination (but by no later than the first day of each Reset Period) and to be published in accordance with Condition 12 as soon as possible after their determination, and in no event later than the second Business Day thereafter. The Distribution Amount may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of a Distribution Period.

In these Conditions (except where otherwise defined), the expression “Business Day” means a day which is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in both Singapore and New York.

4.6 Notifications, etc. to be final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition, whether by the Calculation Agent or the Trustee, will (in the absence of manifest error) be binding on the Issuer, the Trustee, the Agents and all Securityholders and (in the absence of gross negligence, wilful default or fraud) no liability to the Issuer or the Securityholders shall attach to the Calculation Agent, or, if applicable, the Trustee in connection with the exercise or non-exercise by any of them of their powers, duties and discretions under this Condition.

4.7 Calculation Agent

The Issuer shall procure that, so long as any of the Securities remains outstanding, there is at all times a Calculation Agent. If the Calculation Agent is unable or unwilling to continue to act as such or the Calculation Agent fails duly to determine the Distribution Rate and the Distribution Amount for any Distribution Period, the Issuer shall, subject to the prior written approval of the Trustee, appoint the Singapore office of another major bank to act in its place, in which event (save with respect to the termination of the appointment of the Calculation Agent) notice shall be given to the Securityholders under Condition 12 as soon as is practicable. The Calculation Agent may not resign its duties or be removed without a successor having been appointed.

4.8 Increase in Distribution Rate (Step-Up Event)

Upon the occurrence of a Step-Up Event, unless (x) an irrevocable notice in writing to redeem the Securities has been given by the Issuer to Securityholders (in accordance with Condition 12), the Trustee and the Paying Agent by the 30th day following the occurrence of the relevant Step-Up Event or (y) the relevant Step-Up Event is remedied by the 30th day following the occurrence of such relevant Step-Up Event, the Distribution Rate will increase by 5 per cent. per annum with effect from (a) the next Distribution Payment Date immediately following the occurrence of the relevant Step-Up Event or (b) if the date on which the relevant Step-Up Event occurs is prior to the most recent preceding Distribution Payment Date, such Distribution Payment Date, provided that the maximum aggregate increase in the Distribution Rate pursuant to this Condition 4.8 plus any increase due to a Change of Control Event shall be 5 per cent. per annum.

In these Conditions:

- (a) “Step-Up Event” means the occurrence of a Breach of Covenant Event and/or a Relevant Indebtedness Default Event;
- (b) “Breach of Covenant Event” means that there is a non-compliance and/or non-performance by the Issuer of any one or more of its obligations and covenants set out under Condition 3.3 and Condition 3.4 above; and
- (c) “Relevant Indebtedness Default Event” means the occurrence of one or more of the following events (and such event is continuing):
 - (i) any Relevant Indebtedness of the Issuer is not paid when due or (as the case may be) within any originally applicable grace period; or
 - (ii) any such Relevant Indebtedness becomes due and payable prior to its stated maturity otherwise than at the option of (A) the Issuer or (B) (provided that no event of default, howsoever described, has occurred) any person entitled to such indebtedness; or
 - (iii) the Issuer fails to pay when due any amount payable by it under any guarantee of any Relevant Indebtedness,

provided that the aggregate amount of Relevant Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any guarantee referred to in sub-paragraph (iii) above, individually or in the aggregate, exceeds S\$10 million (or its equivalent in any other currency or currencies).

4.9 Decrease in Distribution Rate (Step-Up Event)

If following an increase in the Distribution Rate after a Step-Up Event: such Step-Up Event is cured or no longer exists, and there is no Change of Control Event in existence at such time, upon written notice of such facts being given to the Securityholders, the Trustee and the Paying Agent, the Distribution Rate shall be decreased by 5 per cent. per annum with effect from (and including) the Distribution Payment Date immediately following the date of such notice provided that the maximum aggregate decrease in the Distribution Rate pursuant to this Condition 4.9 shall be 5 per cent. per annum.

5. DISTRIBUTION DISCRETION

5.1 Optional payment

The Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date by giving notice (an “Optional Payment Notice”) to the Trustee, the Paying Agent and the Securityholders (in accordance with Condition 12) not more than 20 nor less than five Business Days prior to a scheduled Distribution Payment Date.

The Issuer may not elect to defer any distribution if during the six-month period ending on the day before that scheduled Distribution Payment Date (“Reference Period”), either or both of the following have occurred:

- (a) a dividend, distribution or other payment has been declared or paid on or in respect of any of its Junior Obligations or (except on a pro rata basis with the Securities) any of the Issuer’s Parity Obligations; or

- (b) any of the Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired by the Issuer for any consideration or (except on a pro rata basis with the Securities), any of the Parity Obligations has been redeemed, reduced, cancelled, bought back or acquired by the Issuer for any consideration,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group (as defined in the Trust Deed); (2) a Permitted Strategic Investor Payment; or (3) as a result of the exchange or conversion of the Issuer's Parity Obligations for the Issuer's Junior Obligations (a "Compulsory Distribution Payment Event").

In these Conditions:

- (a) "Junior Obligation" means any ordinary shares of the Issuer and any class of the Issuer's share capital, any subordinated indebtedness of the Issuer and any other instruments or securities (including without limitation any preference shares, preferred units or subordinated perpetual securities) issued, entered into or guaranteed by the Issuer that ranks or is expressed to rank, whether by its terms or by operation of law, junior to the Securities, and the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof;
- (b) "Parity Obligations" means any instrument or security (including without limitation any preference shares) issued, entered into or guaranteed (other than guarantees in the ordinary course of business) by the Issuer (i) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Securities and (ii) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof;
- (c) "Permitted Strategic Investor Payment" means (i) any dividend, distribution or other payment that has been declared or paid on or in respect of any Junior Obligation or Parity Obligation, whether by way of cash or shares or (ii) any refund, redemption, repurchase, reduction, cancellation or acquisition by the Issuer, whether by way of cash or shares, of or in respect of any Junior Obligation or Parity Obligation, in each case provided that:
 - (1) such Junior Obligation or Parity Obligation is held by a Strategic Investor (or its affiliate) in relation to a Strategic Investment; and
 - (2) such dividend, distribution or other payment, or such refund, redemption, repurchase, reduction, cancellation or acquisition is made in order to satisfy an obligation of the Issuer under the terms of the relevant Strategic Investment and which is payable on one occasion to such Strategic Investor based on the consolidated financial performance of the Issuer for a single twelve month period commencing at any time after the Issue Date;
- (d) "Strategic Investor" means an investor who has made a Strategic Investment; and
- (e) "Strategic Investment" means a subscription, at any time after the Issue Date, for any class of shares in the Issuer as part of an investment that generates at least S\$50,000,000 in primary proceeds for the Issuer.

Each Optional Payment Notice shall be accompanied, in the case of the notice to the Trustee and the Paying Agent, by a certificate signed by a duly authorized officer of the Issuer confirming that no Compulsory Distribution Payment Event has occurred during the relevant Reference Period. Any such certificate shall be conclusive evidence that no Compulsory Distribution Payment Event has occurred during the relevant Reference Period and the Trustee and the Paying Agent shall be entitled to rely without any obligation to verify the same and without liability to any Securityholder or any other person on any Optional Payment Notice or any certificate as aforementioned. Each Optional Payment Notice shall be conclusive and binding on the Securityholders.

The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distributions may be deferred pursuant to the provisions of this Condition 5.1.

5.2 No obligation to pay

Subject to Condition 5.3 and Condition 5.4, the Issuer shall have no obligation to pay any distribution on any Distribution Payment Date and any failure to pay a distribution in whole or in part shall not constitute a default of the Issuer in respect of the Securities.

5.3 Cumulative deferral

Any distribution deferred pursuant to this Condition 5.3 shall constitute “Arrears of Distribution”. The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 5.1) further defer any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of an accrued distribution. The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to this Condition 5 except that this Condition 5.3 shall be complied with until all outstanding Arrears of Distribution have been paid in full.

Each amount of Arrears of Distribution shall bear distributions as if it constituted the principal of the Securities at the applicable Distribution Rate and the amount of such distributions (the “Additional Distribution Amount”) with respect to Arrears of Distribution shall be due and payable pursuant to this Condition 5 and shall be calculated by applying the applicable Distribution Rate to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the foregoing provisions of this Condition 5. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

5.4 Restrictions in the case of deferral

If on any Distribution Payment Date, payments of all distribution scheduled to be made on such date are not made in full by reason of this Condition 5, the Issuer shall not:

- (a) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of its Junior Obligations or (except on a pro rata basis) any of its Parity Obligations; or
- (b) redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition by the Issuer for any consideration is made in respect of, any of its Junior Obligations or (except on a *pro rata* basis with the Securities) any of its Parity Obligations,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group; (2) a Permitted Strategic Investor Payment; (3) as a result of the exchange or conversion of the Issuer’s Parity Obligations for the Issuer’s Junior Obligations or (4) unless and until (A) the Issuer has satisfied in full all outstanding Arrears of Distribution or (B) the Issuer is permitted to do so by an Extraordinary Resolution (as defined in the Trust Deed) of the Securityholders.

5.5 Satisfaction of Arrears of Distribution

The Issuer:

- (a) may, at its sole discretion, satisfy any Arrears of Distribution (in whole or in part) at any time by giving notice of such election to the Trustee, the Paying Agent and the Securityholders (in accordance with Condition 12) not more than 20 nor less than five Business Days prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Arrears of Distribution on the payment date specified in such notice); and
- (b) in any event shall satisfy any outstanding Arrears of Distribution (in whole but not in part) on the earliest of:
 - (i) the date of redemption of the Securities in accordance with the redemption events set out in Condition 7 (as applicable);

- (ii) the next Distribution Payment Date following the occurrence of a breach of Condition 5.4 or following the occurrence of a Compulsory Distribution Payment Event; and
- (iii) the date such amount becomes due under Condition 10 or on a Winding-up of the Issuer.

Any partial payment of Arrears of Distribution by the Issuer shall be shared by the Securityholders of all outstanding Securities on a *pro rata* basis.

5.6 No default

Notwithstanding any other provision in these Conditions and the Trust Deed, the non-payment of any distribution payment in accordance with this Condition 5 shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 10) on the part of the Issuer under the Securities.

6. PAYMENTS

6.1 Payments in respect of Securities

Payment of principal and distributions will be made by transfer to the registered account of the Securityholder or by U.S. dollars cheque drawn on a bank that processes payments in U.S. dollars mailed to the registered address of the Securityholder if it does not have a registered account. Payments of principal and premium (if any) and payments of distributions due otherwise than on a Distribution Payment Date will only be made against surrender of the relevant Certificate at the specified office of any of the Agents. Distribution on Securities due on a Distribution Payment Date will be paid to the holder shown on the register of Securityholders at the close of business on the date (the “record date”) being the fifteenth day before the relevant Distribution Payment Date.

For the purposes of this Condition, a Securityholder’s “registered account” means the U.S. dollars account maintained by or on behalf of it with a bank that processes payments in U.S. dollars, details of which appear on the register of Securityholders at the close of business, in the case of principal and premium (if any), on the second Business Day (as defined below) before the due date for payment and, in the case of distributions, on the relevant record date, and a Securityholder’s registered address means its address appearing on the register of Securityholders at that time.

6.2 Payments subject to applicable laws

Payments in respect of principal and distributions on the Securities are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 9.

6.3 No commissions

No commissions or expenses shall be charged to the Securityholders in respect of any payments made in accordance with this Condition.

6.4 Payment on Business Days

Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that is not a Business Day (as defined below), for value the first following day which is a Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed, on the Business Day preceding the due date for payment or, in the case of a payment of principal and premium (if any) or a payment of distributions due otherwise than on a Distribution Payment Date, if later, on the Business Day on which the relevant Certificate is surrendered at the specified office of an Agent.

Securityholders will not be entitled to any distributions or other payment for any delay after the due date in receiving the amount due if the due date is not a Business Day, if the Securityholder is late in surrendering its Certificate (if required to do so) or if a cheque mailed in accordance with this Condition arrives after the due date for payment.

In this Condition, “Business Day” means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in New York and Singapore.

6.5 Partial Payments

If the amount of principal, premium (if any) or distributions which is due on the Securities is not paid in full, the Registrar will annotate the register of Securityholders with a record of the amount of principal, premium (if any) or distributions in fact paid.

6.6 Agents

The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents provided that:

- (a) so long as the Securities are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be an Agent having a specified office in the place required by the rules and regulations of the relevant Stock Exchange or any other relevant authority;
- (b) there will at all times be:
 - (i) a Paying Agent;
 - (ii) a Registrar; and
 - (iii) a Calculation Agent.

Notice of any variation, termination, appointment and/or of any changes in specified offices will be given to the Securityholders promptly by the Issuer in accordance with Condition 12.

7. REDEMPTION AND PURCHASE

7.1 No fixed redemption date

The Securities are perpetual capital securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 3 and without prejudice to Condition 10) only have the right (but not the obligation) to redeem or purchase them in accordance with the following provisions of this Condition 7.

7.2 Redemption at the option of the Issuer

The Issuer may, having given:

- (a) not less than 30 nor more than 60 days' notice to the Securityholders in accordance with Condition 12; and
- (b) notice to the Paying Agent, the Registrar and the Trustee not less than 15 days before the giving of the notice referred to in (a),

(which notices shall be irrevocable and shall specify the date fixed for redemption) redeem all (and not some only) of the Securities on April 6, 2020 (the "First Call Date") or any Distribution Payment Date thereafter. Any such redemption of Securities shall be at their principal amount, together with distribution accrued (including any Arrears of Distribution and any Additional Distribution Amount) to (but excluding) the date fixed for redemption.

7.3 Redemption for taxation reasons

The Issuer may, having given:

- (a) not less than 30 nor more than 60 days' notice to the Securityholders in accordance with Condition 12; and
- (b) notice to the Paying Agent, the Registrar and the Trustee not less than 15 days before the giving of the notice referred to in (a),

(which notices shall be irrevocable and shall specify the date fixed for redemption) redeem all (and not some only) of the Securities at any time at their principal amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:

- (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8, or increase the payment of such additional amounts, as a result of any change in,

or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of the Cayman Islands or Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements (including a holding by a court of competent jurisdiction), which change or amendment is made public on or after the Issue Date; and

- (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Securities then due.

Prior to the publication of any notice of redemption pursuant to this Condition 7.3, the Issuer shall deliver to the Trustee (A) a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (B) an opinion of independent legal, tax or other professional advisers of recognized standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of the change or amendment, and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Securityholders.

7.4 Redemption for accounting reasons

The Issuer may, having given:

- (a) not less than 30 nor more than 60 days' notice to the Securityholders in accordance with Condition 12; and
- (b) notice to the Paying Agent, the Registrar and the Trustee not less than 15 days before the giving of the notice referred to in (a),

(which notices shall be irrevocable and shall specify the date fixed for redemption) redeem all (and not some only) of the Securities at any time:

- (i) prior to (and excluding) the First Call Date, at 101 per cent. of their principal amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption); or
- (ii) from (and including) the First Call Date, at their principal amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption),

if, as a result of any changes or amendments to International Financial Reporting Standards, as amended from time to time or any other accounting standards that may replace those accounting standards for the purposes of the consolidated financial statements of the Issuer (the "Relevant Accounting Standard"), the Securities will not or will no longer be recorded as "equity" of the Issuer pursuant to the Relevant Accounting Standard.

Prior to the publication of any notice of redemption pursuant to this Condition 7.4, the Issuer shall deliver to the Trustee (ii) a certificate signed by two Directors of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances and (b) an opinion of the Issuer's independent auditors stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the Relevant Accounting Standard has taken effect or is due to take effect, and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Securityholders.

7.5 Redemption in the case of a Change of Control Event

The Issuer may, having given:

- (a) not less than 30 nor more than 60 days' notice to the Securityholders in accordance with Condition 12; and

- (b) notice to the Paying Agent, the Registrar and the Trustee not less than 15 days before the giving of the notice referred to in (a),

(which notices shall be irrevocable and shall specify the date fixed for redemption) redeem all (and not some only) of the Securities at any time:

- (i) prior to (and excluding) the First Call Date, at 101 per cent. of their principal amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption); or
- (ii) from (and including) the First Call Date, at their principal amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption),

if a Change of Control Event occurs.

“Change of Control Event” means any Person or group of related Persons (other than the Permitted Holders) acting in concert with each other, coming into control, directly or indirectly, of a greater percentage of the total voting power of the outstanding Voting Stock of the Issuer than the aggregate percentage of the total voting power of the outstanding Voting Stock of the Issuer being controlled, directly or indirectly, by the Permitted Holders.

“Permitted Holders” means, as a group: (a) Dr. Daniel Chan; (b) Dr. Michael Tan; (c) SIN Capital (Cayman) Ltd; (d) David Sin; or (e) any Person the Voting Stock of which at least a majority is controlled, directly or indirectly, by one or more of the Persons specified in paragraphs (a), (b), (c) or (d).

“Person” means any individual, company, corporation, firm, partnership, joint venture, association, organization, state or agency of a state or other entity, whether or not having separate legal personality.

“Voting Stock” means, with respect to any Person, ordinary shares of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

7.6 Redemption in the case of Minimal Outstanding Amount

In the event that the Issuer and/or any of its subsidiaries has, individually or in the aggregate, purchased (and not resold) Securities equal to or in excess of 90% of the aggregate principal amount of the Securities issued on the Issue Date, the Issuer may, having given:

- (a) not less than 30 nor more than 60 days’ notice to the Securityholders in accordance with Condition 12; and
- (b) notice to the Paying Agent, the Registrar and the Trustee not less than 15 days before the giving of the notice referred to in (a),

(which notices shall be irrevocable and shall specify the date fixed for redemption) redeem all (and not some only) of the Securities at any time at their principal amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption).

7.7 Redemption in the case of a Step-Up Event

The Issuer may, having given:

- (a) not less than 30 nor more than 60 days’ notice to the Securityholders in accordance with Condition 12; and
- (b) notice to the Paying Agent, the Registrar and the Trustee not less than 15 days before the giving of the notice referred to in (a),

(which notices shall be irrevocable and shall specify the date fixed for redemption) redeem all (and not some only) of the Securities at any time at their principal amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) upon the occurrence of a Step-Up Event.

7.8 Purchases

The Issuer or any of its subsidiaries may at any time purchase Securities in any manner and at any price in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives.

7.9 Cancellations

All Securities which are redeemed or purchased by or on behalf of the Issuer may be surrendered by the purchaser through the Issuer to the Registrar for cancellation or may at the option of the Issuer or the relevant subsidiary be held or resold. Any Certificates so surrendered for cancellation may not be reissued or resold.

7.10 Notices Final

Upon the expiry of any notice as is referred to in Condition 7.2, 7.3, 7.4, 7.5, 7.6 or 7.7 the Issuer shall be bound to redeem the Securities to which the notice refers in accordance with the terms of such paragraph.

8. TAXATION

8.1 Payment without Withholding

All payments of principal, premium (if any) and interest in respect of the Securities by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (“Taxes”) imposed, levied, collected, withheld or assessed by or within the Cayman Islands or Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In the event that such withholding or deduction is required by law, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Securityholders after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in respect of the Securities in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect of any Security:

- (a) held by or on behalf of a holder who is subject to such Taxes by reason of his being connected with the Cayman Islands or Singapore otherwise than by reason only of the holding of such Security or the receipt of any sums due in respect of such Security (including, without limitation, the holder being a resident of, or a permanent establishment in, the Cayman Islands or Singapore);
- (b) held by or on behalf of a holder who would have been able to avoid such withholding or deduction by complying with any statutory requirement or by making a declaration of non-residence or any other claim for exemption or any filing, but fails to do so; or
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming that day to have been a Business Day (as defined in Condition 6).

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Cayman Islands or Singapore, references in these Conditions to the Cayman Islands or Singapore shall be construed as references to the Cayman Islands or Singapore (as the case may be) and/or such other jurisdiction.

8.2 Interpretation

In these Conditions, “Relevant Date” means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the an Agent or the Trustee on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Securityholders by the Issuer in accordance with Condition 12.

8.3 Additional Amounts

Any reference in these Conditions to any amounts in respect of the Securities shall be deemed also to refer to any additional amounts which may be payable under this Condition or under any undertakings given in addition to, or in substitution for, this Condition pursuant to the Trust Deed.

9. PRESCRIPTION

Claims in respect of principal and distributions will become prescribed unless made within 10 years (in the case of principal) and five years (in the case of distributions) from the Relevant Date, as defined in Condition 8.

10. NON-PAYMENT

10.1 Non-payment when due

Notwithstanding any of the provisions below in this Condition 10, the right to institute proceedings for Winding-up is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 5. In addition, nothing in this Condition 10, including any restriction on commencing proceedings, shall in any way restrict or limit the rights of the Trustee or any of its directors, officers, employees or agents to claim from or to otherwise take any action against the Issuer in respect of any costs, charges, fees, expenses or liabilities incurred by such party pursuant to or in connection with the Securities or the Trust Deed.

10.2 Proceedings for Winding-up

If (i) a final and effective order is made or an effective resolution is passed for the Winding-up of the Issuer or (ii) the Issuer fails to make payment in respect of the Securities on the date on which such payment is due and such failure continues for a period of 8 Business Days after the due date (each, an “Event of Default”), the Issuer shall be deemed to be in default under the Trust Deed and the Securities and the Trustee may, subject to the provisions of Condition 10.4, institute proceedings for the Winding-up of the Issuer and/or prove in the Winding-up of the Issuer and/or claim in the liquidation of the Issuer for such payment.

10.3 Enforcement

Without prejudice to Condition 10.2 but subject to the provisions of Condition 10.4, the Trustee may without further notice to the Issuer institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Securities or the Trust Deed (other than any payment obligation of the Issuer under or arising from the Securities, including, without limitation, payment of any principal or premium or satisfaction of any distributions (including any damages awarded for breach of any obligations)), and in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

10.4 Entitlement of Trustee

The Trustee shall not and shall not be obliged to take any of the actions referred to in Condition 10.2 or Condition 10.3 against the Issuer to enforce the terms of the Trust Deed or the Securities unless (i) it shall have been so directed by an Extraordinary Resolution of the Securityholders or so requested in writing by Securityholders holding not less than 25 per cent. in principal amount of the Securities outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

10.5 Right of Securityholders

No Securityholder shall be entitled to proceed directly against the Issuer or to institute proceedings for the Winding-up or claim in the liquidation of the Issuer or to prove in such Winding-up unless the Trustee, having become so bound to proceed or being able to prove in such Winding-up or claim in such liquidation, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing, in which case the Securityholder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise as set out in this Condition 10.

10.6 Extent of Securityholder’s remedy

No remedy against the Issuer, other than as referred to in this Condition 10, shall be available to the Trustee or the Securityholders, whether for the recovery of amounts owing in respect of the Trust Deed, the Securities or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Trust Deed or the Securities (as applicable).

11. REPLACEMENT OF CERTIFICATES

If any Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12. NOTICES TO THE SECURITYHOLDERS

All notices to the Securityholders will be valid if mailed to them by first class mail or (if posted to an address overseas) by airmail to the holders (or the first of any joint named holders) at their respective addresses in the register of Securityholders maintained by the Registrar. Notwithstanding the foregoing, notices to Securityholders will be valid if published in a daily newspaper of general circulation in Singapore (or, if the holders can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in *The Business Times*. The Issuer shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Securities are for the time being listed. Any such notice will be deemed to have been given on the fourth day after being so mailed or on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any definitive Certificates are issued, there may, so long as the Global Certificate representing the Securities are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such websites or such mailing the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Securities and, in addition, for so long as the Securities are listed on the Singapore Exchange Securities Trading Limited (the SGX-ST) and the rules of the SGX-ST so require, notice will be considered valid if published on the website of the SGX-ST at <http://www.sgx.com>. Any such notice shall be deemed to have been given to the Holders on the fourth day after the day of despatch or (as the case may be) on which the said notice was given to Euroclear and/or Clearstream or on the date of publication.

13. MEETINGS OF SECURITYHOLDERS, MODIFICATION, WAIVER, AUTHORIZATION AND DETERMINATION

13.1 Meetings of Securityholders

The Trust Deed contains provisions for convening meetings of the Securityholders to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of any of these Conditions or any of the provisions of the Trust Deed. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. in principal amount of the Securities for the time being outstanding, or at any adjourned such meeting one or more persons present whatever the principal amount of the Securities held or represented by him or them, except that, at any meeting the business of which includes any matter defined in the Trust Deed as a Basic Terms Modification, including the modification of certain of the provisions of these Conditions and certain of the provisions of the Trust Deed (including the date of maturity of the Securities or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Securities or altering the currency of payment of the Securities), the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-quarter, of the principal amount of the Securities for the time being outstanding. The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than two-thirds of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than two-thirds in principal amount of the Securities for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than two-thirds in principal amount of the Securities for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Securityholders. An Extraordinary Resolution passed by the Securityholders will be binding on all Securityholders, whether or not they are present at any meeting and whether or not they voted on the resolution.

13.2 Modification, waiver, authorization and determination

The Trustee may agree, without the consent of the Securityholders (i) to any modification of, or to the waiver or authorization of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement, or determine, without any such consent as aforesaid, that any Event of Default or Default shall not be treated as such (provided that, in any such case, it is not materially prejudicial to the interests of the Securityholders), or (ii) to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error or an error which is proven.

13.3 Trustee to have regard to interests of Securityholders as a class

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorization determination or substitution), the Trustee shall have regard to the general interests of the Securityholders as a class but shall not have regard to any interests arising from circumstances particular to individual Securityholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Securityholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Securityholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Securityholders except to the extent already provided for in Condition 8 and/or any undertaking given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

13.4 Notification to the Securityholders

Any modification, abrogation, waiver, authorization, determination or substitution shall be binding on the Securityholders and, unless the Trustee agrees otherwise, any modification or substitution shall be notified by the Issuer to the Securityholders as soon as practicable thereafter in accordance with Condition 12.

14. INDEMNIFICATION AND PROTECTION OF THE TRUSTEE AND ITS CONTRACTING WITH THE ISSUER

14.1 Indemnification and protection of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility and liability towards the Issuer and the Securityholders, including (i) provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction and (ii) provisions limiting or excluding its liability in certain circumstances.

14.2 Trustee contracting with the Issuer

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (i) to enter into business transactions with the Issuer and/or any of its subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of its subsidiaries, (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Securityholders, and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

15. FURTHER ISSUES

The Issuer may from time to time without the consent of the Securityholders create and issue further securities, having terms and conditions the same as those of the Securities, or the same except for the amount and date of the first payment of distributions, which may be consolidated and form a single series with the outstanding Securities. Any further securities which are to form a single series with the outstanding securities of any series (including the Securities) constituted by the Trust Deed or any supplemental deed shall, and any other further securities may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Securityholders and the holders of securities of other series in certain circumstances where the Trustee so decides.

16. GOVERNING LAW AND SUBMISSION TO JURISDICTION

16.1 Governing law

The Trust Deed and the Securities and any non-contractual obligations arising out of or in connection with the Trust Deed and the Securities are governed by, and construed in accordance with, English law.

16.2 Submission to jurisdiction

- (a) Subject to Condition 16.2(c), the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed or the Securities including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed or the Securities (a “Dispute”) and, each of the Issuer, the Trustee and any Securityholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Condition, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) To the extent allowed by law, the Trustee and the Securityholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction and (ii) concurrent proceedings in any number of jurisdictions.

16.3 Appointment of process agent

The Issuer irrevocably appoints Law Debenture Corporate Services Limited at Fifth Floor, 100 Wood Street, London EC2V 7EX, United Kingdom as its agent for service of process in any proceedings before the English courts in relation to any Dispute and agrees that, in the event of Law Debenture Corporate Services Limited being unable or unwilling for any reason so to act, it will immediately appoint another person approved by the Trustee as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing in this Condition shall affect the right to serve process in any other manner permitted by law.

16.4 Other documents

The Issuer has in the Agency Agreement and the Trust Deed submitted to the jurisdiction of the English courts and appointed an agent in England for service of process, in terms substantially similar to those set out above.

17. RIGHTS OF THIRD PARTIES

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Security, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

THE GLOBAL CERTIFICATE

The Global Certificate contains the following provisions which apply to the Securities in respect of which they are issued whilst they are represented by the Global Certificate, some of which modify the effect of the Terms and Conditions of the Securities. Terms defined in the Terms and Conditions of the Securities have the same meaning in the paragraphs below. The following is a summary of those provisions:

Accountholders

Except as provided in the Trust Deed, each person who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as entitled to a particular principal amount of the Securities (each an “Accountholder”) represented by the Global Certificate (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be the holder of such principal amount of such Securities for all purposes other than with respect to payments of principal and interest on the Securities for which purpose the registered holder of the Global Certificate shall be deemed to be the holder of such principal amount of the Securities in accordance with and subject to the terms of the Global Certificate and the Trust Deed.

Cancellation

Cancellation of any Security following its redemption or purchase by or on behalf of the Issuer will be effected by reduction in the aggregate principal amount of the Securities in the register of Securityholders and by the annotation of the appropriate schedule to the Global Certificate.

Payments

Under the Global Certificate, the Issuer, for value received, promises to pay distributions on such principal sum in arrears on the dates and at the rate specified in the Terms and Conditions of the Securities, together with any additional amounts payable in accordance with the Terms and Conditions of the Securities, all subject to and in accordance with the Terms and Conditions of the Securities.

Such payments will be made to the holder appearing in the register of holders of the Securities maintained by the Registrar at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date.

Notices

For so long as all of the Securities are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Securityholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relevant Accountholders rather than by publication as required by the Terms and Conditions. Any such notice shall be deemed to have been given to the Securityholders on the second day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

Whilst any Securities held by a Securityholder are represented by the Global Certificate, notices to be given by such Securityholder may be given by such Securityholder to the Paying Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such a manner as the Paying Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

Registration of Title

The Global Certificate may be exchanged in whole, but not in part, for Definitive Certificates only upon the occurrence of an Exchange Event.

For these purposes, “Exchange Event” means:

- a) an Event of Default (as defined in Condition 10) has occurred and is continuing;
- b) the Issuer has been notified that both Euroclear and Clearstream have closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any case, no successor or alternative clearing system satisfactory to the Trustee is available; or

- c) the Issuer has or will become subject to adverse tax consequences which would not be suffered if the Securities represented by the Global Certificate were represented in definitive form and a certificate to such effect signed by two authorized signatories is given to the Trustee;

If the Global Certificate is exchangeable following the occurrence of an Exchange Event:

- a) the Issuer will promptly give notice to Securityholders in accordance with Condition 12 upon the occurrence of such Exchange Event; and
- b) Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in the Global Certificate) or, as the case may be, a nominee for the Common Depositary acting on their behalf may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Registrar requesting exchange.

Any such exchange shall occur not later than ten days after the date of receipt of the first relevant notice by the Registrar (the last date for such exchange, the “Exchange Date”).

Transfers

Securities represented by the Global Certificate are exchangeable and transferable only in accordance with, and subject to, the provisions hereof and the rules and operating procedures of Euroclear and Clearstream, Luxembourg.

USE OF PROCEEDS

The net proceeds from the issue of the Securities, which are approximately US\$170.7 million (after the deduction of fees, commissions and expenses in connection with this offering, excluding any discretionary fees or commissions) are intended to be used primarily for the following purposes:

- to fund potential acquisitions in (i) the specialty services segment in Singapore, (ii) the enterprise healthcare services segment in Australia, and (iii) other areas including new strategic markets and/or segments (See “*Business—Our Strategies—Expand through acquisitions, joint ventures or strategic alliances*” for more details of our acquisition strategy); and
- for capital expenditures.

Pending the use of the net proceeds in the manner described above, we may also use the net proceeds for working capital, place the funds in fixed deposits with banks and financial institutions or use the funds to invest in short-term money market instruments, as the Directors may deem appropriate in their absolute discretion.

EXCHANGE RATE INFORMATION AND EXCHANGE CONTROLS

The table below sets forth, for the periods indicated, information concerning the exchange rates between Singapore dollars and U.S. dollars (in Singapore dollars per U.S. dollar). The average rates for the annual figures were determined using the average of the exchange rates at the last day of each month during the year indicated. No representation is made that the U.S. dollar or Singapore dollar amounts referred to herein actually represent such U.S. dollar or Singapore dollar amounts, as the case may be, or could have been or could be converted into U.S. dollars or Singapore dollars at the rates indicated, at any other rate, or at all.

| | U.S. dollar/Singapore dollar ⁽¹⁾ | | |
|-------------------------|---|--------|--------|
| | Average | High | Low |
| Year ended December 31, | | | |
| 2012 | 1.2450 | 1.2971 | 1.2163 |
| 2013 | 1.2535 | 1.2838 | 1.2205 |
| 2014 | 1.2703 | 1.3255 | 1.2368 |
| 2015 | 1.3788 | 1.4328 | 1.3174 |
| 2016 | 1.3821 | 1.4509 | 1.3373 |
| Month | | | |
| July 2016 | 1.3506 | 1.3623 | 1.3397 |
| August 2016 | 1.3479 | 1.3647 | 1.3392 |
| September 2016 | 1.3589 | 1.3681 | 1.3466 |
| October 2016 | 1.3838 | 1.3947 | 1.3651 |
| November 2016 | 1.4114 | 1.4334 | 1.3833 |
| December 2016 | 1.4368 | 1.4509 | 1.4168 |

Note:

(1) Source: Bloomberg L.P.

Exchange Controls

Singapore

There are no exchange control restrictions in effect in Singapore.

Indonesia

Indonesia has limited foreign exchange controls. The Rupiah has been, and in general is, freely convertible within or from Indonesia. However, to maintain the stability of the Rupiah and to prevent the utilization of the Rupiah for speculative purposes by non-residents, Bank Indonesia has introduced regulations to restrict the movement of Rupiah from banks within Indonesia to offshore banks, an offshore branch of an Indonesian bank, or any investment denominated in Rupiah by foreign parties and/or Indonesian parties domiciled or permanently residing outside Indonesia, thereby limiting offshore trading to existing sources of liquidity. Currently, there are no restrictions on the repatriation of capital, profits, dividends, interest, fees or rental by foreign direct investors or portfolio investors, subject to applicable reporting requirements.

Bank Indonesia has the authority to request information and data concerning the foreign exchange activities of all people and legal entities that are domiciled, or who plan to be domiciled, in Indonesia for at least one year. Bank Indonesia Regulation No. 16/22/PBI/2014 dated December 31, 2014 as further regulated in Bank Indonesia Circular Letter No. 17/26/DStA dated October 15, 2015 (“SEBI 17/26”) requires bank institutions, non-bank financial institutions, non-financial institutions, state/regional-owned companies, private companies, business entities and individuals to submit a report to Bank Indonesia on their foreign exchange activities. The report is required to include: (i) trade activities in goods, services and other transactions between residents and non-residents of Indonesia; (ii) the position and changes in the balance of foreign financial assets and/or foreign financial liabilities; and (iii) any plan to incur foreign debt and/or implementation.

SEBI 17/26 stipulates further details on type of reports that must be submitted to Bank Indonesia, i.e., (i) a report on trading transactions of goods, services, and other transactions between Indonesian residents and non-residents, (ii) a report on positions held and changes to offshore financial assets, (iii) a report on positions held and changes to equity of non-residents and other related obligations, (iv) a report on positions held and changes to offshore derivative obligations, (v) a report on positions held in offshore contingencies and commitments, and (vi) a report on positions held in securities owned by custodian customers. The report specified in (iii) covers report on obligation related to paid up capital of non-residents, dividend obligation to non-residents and retained earnings toward non-residents. Such reports and/or corrections of such reports (if any) are to be submitted through Bank Indonesia’s website in a format that is specified under SEBI 17/26.

Indonesian Law on Currency

On June 28, 2011, the Indonesian House of Representatives (the “Indonesian Parliament”) passed Law No. 7 of 2011 (the “Currency Law”) concerning the use of Rupiah. The Currency Law requires the use of and prohibits the rejection of Rupiah in certain transactions. The Currency Law has been further implemented by Bank Indonesia Regulation No. 17/3/PBI/2015 on the Mandatory Use of the Rupiah in Indonesia, or Regulation 17/2015, which came into effect as of March 31, 2015 and Circular Letter No. 17/11/DKSP dated June 1, 2015, or SEBI No. 17/11/2015.

Any party conducting cash or non-cash transactions within the territory of Indonesia is required to use the Rupiah in its settlements. There are a number of exceptions to this rule, including for certain transactions related to the state budget, income and grants from and to foreign countries, international trade transactions, foreign currency savings in a bank, and international financing transactions, foreign exchange activities undertaken by banks, transactions that relate to foreign currency denominated government bonds, as well as transactions pertaining to investment and export financing institution laws.

Both Regulation 17/2015 and SEBI No. 17/11/2015 reaffirmed the obligation that goods and services in Indonesia must only be price-tagged in Rupiah. Dual quotation (in Rupiah and a certain foreign currency) on the price of goods and services is not allowed. The said restriction will also be applicable for pricing of goods and services through electronic media.

The transitional provision of Regulation 17/2015 stipulates that agreements that require settlement in a foreign currency that were entered into prior to July 1, 2015 shall continue to be valid until its expiry or completion. However, the extension of and/or amendment to the said agreement must then be made in accordance with the requirements of Regulation 17/2015. This transitional provision will only be applicable to non-cash transactions.

Non-compliance with the mandatory use of the Rupiah in cash transactions is a misdemeanor punishable by up to one year of confinement or a fine of up to IDR200 million. For non-cash transactions, any violation of the mandatory use of the Rupiah will trigger administrative sanctions in the form of written warnings and fines in the amount of 1% of the value of the transaction but with a maximum fine of IDR1 billion.

Purchasing of Foreign Currencies against Rupiah through Banks

Pursuant to Bank Indonesia Regulation No.18/18/PBI/2016 dated September 5, 2016 on Foreign Exchange Transaction against Rupiah between Indonesian banks and Indonesian companies, exchange conversions that are greater than US\$25,000 per month must be based on an “underlying transaction” and documentation related to the transaction must be submitted to the selling bank. The regulation defines “underlying transaction” as an activity that is used as the basis to purchase or sell foreign currencies against Rupiah, including payment of dividends and other distributions declared and payable by an Indonesian company to its shareholders that are not residents of Indonesia. The maximum amount of these foreign exchange conversions is the value of the underlying transaction itself. For payment of dividends and other distributions declared and payable by an Indonesian company to its shareholders, the documents that can be used as evidence of the underlying transaction is a copy of the minutes of general meeting of shareholders of the Indonesian company resolving the said distribution of dividend. These minutes of general meeting of shareholders need to be submitted to Bank Indonesia in order to enable the Indonesian company to purchase the foreign currencies with a value greater than US\$25,000 per month. For purchases of foreign currency not exceeding US\$25,000, companies need only submit a declaration that its aggregate foreign currency purchases do not exceed US\$25,000 per month.

The payment of dividends by our Company to our Shareholders is not restricted by exchange controls in Indonesia.

Australia

There are no exchange control restrictions in Australia.

Hong Kong

There are no exchange control restrictions in Hong Kong.

Malaysia

There are foreign exchange policies in Malaysia which support the monitoring of capital flows into and out of the country in order to preserve its financial and economic stability. The foreign exchange policies are administered by the Foreign Exchange Administration, an arm of Bank Negara Malaysia (the Central Bank of Malaysia) (“BNM”). The foreign exchange policies monitor and regulate both residents and non-residents. Under the current Exchange Control Notices of Malaysia and Foreign Exchange Administration rules issued by BNM, non-residents are free to repatriate any amount of funds in Malaysia at any time, including capital, divestment proceeds, profits, dividends, rental, fees and interest arising from investment in Malaysia, subject to applicable reporting requirements, and any withholding tax. However, the repatriation must be made in foreign currency. In the event BNM introduces any restrictions in the future, we may be affected in our ability to repatriate dividends or distributions from our Malaysian subsidiary.

CAPITALIZATION AND INDEBTEDNESS

The table below sets out the capitalization and indebtedness of our Group as of December 31, 2016 on an actual basis and as adjusted to reflect the issuance of the Securities.

The information in this table should be read in conjunction with “*Use of Proceeds*”, “*Selected Consolidated Financial and Other Information*”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated historical financial statements and the notes thereto included in this document.

| | As of December 31, 2016 | |
|--|--------------------------------|-------------------------------|
| | Actual | Adjusted⁽¹⁾ |
| | (\$ in millions) | |
| Loans and borrowings | | |
| Unsecured and unguaranteed | 56.5 | 56.5 |
| Senior unsecured and guaranteed bonds | 97.8 | 97.8 |
| | 154.3 | 154.3 |
| Current portion of loans and borrowings | 43.8 | 43.8 |
| Equity | | |
| 562,289,858 ordinary shares | 253.3 | 253.3 |
| Securities to be issued in this offering | - | 244.0 ⁽²⁾ |
| Reserves | (12.1) | (12.1) |
| Retained earnings | (36.0) | (36.0) |
| Non-controlling interests | 6.4 | 6.4 |
| Total equity | 211.6 | 455.6 |
| Total capitalization and indebtedness | 365.9 | 609.9 |

Notes:

- (1) As adjusted to give effect to the issue of the Securities before deduction of fees, commissions and estimated transaction costs.
- (2) Based on the closing exchange rate of US\$1.00 = S\$1.3941 quoted by Bloomberg L.P. on March 29, 2017.

SELECTED CONSOLIDATED FINANCIAL AND OTHER INFORMATION

You should read the following selected consolidated financial information for the years indicated in conjunction with “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and our consolidated financial statements, the accompanying notes and the related auditor’s report included elsewhere in this document.

The selected consolidated financial information as of and for the years ended December 31, 2014, 2015 and 2016 has been derived from our audited consolidated financial statements included elsewhere in this document and are qualified in its entirety by reference to those consolidated financial statements and the notes thereto. Unless otherwise stated, all financial information relating to us is prepared and presented in accordance with IFRS.

Selected Consolidated Statement of Comprehensive Income Data

| | Year ended December 31, | | |
|--|-------------------------|---------------|---------------|
| | 2014 | 2015 | 2016 |
| | (\$ in millions) | | |
| Revenue | 163.8 | 240.6 | 302.3 |
| Other income | 0.8 | 3.3 | 4.6 |
| Expenses: | | | |
| Purchase of inventories, net of changes | (17.3) | (27.4) | (41.2) |
| Cost of outsourced medical consultations | (64.2) | (91.6) | (106.4) |
| Employee compensation | (43.0) | (64.7) | (76.3) |
| Rental on operating leases | (6.3) | (9.9) | (12.2) |
| Professional fees | (1.2) | (1.4) | (1.3) |
| Repair and maintenance of equipment | (0.4) | (1.5) | (1.5) |
| Others | (6.8) | (5.6) | (12.8) |
| Earnings before finance cost, taxes, depreciation, amortization, share-based compensation, transaction costs from acquisitions of investments & post-acquisition integration expenses and listing expenses, acquisition break fee and performance stock grant to the co-founders ... | 25.4 | 41.8 | 55.2 |
| Depreciation of property, plant and equipment | (4.6) | (8.7) | (12.5) |
| Amortization of intangible assets | (5.3) | (6.3) | (7.3) |
| Finance costs | (0.5) | (3.3) | (5.2) |
| Share-based compensation | (2.8) | (5.8) | (14.3) |
| Transaction costs from investments of subsidiaries and post-acquisition integration expenses and listing expenses | (8.3) | (15.6) | (33.0) |
| Acquisition break fee ⁽¹⁾ | - | (6.6) | - |
| Performance stock grant to the co-founders | - | (2.8) | (1.3) |
| (Loss)/Profit before income tax | 3.9 | (7.3) | (18.4) |
| Income tax expense | (2.7) | (4.1) | (3.8) |
| (Loss)/Profit for the year | 1.2 | (11.4) | (22.2) |
| Other comprehensive gain/(loss), net of tax: | | | |
| <i>Item that may be reclassified subsequently to profit or loss:</i> | | | |
| Exchange differences on translation of foreign operations | (3.2) | (1.6) | 4.5 |
| Total comprehensive income/(loss) | (2.0) | (13.0) | (17.7) |
| Profit/(Loss) attributable to: | | | |
| Owners of the Company | 1.8 | (12.4) | (24.2) |
| Non-controlling interests | (0.6) | 1.0 | 2.0 |
| | 1.2 | (11.4) | (22.2) |
| Total comprehensive income/(loss) attributable to: | | | |
| Owners of the Company | (1.4) | (13.6) | (20.1) |
| Non-controlling interests | (0.6) | 0.6 | 2.4 |
| | (2.0) | (13.0) | (17.7) |

Note:

(1) See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations—2015 compared with 2014—Acquisition Break Fee*”.

Selected Consolidated Balance Sheet Data

| | As of December 31, | | |
|---|--------------------|--------------|--------------|
| | 2014 | 2015 | 2016 |
| | (S\$ in millions) | | |
| Current assets | | | |
| Cash and bank deposits | 22.3 | 38.1 | 19.8 |
| Trade and other receivables | 35.0 | 69.4 | 97.8 |
| Inventories | 1.6 | 2.0 | 2.6 |
| Other current assets | 4.9 | 25.5 | 11.7 |
| | <u>63.8</u> | <u>135.0</u> | <u>131.9</u> |
| Non-current assets | | | |
| Property, plant and equipment | 22.1 | 41.4 | 63.1 |
| Goodwill | 82.5 | 232.7 | 262.2 |
| Intangible assets | 19.6 | 32.3 | 25.0 |
| Investment in associate | 0.1 | 0.5 | 0.5 |
| Other assets | 0.3 | 0.4 | 0.4 |
| Deferred tax assets | - | - | 0.9 |
| | <u>124.7</u> | <u>307.3</u> | <u>352.0</u> |
| Total assets | <u>188.5</u> | <u>442.3</u> | <u>483.9</u> |
| Current liabilities | | | |
| Trade and other payables | 27.2 | 78.8 | 97.0 |
| Current income tax liabilities | 2.6 | 3.8 | 5.5 |
| Finance lease liabilities | * | 8.2 | * |
| Bank borrowings | 5.8 | 98.3 | 43.8 |
| | <u>35.6</u> | <u>189.1</u> | <u>146.3</u> |
| Non-current liabilities | | | |
| Bank borrowings | 5.5 | 26.5 | 12.7 |
| Finance lease liabilities | * | * | * |
| Deferred income tax liabilities | 4.9 | 9.1 | 5.8 |
| Other long term liabilities | * | 2.0 | 9.7 |
| Senior unsecured guaranteed bonds | - | - | 97.8 |
| | <u>10.4</u> | <u>37.7</u> | <u>126.0</u> |
| Total liabilities | <u>46.0</u> | <u>226.8</u> | <u>272.3</u> |
| Net assets | <u>142.5</u> | <u>215.6</u> | <u>211.6</u> |
| Equity | | | |
| Share capital and share premium | 140.2 | 210.9 | 253.3 |
| Share option reserve | 3.1 | 11.7 | 8.5 |
| Currency translation reserve | (3.9) | (5.1) | (1.0) |
| Other reserves | - | - | (19.6) |
| Retained profits (accumulated losses) | 0.1 | (11.9) | (36.0) |
| | <u>139.5</u> | <u>205.6</u> | <u>205.2</u> |
| Non-controlling interests | 3.0 | 10.0 | 6.4 |
| Total equity | <u>142.5</u> | <u>215.6</u> | <u>211.6</u> |

Note:

* Amount is less than S\$100,000.

Selected Consolidated Statement of Cash Flows Data

| | Year ended December 31, | | |
|---|-------------------------|---------|--------|
| | 2014 | 2015 | 2016 |
| | (S\$ in millions) | | |
| Net cash provided by operating activities | 13.9 | 31.0 | 46.2 |
| Net cash used in investing activities | (48.2) | (209.8) | (75.2) |
| Net cash provided by financing activities | 32.1 | 194.0 | 17.1 |
| Net (decrease)/increase in cash and cash equivalents | (2.2) | 15.2 | (11.9) |
| Cash and cash equivalents at beginning of financial year | 17.9 | 15.7 | 30.9 |
| Cash and cash equivalents at end of financial year ⁽¹⁾ | 15.7 | 30.9 | 19.0 |

Note:

(1) Cash and cash equivalents excludes fixed deposits pledged with a bank amounting to S\$6,622,000, S\$7,200,000 and S\$808,000 for the years ended December 31, 2014, 2015 and 2016, respectively.

Non-IFRS Financial Data

| | Year ended December 31, | | |
|---|---|-------|-------|
| | 2014 | 2015 | 2016 |
| | (S\$ in millions unless otherwise stated) | | |
| EBITDA ⁽¹⁾ | 25.4 | 41.8 | 55.2 |
| EBITDA attributable to enterprise healthcare services | 22.4 | 26.9 | 33.6 |
| EBITDA attributable to specialty services | 3.0 | 14.9 | 21.6 |
| EBITDA Margin ⁽²⁾ | 15.5% | 17.4% | 18.3% |

Notes:

- (1) “EBITDA” is a non-IFRS financial measure which corresponds to the line item “Earnings before finance cost, taxes, depreciation, amortization, share-based compensation, transaction costs from acquisitions of investments & post-acquisition integration expenses and listing expenses, acquisition break fee and performance stock grant to the co-founders” in our statements of comprehensive income in our consolidated financial statements for the years ended December 31, 2014, 2015 and 2016, and represents earnings before (i) depreciation of property, plant and equipment, (ii) amortization of intangible assets, (iii) finance costs, (iv) share-based compensation, (v) transaction costs from acquisitions of investments & post-acquisition integration expenses and listing expenses, (vi) acquisition break fee, (vii) performance stock grant to the co-founders, and (viii) income tax expenses. EBITDA is a supplemental financial measure of our Group’s performance and liquidity and is not required by, or presented in accordance with, IFRS or generally accepted accounting principles in certain other countries, including the United States. Furthermore, EBITDA is not a measure of financial performance or liquidity under IFRS or any other generally accepted accounting principles and should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with IFRS or any other generally accepted accounting principles.

You should not consider EBITDA in isolation from, or a substitute for, analysis of the financial condition or results of operations of our Group, as reported under IFRS. Further, EBITDA may not reflect all of the financial and operating results and requirements of our Group. In particular, EBITDA does not reflect our Group’s needs for capital expenditures, debt servicing or additional capital that may be required to replace assets that are fully depreciated or amortized.

Set forth below is a reconciliation of our Group’s profit/(loss) for the year to EBITDA:

| | Year ended December 31, | | |
|--|-------------------------|-------------|-------------|
| | 2014 | 2015 | 2016 |
| | (S\$ in millions) | | |
| Profit/(Loss) for the year | 1.2 | (11.4) | (22.2) |
| ADD: Depreciation of property, plant and equipment | 4.6 | 8.7 | 12.5 |
| ADD: Amortization of intangible assets | 5.3 | 6.3 | 7.3 |
| ADD: Finance costs | 0.5 | 3.3 | 5.2 |
| ADD: Share-based compensation | 2.8 | 5.8 | 14.3 |
| ADD: Transaction costs from acquisitions of investments & post-acquisition integration expenses and listing expenses | 8.3 | 15.6 | 33.0 |
| ADD: Acquisition break fee | - | 6.6 | - |
| ADD: Performance stock grant to the co-founders | - | 2.8 | 1.3 |
| ADD: Income tax expense | 2.7 | 4.1 | 3.8 |
| EBITDA | 25.4 | 41.8 | 55.2 |

- (2) “EBITDA Margin” is a non-IFRS financial measure and is calculated by dividing EBITDA by revenue.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our results of operations in conjunction with our historical consolidated financial statements as of and for the years ended December 31, 2014, 2015 and 2016, the related notes thereto, and other financial information included elsewhere in this document. Our consolidated financial statements for each of the years ended December 31, 2014, 2015 and 2016 include the results of operations of our subsidiaries and investments acquired pursuant to the 2014 Acquisitions, the 2015 Acquisitions, and the 2016 Acquisitions from the respective dates each of these acquisitions were completed. As a result, the year-to-year comparison of our operating results for the years ended December 31, 2014, 2015 and 2016, may not be meaningful and you should not use such comparisons as a basis for your investment or to predict our future performance.

This discussion contains forward-looking statements that reflect our current views with respect to future events and financial performance. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of factors such as those set forth under “Risk Factors”, “Forward-Looking Statements” and elsewhere in this document. Unless otherwise stated, all financial information relating to us is prepared and presented in accordance with IFRS, which may differ in certain significant respects from generally accepted accounting principles in other countries, including the United States.

Overview

We operate a leading integrated enterprise healthcare solutions platform in the Asia-Pacific region, through which we manage and provide a broad range of healthcare services. Our value proposition entails the integration of our healthcare service offerings with customized healthcare management and advisory capabilities for our enterprise clients, creating value for key stakeholders, including healthcare service providers, employers, insurers and patients, across the healthcare value chain. As of December 31, 2016, we served over 25,000 corporations, directly or through our insurer clients, across the Asia-Pacific region, including multi-national companies, large local companies, small and medium enterprises and government organizations.

We are organized in two business segments:

- *Enterprise healthcare services.* This segment comprises: (i) primary care services, (ii) executive health screening, (iii) occupational health services, (iv) MBMS, which is a healthcare administrative toolkit that supplements our other service offerings, and (v) call center services.
- *Specialty services.* This segment comprises (i) medical diagnostic imaging services, (ii) medical specialist services, which currently include, among others, cardiology and general surgery services, (iii) physiotherapy services, (iv) dental services, (v) pharmaceutical services and (vi) medical assistance and evacuation services.

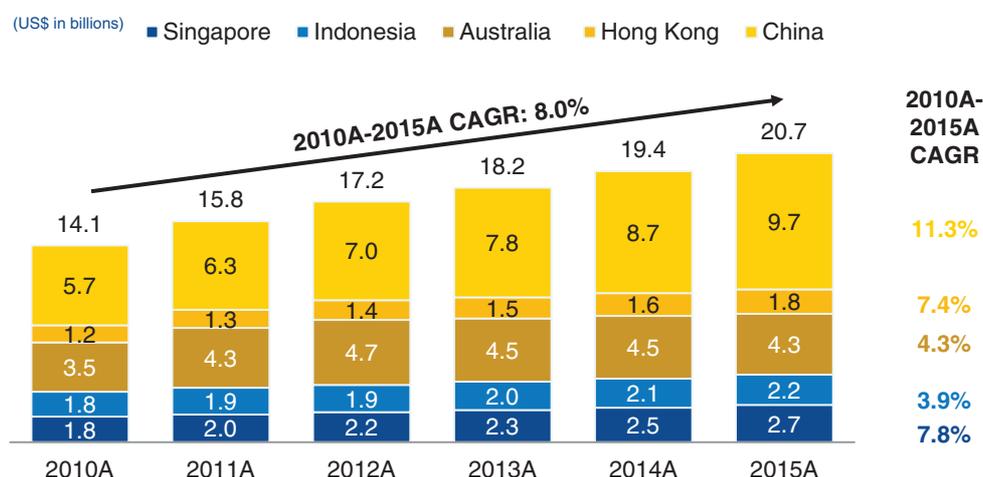


We design and implement cost-effective integrated enterprise healthcare solutions for our corporate and insurer clients, providing their employees and insured members access to our healthcare services while deploying our MBMS capabilities to facilitate management of our service delivery, as customized to fit our clients' needs and budgets.

We provide our clients with access to a global healthcare facilities network, which we refer to and identify in our communications to our clients as our "Fullerton Network". As of December 31, 2016, our Fullerton Network included 193 self-owned facilities, comprising facilities branded under "Fullerton Health" and other brands, including, among others, "Jobfit", "UrbanRehab", "RadLink" and "Tirta Medical Center" and, as of December 31, 2016, we have panel management arrangements covering more than 8,000 panel healthcare providers. As of December 31, 2016, our self-owned facilities had over 2,000 employees, including over 400 medical professionals.

According to Frost & Sullivan, the addressable market for enterprise healthcare management in our targeted markets (Singapore, Indonesia, Australia, Hong Kong and China) was approximately US\$20.7 billion in 2015. Frost & Sullivan highlights that this growing market remains fragmented, as only a limited number of medical providers can provide an integrated suite of services that can optimize healthcare delivery, and current providers focus on providing specific services rather than integrated solutions. We believe our established client relationships and comprehensive service offerings and capabilities have uniquely positioned us in the Asia-Pacific region to address these market opportunities. The following diagram illustrates the market size of enterprise healthcare services across the five target markets from 2010 to 2015.

Market Size of Enterprise Healthcare Management



Source: Frost & Sullivan

Note: "A" refers to actual market size for the years indicated.

Since 2011, we have grown rapidly through both organic growth and strategic acquisitions and investments. We seek to align our growth to anticipate and meet the evolving needs of our clients, and to expand into new service areas and jurisdictions where there is client demand. A key element of our growth strategy is our emphasis on strategic acquisitions of healthcare provider assets to broaden our healthcare delivery network and acquire new competencies or expand our geographic coverage, or to extend our client base and acquire new covered lives. Since 2011, we have completed 26 acquisitions (being acquisitions of controlling equity interests or business assets) and three investments (being T.H.E. Fullerton Healthcare, SC Fullerton and FC Dental Pte. Ltd.) in Singapore, Indonesia, Australia and Hong Kong, which are at various stages of integration. See "*Business—Our Strategies—Expand through acquisitions, joint ventures or strategic alliances*" for more details of our acquisition strategy. To maximize value from our acquisitions and investments, we emphasize the disciplined integration of acquired businesses and assets through our implementation of robust post-acquisition integration processes, which we refer to as our "Fullerton Business Systems".

We believe that our customized and scalable information technology systems play a critical role in ensuring seamless delivery of integrated healthcare solutions to our clients and in our ability to successfully scale our business. Our information technology systems serve to streamline our clients' healthcare management and administrative functions, such as claims processing, while generating valuable utilization and medical data to which we have proprietary rights. Through our harnessing of such data, we believe we are able to offer advanced

data analytics and risk management capabilities to improve our clients' understanding and management of their organizational healthcare needs, budgets and utilization trends.

For the years ended December 31, 2014, 2015 and 2016, our revenue was S\$163.8 million, S\$240.6 million and S\$302.3 million, respectively. For the years ended December 31, 2014, 2015 and 2016, our EBITDA was S\$25.4 million, S\$41.8 million and S\$55.2 million, respectively.

Significant Factors Affecting Our Results of Operations

The following key trends are important to understanding our business:

Utilization of Our Healthcare Services

Enterprise Healthcare Services

Our revenue from our enterprise healthcare services segment is a function primarily of (i) the number of lives covered under our contracts with our corporate and insurer clients, (ii) our range and type of services, (iii) our fee arrangements with our clients, and (iv) the patient volume for healthcare service providers in our Fullerton Network.

Lives Covered

Our business is focused on providing enterprise healthcare services and solutions to clients. We derive a significant portion of our revenue from our contracts with our corporate and insurer clients, under which we provide integrated enterprise healthcare solutions that incorporate offerings from our enterprise healthcare services and our specialty services based on the specific requirements of each client. The number and value of the contracts we are awarded, which generally correlate with the total number of lives covered under our client contracts, have a significant impact on our revenue deriving from our enterprise healthcare business segment. We are dependent on the financial ability of these clients to pay and on their demand for our enterprise healthcare services and solutions. An insurer client generally provides more lives covered than an individual corporate client, as we may provide services to multiple corporate policyholders under each insurer client.

Range and Type of Services

The range and types of services we provide under the integrated enterprise healthcare solutions we design for our corporate and insurer clients also have an impact on our revenue. To the extent we are able to incorporate more diverse and valuable services under our enterprise solutions, it would generally encourage greater utilization of our services by our clients' employees and insured members and increase the value of our contracts. Our clients typically conduct periodic reviews on the range and types of services provided to their employees and insured members under our enterprise healthcare solutions. If any of our corporate and insurer clients cease to use our services for any reason or reduce the coverage or reimbursement levels for our services, the value of our contracts with these clients may be adversely affected, which could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

Fee Arrangements

We generally enter into two types of fee arrangements under our client contracts for our integrated enterprise healthcare solutions—fee-for-services plans and retainer plans. Under our fee-for-services plans, which constitute the significant majority of our client contracts, clients agree to pay a pre-negotiated rates for certain services utilized based on the type of healthcare service, such as general practice consultations, specialist consultations or physiotherapy treatments, and are charged separately for medication and other related medical services such as imaging and laboratory tests. Under a retainer plan, we provide healthcare services within an agreed scope of medical coverage for a fixed fee for a specified period. See “*Business—Our Clients—Our Integrated Enterprise Healthcare Solutions—Our Agreements with Our Clients*” for a discussion of these fee arrangements.

We seek to design and implement cost-effective integrated enterprise healthcare solutions for our corporate and insurer clients. The fees we are able to negotiate under our fee arrangements with our clients depend on the market pricing environment, healthcare cost inflation and take into consideration, among other things, our clients' requirements for cost containment, and our targeted operating expenses and profit margins, which are in turn subject to general macroeconomic, industry and business conditions.

As a managed care provider, we seek to customize and deliver our services to suit our clients' needs and budgets. We deliver our healthcare services to the employees and insured members of our clients through our network of self-owned facilities and panel healthcare providers. The MBMS services we provide to our clients include claims processing and adjudication, where we scrutinize, verify, audit and adjust claims. We actively manage the costs of service for our self-owned facilities and in Singapore and in most of the other jurisdictions we operate in, we adjudicate and adjust claims from our panel healthcare providers and reimburse our panel healthcare providers in accordance with our panel management arrangements. Our costs for the services provided by our panel healthcare providers mainly comprise the amounts paid to them after adjudication and adjustment, which we record as costs of outsourced medical consultations. In the adjudication and adjustment process, we seek to ensure that the panel healthcare provider adheres to the fee schedule agreed with them from time to time, and we adjust claim amounts based on what we consider to be the prevailing market pricing for similar services, the requirements of our clients for cost containment and our targeted operating expenses and profit margins. While we seek to maintain certain internal targets for our operating margins in our MBMS business, we have to consider our overall business model and client expectations, among other things, and our operating expenses and profit margins, as such, will fluctuate from time to time. See also "*—Network of Self-Owned Facilities and Panel Healthcare Providers*".

Patient Volume

The amount of patient volume for healthcare service providers within our Fullerton Network depends on the number of lives covered under our contracts with our corporate and insurer clients, the health-seeking behavioral trends of the individuals and communities under our coverage, and the range of services we provide and the geographical coverage of our Fullerton Network. An increase in the number of lives covered under our client contracts generally corresponds to an increase in the patient volume for our Fullerton Network, as our clients' employees and insured members tend to preferentially utilize services within the network for which fees are subsidized or reimbursed to a greater degree than fees for utilizations of services outside the network. Through increasing the range of services and the geographical coverage of our Fullerton Network, we are also able to generate more patient visits through cross-referrals between healthcare service providers within the network. We handled nearly 6 million patient visits for the year ended December 31, 2016, of which more than 1.5 million were to our self-owned facilities.

Specialty Services

Our revenue from our specialty services segment is a function primarily of (i) the type of services we provide and (ii) the patient volume for healthcare service providers in our Fullerton Network.

Type of Services Provided

The fees we charge for utilization of our specialty services are subject to market supply and demand. More highly specialized and medically complex medical services also generally command higher fees and provide higher profit margins. For example, the radiology services we provide through RadLink are complex services requiring trained specialists, and generally command higher fees as compared to our other medical services.

The fees we charge for our medical evacuation and assistance services provided through our subsidiaries, the GAH Entities, depends on the emergency situation and the scale of the assistance that is rendered. We charge higher fees for more complex cases requiring sophisticated assistance and evacuation plans such as escorted repatriation on commercial flights, air ambulance medical evacuation and mass casualty evacuation.

Through our acquisitions of specialty service providers such as RadLink, we seek to increase the number of specialty service providers in our Fullerton Network and thereby increase our revenue and profit margins generated from utilizations of our specialty services.

Patient Volume

See "*—Enterprise Healthcare Services—Patient Volume*". An extensive Fullerton Network would have the effect of generating higher patient traffic to our self-owned facilities offering specialty services and consequently increase our revenue from our specialty services.

Network of Self-Owned Facilities and Panel Healthcare Providers

Our ability to maintain or increase our revenue and net profit depends significantly on the size of our network of self-owned facilities and panel healthcare providers.

Primary care self-owned facilities and panel healthcare providers play a key role in increasing our revenue, as they are initial points of service utilization for the employees and insured members of our corporate and insurer clients, through which we obtain cross-referrals to our specialty services which then increase our revenue base.

In addition, expanding our network of self-owned facilities and panel healthcare providers across multiple jurisdictions allows us to service clients with multi-national operations, which serves to improve our client retention and generate greater revenue from our existing clients.

We actively manage our self-owned facilities and our costs of service for our self-owned facilities comprise the operating costs and expenses for such facilities, which include employee compensation and rental on operating leases. Our panel healthcare providers operate independently under the terms of our panel management arrangements and are responsible for their own operating costs. Our costs for the services provided by our panel healthcare providers mainly comprise the amounts paid to them after adjudication and adjustment. We book the fees we pay to our panel healthcare providers as costs of outsourced medical consultations under our operating expenses. Please also see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Significant Factors Affecting Our Results of Operations—Utilization of our Healthcare Services—Enterprise Healthcare Services—Fee Arrangements*”.

Under our existing panel management arrangements in Singapore and in most of the other jurisdictions in which we operate, we collect a management fee from the panel healthcare provider for every claim we process, which is deducted from the claim amount payable to the panel healthcare provider. As of December 31, 2016, we had more than 8,000 panel healthcare providers. The operating costs and expenses for our self-owned facilities are generally lower than the costs of outsourced medical consultations paid to our panel healthcare providers, after offsetting the management fees they pay to us for the processing of claims and taking into account the adjudication and adjustment process with respect to their claims. As a result, we recognize higher profit margins from our self-owned facilities than from our panel healthcare providers. In order to facilitate our panel healthcare providers’ compliance with Guideline H3(7), we are considering several options for restructuring the management fees we receive from our panel healthcare providers as part of our MBMS services. See “*Risk Factors—Facilitating our panel healthcare providers’ compliance with the 2016 edition of the Singapore Medical Council’s Ethical Code and Ethical Guidelines (the “2016 ECEG”) may disrupt or have a negative impact on our operations*”.

The table below shows the number of our self-owned facilities for each jurisdiction indicated and as of the dates indicated.

| | As of December 31, | | |
|--------------------|--------------------|------------|------------|
| | 2014 | 2015 | 2016 |
| Singapore | 22 | 42 | 54 |
| Indonesia | 68 | 71 | 66 |
| Australia | 42 | 70 | 62 |
| Hong Kong | 4 | 10 | 11 |
| Total | 136 | 193 | 193 |

Acquisitions

Part of our strategy is to grow our business and operations both inorganically, as well as organically, and we continually consider suitable acquisition opportunities or strategic alliances that would provide synergies with our existing businesses or otherwise strengthen our business. We may undertake acquisitions to increase our client base and the number of lives covered, to increase the range of services we provide and the geographical reach of our healthcare services and/or to benefit from the higher profit margins that we realize through our self-owned facilities. We adopt a disciplined approach to the execution of our acquisition growth strategy and focus on identifying healthcare businesses and assets with one or more of the following key criteria: (i) a strong management team, (ii) strong or established brand and reputation, (iii) proven track record of profitability, (iv) synergies with our existing businesses, and (v) potential for further growth. Each new acquisition that we complete may materially affect our overall results of operations and financial profile. In the years ended December 31, 2014, 2015 and 2016, we undertook a number of acquisitions, which resulted in significant changes to our revenue, EBITDA and net profit or loss. We also incur transaction costs in undertaking and integrating our acquisitions, which can significantly affect our revenue and net profit or loss.

Our future acquisitions will result in demands being placed on our managerial, operational, technological, financial and other resources. See “*Risk Factors—Risks Relating to Our Business—We may not be successful in the implementation of our growth strategy or the effective management of our growth, which may cause our*

business to suffer”, “Risk Factors—Risks Relating to Our Business—We may not be able to successfully integrate or achieve synergies from our investments or acquisitions, and we may be exposed to contingent liabilities relating to the businesses we acquire” and “Risk Factors—Risks Relating to Our Business—We have entered into a number of non-wholly-owned investments and we face risks from these investments that are not wholly-owned by us”.

We have recorded significant increases in our net assets, primarily as a result of increases in our goodwill and other intangible assets recognized on such acquisitions. In accordance with applicable accounting standards, we periodically evaluate our goodwill and other intangible assets to determine whether all or a portion of their carrying values may no longer be recoverable, in which case a charge to income may be necessary. See “—Critical Accounting Policies—Impairment of Goodwill” for a discussion of our accounting policy relating to the impairment of goodwill and Note 2.11 of our consolidated financial statements for the years ended December 31, 2014, 2015 and 2016 included elsewhere in this document for a discussion of our accounting policy relating to the impairment of other intangible assets. Any future evaluations requiring an impairment of our goodwill and other intangible assets could materially affect our results of operations and shareholders’ equity in the period in which the impairment occurs.

The following table shows details of our acquisitions of businesses and/or business assets over the years ended December 31, 2014, 2015 and 2016, each with a purchase consideration of S\$5 million and above. For more information on all our acquisitions, see Note 27 to our consolidated financial statements for the years ended December 31, 2014, 2015 and 2016.

| Acquired Business or Business Asset | Purchase Consideration | Date of Completion of Acquisition | Initial Contribution Period⁽¹⁾ | Effective Ownership Interest | Contributed Revenue⁽²⁾ | Goodwill Recognized on Acquisition |
|--|-------------------------------|--|--|-------------------------------------|--|---|
| | (S\$ in millions) | | | | (S\$ in millions) | |
| 2016 | | | | | | |
| Orchard Heart Specialist Pte. Ltd. | 11.5 | March 18, 2016 | March 18, 2016 to December 31, 2016 | 60.0% | 3.2 | 11.2 |
| Dr Tony Chun Kit Lee Medical Practice Limited | 14.0 | May 17, 2016 | May 17, 2016 to December 31, 2016 | 100.0% | 3.2 | 13.5 |
| 2015 | | | | | | |
| The HMMP Entities | 33.0 | January 9, 2015 | January 9, 2015 to December 31, 2015 | 80.0% | 22.1 | 27.1 |
| Integrated Health Plans Pte Ltd, Advantage Health Benefits Pte. Ltd., Corporate Health Services Pte. Ltd. and Corporate Outsource Services Sdn Bhd | 21.1 | January 15, 2015 | January 15, 2015 to December 31, 2015 | 100.0% | 7.5 | 18.7 |
| Global Assistance & Healthcare (Singapore) Pte Ltd and Global Assistance & Healthcare Holdings Pte Ltd | 22.3 | February 2, 2015 | February 2, 2015 to December 31, 2015 | 100.0% | 11.0 | 11.4 |
| RadLink | 111.2 | May 11, 2015 | May 11, 2015 to December 31, 2015 | 100.0% | 18.0 | 84.3 |
| 2014 | | | | | | |
| FHI Holdings Ltd (formerly known as Excel Strong Ltd) | 7.2 | January 27, 2014 | January 27, 2014 to December 31, 2014 | 100.0% | 3.9 | 6.7 |
| H&C and HCP | 12.6 | March 7, 2014 | March 7, 2014 to December 31, 2014 | 100.0% | 10.6 | 10.5 |

Notes:

(1) The initial contribution period refers to the initial partial financial period in which the acquired business contributed revenue and net profit or loss to our results of operations.

(2) Contributed revenue refers to the revenue contributed by the acquired business to our consolidated revenue over the initial contribution period.

Employee Compensation

Our employee compensation includes wages and salaries, our contributions to defined contribution plans, including Central Provident Fund contributions for our Singapore-based employees, and other staff benefits. We also provide share-based compensation to certain of our Directors and employees. Our employee compensation

and share-based compensation represent a significant percentage of our expenses, together amounting to 28.0%, 30.5% and 30.4% of our revenue for the years ended December 31, 2014, 2015 and 2016, respectively.

The table below shows our employee compensation and share-based compensation for the years indicated.

| | Year Ended December 31, | | |
|--|-------------------------|--------------------|--------------------|
| | 2014 | 2015 | 2016 |
| | (\$S in millions) | | |
| Wages and salaries | 38.6 | 58.9 | 66.2 |
| Employer's contribution to defined contribution plans including Central Provident Fund | 3.0 | 4.6 | 6.1 |
| Other staff benefits | 1.4 | 1.2 | 4.0 |
| Employee compensation | <u>43.0</u> | <u>64.7</u> | <u>76.3</u> |
| Share-based compensation | 2.8 | 5.8 | 14.3 |
| Performance stock grant to the co-founders | - | 2.8 | 1.3 |
| Total employee compensation and share-based compensation | <u><u>45.8</u></u> | <u><u>73.3</u></u> | <u><u>91.9</u></u> |

Wages and salaries have historically constituted the largest component of our employee compensation, and wages and salaries we pay mainly comprise wages and salaries paid to medical professionals employed by our self-owned facilities. Given the competition for qualified and reputable medical professionals, we remunerate them competitively. Our medical professionals typically receive a base payment, fixed fees for specified services provided and/or a stipulated revenue sharing portion in the event the total revenue derived from the services provided exceeds specified thresholds. Our ability to manage the wages and salaries we pay, in particular wages and salaries paid to medical professionals, will continue to impact our profitability and results of operations.

We also compensate our employees through the grant of share awards and options. Prior to the adoption of the Share Plans, FHG operated a share option plan and a restricted share plan known respectively as the Fullerton Healthcare Group Pte. Limited Share Option Plan (the "FHG SOP") and the Fullerton Healthcare Group Pte. Limited Restricted Share Plan (the "FHG RSP"). FHG also operated the Fullerton Healthcare Group Pte. Limited Co-Investment Plan (the "FHG CIP" and together with the FHG SOP and the FHG RSP, the "FHG Plans") under which participants could subscribe for redeemable convertible preference shares in the capital of FHG ("FHG Preference Shares"). Each FHG Preference Share was convertible into one ordinary share in the capital of FHG upon the occurrence of certain prescribed events.

We restructured the FHG Plans to allow participants thereunder to instead participate directly in the equity of our Company, and adopted the Share Plans. The FHG Plans have been terminated. To the extent we grant further awards or options under the Share Plans, we would incur further compensation charges upon the vesting of such awards or the exercise of such options, which will affect our results of operation. See "*Management—Remuneration of the Directors and Executive Officers—Directors' and Employees' Share Incentive Schemes*".

We recognized a performance stock grant to our co-founders, Dr. Michael Tan Kim Song and Dr. Daniel Chan Pai Sheng, of S\$2.8 million for the year ended December 31, 2015 and S\$1.3 million for the year ended December 31, 2016 as a result of a one-time issue of performance shares to our co-founders in 2015, subject to a clawback unless specific performance targets are achieved over a three year period from issue. As a result of the clawback provisions, the expense related to the performance stock grant is partially deferred. We expect to recognize deferred charges related to the performance stock grant of S\$0.5 million in the full year ended December 31, 2017. See the fourth paragraph of Note 2.4(c) to our consolidated financial statements for the years ended December 31, 2014, 2015 and 2016, included in this document, for more details on these performance grants. We recognized an expense of S\$14.3 million in relation to share awards and options issued to employees for the year ended December 31, 2016. This expense included a one-off acceleration stock options and awards charge-out amount of approximately S\$8.3 million due to the accelerated vesting of certain awards and options in 2016.

Indebtedness and Liabilities Associated with our Fullerton China Transaction

As of December 31, 2016, our total indebtedness was S\$154.3 million, comprising our bank borrowings of S\$56.5 million and S\$97.8 million comprising our 2021 Bonds and our 2023 Bonds. Our leverage has increased over the past years and may increase in the future. See "*—Indebtedness*" for a discussion of our bank borrowings and our Bonds.

Our agreements with the other proposed shareholders of Fullerton China involve the grant of a put option to CITIC. This put option will require our Company to purchase the Put Option Shares from CITIC and/or its permitted affiliated transferees at the higher of (i) a valuation of Fullerton China that will result in CITIC and/or its permitted affiliated transferees achieving at least 1.8 times their investment amount into the Class A shares

and Class B shares (the “Fixed Return Valuation”) and (ii) a valuation of Fullerton China calculated on the basis of a formula referencing the enterprise value to EBITDA multiple of our Company based in part on the market capitalization of our Company (the “EV/EBITDA Formula-Based Valuation”), if on or before the Put Option Date there has been no initial public offering or sale of all or substantially all of the shares or assets of Fullerton China resulting in CITIC and/or its permitted affiliated transferees achieving at least 1.8 times, of their investment amount into the Class A shares and Class B shares in Fullerton China (an “Exit Event”). See “*Business—Recent Developments—Our Plans For Expansion into China—CITIC Put Option*” for a detailed description of the formula for the calculation of the put option prices. This put option is exercisable within 12 months of the Put Option Date and will result in a non-current derivative liability which we will be recording on our consolidated statement of financial position. Prior to the Put Option Date, the derivative liability to be recorded on our consolidated statement of financial position will be equal to the fair value of the put option. At the end of each financial reporting period, any changes to the derivative liability arising from changes in the fair value of the put option will result in a corresponding charge or credit to the consolidated profit and loss statement. If the put option is exercised, the corresponding derivative liability will be extinguished upon payment of the put option consideration. If the put option expires without being exercised, the corresponding derivative liability will be extinguished by a corresponding credit to the consolidated profit and loss statement. We will continue to actively monitor, evaluate and adjust the amount of the derivative liability relating to the put option in each financial reporting period, until the occurrence of an Exit Event or until such put option is exercised after the Put Option Date. We intend to exercise prudent financial management and to evaluate our cash position and financing resources to ensure that we are able to finance payments under the put option in the event they are exercised. As of the date of this document, nothing has come to the attention of our Board that causes them to believe that our Company will not be able to finance payments under the put option in the event they are exercised or payments under our 2021 Bonds and our 2023 Bonds.

We have also agreed with the other proposed shareholders of Fullerton China that, within 20 business days after the occurrence of an FHC Event, and in any case no later than the FHC Class B Subscription Date, the Company shall complete the FHC Class B Subscription. See “*Business—Recent Developments—Our Plans For Expansion into China—Subscription for Securities in Fullerton Health China Limited*” for more details.

See “*Business—Recent Developments—Our Plans For Expansion into China*” for details of our Fullerton China transaction.

Critical Accounting Policies

The preparation of our consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Critical accounting policies reflect significant judgments and uncertainties and may result in materially different results under different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that we believe are reasonable under the current circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

We believe that the application of the following accounting policies, which are important to our combined financial position and results of operations, requires significant judgments and estimates on the part of management. For a summary of all of our accounting policies, including the accounting policies discussed below, see Notes 2 and 3 to our consolidated financial statements for the years ended December 31, 2014, 2015 and 2016 included in this document.

Impairment of Goodwill

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. For the purpose of impairment testing of goodwill, goodwill is allocated to each of our cash-generating-units (“CGU”) expected to benefit from synergies arising from the business combination. An impairment loss is recognized when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU’s fair value less cost to sell and value-in-use. We first allocate the total impairment loss of a CGU to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rated basis based on the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized as an expense and is not reversed in a subsequent period.

The recoverable amount of the CGU is determined based on value-in-use calculation, which requires us to make an estimate of the expected future cash flows from the CGU, taking into account market evidence to support the key assumptions, where appropriate and also to use an appropriate discount rate to determine the present value of those cash flows.

The table below shows the key assumptions used for value-in-use calculation for the years specified.

| | Year Ended December 31, | | |
|--|-------------------------|---------------|---------------|
| | 2014 | 2015 | 2016 |
| Annual growth rate for the next five years | 3% to 36% | 4% to 26% | 1% to 28% |
| Terminal growth rate | 2% to 5% | 2% to 5% | 2% to 4% |
| Discount rates | 9.6% to 17.3% | 9.6% to 14.9% | 9.2% to 13.6% |

The cash flow projections, gross margin and inventory turn rate were determined by management based on past performance, its expectations of the market development and planned operating strategies.

The terminal growth rate is used to extrapolate cash flows beyond the budget period and does not exceed the long-term average growth rate for the country in which the respective CGU operate.

The discount rate used reflects specific risks relating to the CGU. Based on the impairment test performed by management, no impairment loss has been recognized as the recoverable amounts of the CGU are higher than its carrying amount. Based on the sensitivity analysis performed by the Group, any reasonable change in the assumptions used in the cash flow projections will not result in an impairment of the goodwill.

We expect that any reasonable change in the key assumptions on which the recoverable amounts are based would not cause the carrying amounts of goodwill to exceed their recoverable amounts.

Client Relationships and Client Contracts

The valuation of our client relationships and client contracts are arrived at using the “income approach”, which requires an estimation of the expected future cash flows that will be generated from our client relationships and client contracts and the appropriate discount rates applied to determine the present value of those cash flows. In determining the values of the client relationships and client contracts under this approach, cash flow projections over the estimated useful lives, prepared by management, are used and a discount rate is applied to the projections used which is pre-tax and reflects specific risks relating to the relevant business operations.

The following table show the estimated useful lives and discount rates for the relevant years.

| | Year Ended December 31, | | |
|------------------------------|-------------------------|---------------|---------------|
| | 2014 | 2015 | 2016 |
| Estimated useful lives | 3 to 5 years | 3 to 5 years | 3 to 5 years |
| Discount rates | 9.6% to 17.3% | 9.6% to 14.9% | 9.2% to 13.6% |

Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of our activities. We present revenue net of goods and services tax, rebates and discounts.

We recognize revenue from the sale of products when we have delivered the products to the clients, the clients have accepted the products and the collectability of the related receivables are reasonably assured. We recognize revenue from the rendering of services when the services are rendered. Under the majority of the service agreements with our clients, we act as the principal service provider and recognize revenue on a gross basis, being the gross consideration receivable from our clients. However, we offer a wide range of MBMS and other services and under certain of these arrangements, we operate as an agent and hence recognize revenue on a net basis, being the net fee accruing to us.

Interest income is recognized using the effective interest method.

Key Components of Our Statement of Comprehensive Income

The table below shows our revenue and EBITDA for the years ended December 31, 2014, 2015 and 2016. EBITDA is a non-IFRS financial measure. For a discussion of EBITDA and how it is calculated, see “*Selected Consolidated Financial Information—Non-IFRS Financial Measures*”.

EBITDA is a non-IFRS financial measure which corresponds to the line item “Earnings before finance cost, taxes, depreciation, amortization, share-based compensation, transaction costs from acquisitions of investments & post-acquisition integration expenses and listing expenses, acquisition break fee and performance stock grant to the co-founders” in our statements of comprehensive income in our consolidated financial statements for the years ended December 31, 2014, 2015 and 2016, and represents earnings before (i) depreciation of property, plant and equipment, (ii) amortization of intangible assets, (iii) finance costs, (iv) share-based compensation, (v) transaction costs from acquisitions of investments & post-acquisition integration expenses and listing expenses, (vi) acquisition break fee, (vii) performance stock grant to the co-founders, and (viii) income tax expenses.

EBITDA in this document is a supplemental financial measure of our Group’s performance and liquidity and is not required by, or presented in accordance with, IFRS or generally accepted accounting principles in certain other countries, including the United States.

We believe that these supplemental financial measures facilitate operating performance comparisons for our Group from year-to-year by eliminating potential differences caused by variations in capital structures (affecting interest expense), tax positions (such as the impact on periods of changes in effective tax rates or net operating losses) and the age and book depreciation of tangible assets (affecting relative depreciation expense). In particular, EBITDA eliminates the non-cash depreciation expense that arises from the intangible assets recognized in business combinations. We present these supplemental financial measures because we believe these measures are frequently used by securities analysts and investors in evaluating similar issuers.

| | Year Ended December 31, | | |
|---------------|-------------------------|-------|-------|
| | 2014 | 2015 | 2016 |
| | (\$S in millions) | | |
| Revenue | 163.8 | 240.6 | 302.3 |
| EBITDA | 25.4 | 41.8 | 55.2 |

Our statement of comprehensive income comprises the following line items:

Revenue

We generate revenue from two operating segments based on the type of services provided: enterprise healthcare services and specialty services. Enterprise healthcare services comprise our primary care services, executive health screening, occupational health services, MBMS, and call center services. Specialty services comprise medical diagnostic imaging services, medical specialist services, which currently include, among others, cardiology and general surgery services, physiotherapy services, dental services, pharmaceutical services, and medical assistance and evacuation services.

As of December 31, 2016, our services are offered in Singapore, Indonesia, Australia, and China. The following table sets forth, for the years indicated, the amount and percentage of our revenue attributable by key geographies and by business segments.

| Revenue from Country/ Business Segment | Year Ended December 31, | | | | | |
|---|---------------------------------------|-----------------------|--------|-----------------------|--------|-----------------------|
| | 2014 | | 2015 | | 2016 | |
| | Amount | Percentage of Revenue | Amount | Percentage of Revenue | Amount | Percentage of Revenue |
| | (\$S in millions, except percentages) | | | | | |
| Singapore | | | | | | |
| Enterprise healthcare services | 93.4 | 57.0 | 124.4 | 51.7 | 144.5 | 47.8 |
| Specialty services | 11.7 | 7.2 | 32.4 | 13.4 | 48.5 | 16.0 |
| Total | 105.1 | 64.2 | 156.8 | 65.1 | 193.0 | 63.8 |
| Indonesia | | | | | | |
| Enterprise healthcare services | 3.8 | 2.3 | 8.6 | 3.6 | 11.4 | 3.8 |
| Specialty services | - | - | 6.5 | 2.7 | 7.7 | 2.5 |
| Total | 3.8 | 2.3 | 15.1 | 6.3 | 19.1 | 6.3 |
| Australia | | | | | | |
| Enterprise healthcare services | 49.5 | 30.2 | 40.3 | 16.7 | 53.7 | 17.8 |
| Specialty services | 3.7 | 2.3 | 4.5 | 1.9 | 8.7 | 2.9 |
| Total | 53.2 | 32.5 | 44.8 | 18.6 | 62.4 | 20.7 |
| China⁽¹⁾ | | | | | | |
| Enterprise healthcare services | 1.7 | 1.0 | 20.0 | 8.3 | 20.8 | 6.9 |
| Specialty services | - | - | 3.9 | 1.7 | 7.0 | 2.3 |
| Total | 1.7 | 1.0 | 23.9 | 10.0 | 27.8 | 9.2 |
| Total revenue | 163.8 | 100.0 | 240.6 | 100.0 | 302.3 | 100.0 |
| Consolidated enterprise healthcare services | 148.4 | 90.5 | 193.3 | 80.3 | 238.7 | 79.0 |
| Consolidated specialty services | 15.4 | 9.5 | 48.4 | 20.1 | 65.7 | 21.7 |
| Consolidated intersegment eliminations⁽²⁾ | - | - | (1.1) | (0.4) | (2.0) | (0.7) |

Note:

- (1) Intersegment eliminations arise from transactions between entities in different business segments.
(2) All China revenue is currently attributed from Hong Kong.

Other Income

Our other income primarily comprises interest income on bank balances, rental income from sub-leasing certain of our self-owned facilities, and government grants and wage credits in relation to our Singapore employees.

Expenses

Our expenses include purchase costs for drugs, medicines and consumables used in health-screening, occupational health and sale of pharmaceutical products, cost of fees paid to our panel healthcare providers as outsourced medical consultations, employee compensation, rentals on our operating leases with respect to our self-owned facilities, and selling, general and administrative expenses. The table below shows the amount and percentage of each expense component to our total expenses for the years ended December 31, 2014, 2015 and 2016.

| Expenses | Year Ended December 31, | | | | | |
|--|--------------------------------------|------------------------|----------------|------------------------|----------------|------------------------|
| | 2014 | | 2015 | | 2016 | |
| | Amount | Percentage of Expenses | Amount | Percentage of Expenses | Amount | Percentage of Expenses |
| | (\$ in millions, except percentages) | | | | | |
| Purchase of inventories, net of changes | (17.3) | 12.4 | (27.4) | 13.6 | (41.2) | 16.4 |
| Cost of outsourced medical consultations | (64.2) | 46.1 | (91.6) | 45.3 | (106.4) | 42.3 |
| Employee compensation | (43.0) | 30.9 | (64.7) | 32.0 | (76.3) | 30.3 |
| Rental on operating leases | (6.3) | 4.5 | (9.9) | 4.9 | (12.2) | 4.9 |
| Professional fees | (1.2) | 0.9 | (1.4) | 0.7 | (1.3) | 0.5 |
| Repair and maintenance of equipment | (0.4) | 0.3 | (1.5) | 0.7 | (1.5) | 0.6 |
| Others | (6.8) | 4.9 | (5.6) | 2.8 | (12.8) | 5.0 |
| Total | (139.2) | 100.0 | (202.1) | 100.0 | (251.7) | 100.0 |

EBITDA

We record our EBITDA under our two operating segments of enterprise healthcare services and specialty services. For the year ended December 31, 2016, enterprise healthcare services and specialty services comprised 60.9% and 39.1%, respectively, of our EBITDA, and for the year ended December 31, 2015, enterprise healthcare services and specialty services comprised 64.4% and 35.6%, respectively, of our EBITDA.

The following table sets forth, for the years indicated, the amount and percentage of our EBITDA attributable to each of our business segments:

| Business Segment | Year Ended December 31, | | | | | |
|--------------------------------------|--------------------------------------|----------------------|-------------|----------------------|-------------|----------------------|
| | 2014 | | 2015 | | 2016 | |
| | Amount | Percentage of EBITDA | Amount | Percentage of EBITDA | Amount | Percentage of EBITDA |
| | (\$ in millions, except percentages) | | | | | |
| Enterprise healthcare services | 22.4 | 87.8 | 26.9 | 64.4 | 33.6 | 60.9 |
| Specialty services | 3.0 | 12.2 | 14.9 | 35.6 | 21.6 | 39.1 |
| Total | 25.4 | 100.0 | 41.8 | 100.0 | 55.2 | 100.0 |

Depreciation of Property, Plant and Equipment

Our depreciation expense of property plant and equipment comprise depreciation expense recognized from the depreciation of our fixed assets over their useful lives in accordance with our accounting policies.

Amortization of Intangible Assets

Our amortization expense of intangible assets is recognized in respect of the amortization of intangible assets we acquire as a result of our acquisitions of healthcare businesses and assets.

Finance Costs

Our finance costs comprise our interest expense in respect of our bank borrowings, 2021 Bonds and 2023 Bonds (including amortization of deferred financing charges), facility fees and other loan expenses, and finance lease liabilities.

Share-based Compensation

Our share-based compensation expense comprises the costs we recognize pursuant to the accounting treatment for the grant of share options and awards under our share option plans and restricted share plans.

Transaction Costs from Acquisitions of Investments & Post-Acquisition Integration Expenses and Listing Expenses

Our transaction costs from acquisitions of investments & post-acquisition integration expenses and listing expenses include the costs associated with our merger and acquisition transactions, which comprise fees paid to our financial and legal advisors and costs and expenses incurred in relation to the transfers of shares or assets, including stamp duties, or in relation to any legal or regulatory arrangements to be effected, and costs arising from post-acquisition integration activities. Our transaction costs from listing expenses include legal and due diligence expenses incurred in the preparation for the listing of the Company on a stock exchange.

Performance Stock Grant to our Co-Founders

Our performance stock grant to our co-founders refers to the cost we recognize for the issue of free shares to our co-founders.

Income Tax Expense

Our income tax expense comprises our current income tax expense and our deferred income tax from prior financial years. Our current income tax expense comprises corporate income tax calculated at the rate of 17.0% for Singapore, 25.0% for Indonesia, 30.0% for Australia, and 16.5% for Hong Kong.

Results of Operations

The following table sets forth certain consolidated statement of comprehensive income data and their percentage of revenue for the years indicated:

| | Year Ended December 31, | | | | | |
|---|--------------------------------------|-----------------------|---------------|-----------------------|---------------|-----------------------|
| | 2014 | | 2015 | | 2016 | |
| | Amount | Percentage of Revenue | Amount | Percentage of Revenue | Amount | Percentage of Revenue |
| | (\$ in millions, except percentages) | | | | | |
| Revenue | 163.8 | 100.0 | 240.6 | 100.0 | 302.3 | 100.0 |
| Other income | 0.8 | 0.5 | 3.3 | 1.4 | 4.6 | 1.5 |
| Expenses | (139.3) | 85.0 | (202.1) | 84.0 | (251.7) | 83.2 |
| EBITDA | 25.4 | 15.5 | 41.8 | 17.4 | 55.2 | 18.3 |
| Depreciation of property, plant and equipment | (4.6) | 2.8 | (8.7) | 3.6 | (12.5) | 4.1 |
| Amortization of intangible assets | (5.3) | 3.2 | (6.3) | 2.6 | (7.3) | 2.4 |
| Finance costs | (0.5) | 0.3 | (3.3) | 1.4 | (5.2) | 1.7 |
| Share-based compensation | (2.8) | 1.7 | (5.8) | 2.4 | (14.3) | 4.7 |
| Transaction costs from acquisitions of investments & post-acquisition integration expenses and listing expenses | (8.3) | 5.1 | (15.6) | 6.5 | (33.0) | 10.9 |
| Acquisition break fee | - | - | (6.6) | 2.7 | - | - |
| Performance stock grant to the co-founders | - | - | (2.8) | 1.2 | (1.3) | 0.4 |
| (Loss)/Profit/before income tax | 3.9 | 2.4 | (7.3) | 3.0 | (18.4) | 6.1 |
| Income tax expense | (2.7) | 1.6 | (4.1) | 1.7 | (3.8) | 1.3 |
| (Loss)/Profit for the year | <u>1.2</u> | <u>0.7</u> | <u>(11.4)</u> | <u>4.7</u> | <u>(22.2)</u> | <u>7.7</u> |

Year Ended December 31, 2016 Compared with the Year Ended December 31, 2015

Revenue

For the year ended December 31, 2016, our revenue increased to S\$302.3 million by S\$61.7 million, or 25.6%, from S\$240.6 million for the year ended December 31, 2015. This increase was primarily due to acquisitions in Singapore, Australia and Indonesia, as well as organic growth from new client contracts awarded to us subsequent to September 30, 2015. Acquisitions that were completed within the year ended December 31, 2015 contributed revenue for the full period of the year ended December 31, 2016, but only for a partial period commencing from their respective dates of acquisition for the year ended December 31, 2015, whereas acquisitions completed subsequent to December 31, 2015 contributed revenue for the year ended December 31, 2016 but no revenue for the year ended December 31, 2015.

The segment discussion below first examines revenue by type of service, and then by geographic segments.

Revenue—Enterprise Healthcare Services

For the year ended December 31, 2016, our revenue attributable to enterprise healthcare services increased to S\$238.7 million by S\$45.4 million, or 23.5%, from S\$193.3 million for the year ended December 31, 2015. This increase was primarily due to growth in our primary care and MBMS businesses arising from new client contracts awarded to us.

Revenue—Specialty Services

For the year ended December 31, 2016, our revenue attributable to specialty services increased to S\$65.7 million by S\$17.3 million, or 35.7%, from S\$48.4 million for the year ended December 31, 2015. This increase was primarily due to the contribution from our diagnostic imaging and cardiology businesses which arose from the acquisitions of RadLink and Orchard Heart Specialist Pte. Ltd. on May 11, 2015 and March 18, 2016, respectively. We also experienced organic growth in our dental, physiotherapy, pharmaceutical and general surgery businesses.

Revenue—Singapore

For the year ended December 31, 2016, our revenue attributable to Singapore increased to S\$193.0 million by S\$36.2 million, or 23.1%, from S\$156.8 million for the year ended December 31, 2015. This increase was primarily due to revenues generated from our enterprise healthcare services as new client contracts awarded in late 2015 and early 2016 resulted in higher volumes in the year ended December 31, 2016, organic growth in our pharmaceutical and general surgery businesses, as well as additional revenues from the acquisition of RadLink, our cardiology and ambulance services businesses and post-acquisition integration efforts around those businesses which have increased intra-group cross-referrals to our specialty services.

Revenue—Indonesia

For the year ended December 31, 2016, our revenue attributable to Indonesia increased to S\$19.1 million by S\$4.0 million, or 26.5%, from S\$15.1 million for the year ended December 31, 2015. This increase was primarily due to growth in our health screening business from new client contracts awarded to us and revenue contribution from PT GAH and PT GAM, which we acquired in February 2015 and, to a lesser extent, from the acquisition of PT JLT Gesa in May 2016.

Revenue—Australia

For the year ended December 31, 2016, our revenue attributable to Australia increased to S\$62.4 million by S\$17.6 million, or 39.3%, from S\$44.8 million for the year ended December 31, 2015. This increase was primarily due to strong organic growth from our primary care business, new client contracts awarded to us in our MBMS and occupational health businesses, as well as, to a lesser extent, revenue contribution from the acquisition of Baseline Group (Personnel) Pty Ltd, which was part of our 2015 Acquisitions.

Revenue—China

For the year ended December 31, 2016, our revenue attributable to China increased to S\$27.8 million by S\$3.9 million, or 16.3%, from S\$23.9 million for the year ended December 31, 2015. This increase was due to organic growth from our primary care business and additional revenues from the acquisition of Dr Tony Chun Kit Lee Medical Practice Limited in May 2016.

Other Income

For the year ended December 31, 2016, our other income increased to S\$4.6 million by S\$1.3 million, or 39.4%, from S\$3.3 million for the year ended December 31, 2015.

Expenses

For the year ended December 31, 2016, our expenses increased to S\$ 251.7 million by S\$ 49.6 million, or 24.5%, from S\$202.1 million for the year ended December 31, 2015.

Purchase of Inventories, Net of Changes

For the year ended December 31, 2016, our purchase of inventories, net of changes increased to S\$ 41.2 million by S\$ 13.8 million, or 50.4%, from S\$27.4 million for the year ended December 31, 2015. This increase was

primarily due to the volume of drugs and medical consumables purchased due to an increased number of lives under management as a result of new client contracts awarded to us, primarily in Singapore and Australia.

Cost of Outsourced Medical Consultations

For the year ended December 31, 2016, our cost of outsourced medical consultations increased to S\$106.4 million by S\$14.8 million, or 16.2%, from S\$91.6 million for the year ended December 31, 2015. This increase was primarily due to greater utilization of services provided by our panel healthcare providers arising from new client contracts awarded to us.

Employee Compensation

For the year ended December 31, 2016, our employee compensation increased to S\$76.3 million by S\$11.6 million, or 17.9%, from S\$64.7 million for the year ended December 31, 2015. This increase was primarily due to the organic growth in our operations and the impact of our acquisitions resulting in higher employee numbers.

Rental on Operating Leases

For the year ended December 31, 2016, our rental on operating leases increased to S\$12.2 million by S\$2.3 million, or 23.2%, from S\$9.9 million for the year ended December 31, 2015. This increase was primarily due to an increase in the number of our rental properties arising from our organic growth and from our acquisitions.

Professional Fees

For the year ended December 31, 2016, our professional fees decreased to S\$1.3 million by S\$0.1 million, or 7.1%, from S\$1.4 million for the year ended December 31, 2015.

Repair and Maintenance of Equipment

For the year ended December 31, 2016, our repair and maintenance of equipment expense remained generally at similar levels, remaining at S\$1.5 million for the years ended December 31, 2015 and December 31, 2016.

Others

For the year ended December 31, 2016, our other expenses increased to S\$12.8 million by S\$7.2 million, or 128.6%, from S\$5.6 million for the year ended December 31, 2015. This increase was primarily due to the growth of our business as a whole.

EBITDA

As a result of the foregoing, our EBITDA increased to S\$55.2 million for the year ended December 31, 2016, by S\$13.4 million, or 32.1%, from S\$41.8 million for the year ended December 31, 2015.

Depreciation

For the year ended December 31, 2016, our depreciation increased to S\$12.5 million by S\$3.8 million, or 43.7%, from S\$8.7 million for the year ended December 31, 2015. This increase was primarily due to depreciation charges on medical equipment owned by RadLink which was acquired in May 2015, and depreciation charges arising from our increased investment in our information technology platform and diagnostic equipment.

Amortization

For the year ended December 31, 2016, our amortization increased to S\$7.3 million by S\$1.0 million, or 15.9%, from S\$6.3 million for the year ended December 31, 2015. This increase was primarily due to the amortization charges on intangible assets recognized from our acquisitions.

Finance Costs

For the year ended December 31, 2016, our finance costs increased to S\$5.2 million by S\$1.9 million, or 57.6%, from S\$3.3 million for the year ended December 31, 2015. This increase was primarily due to entering into new banking arrangements in order to fund our acquisitions.

Share-based Compensation

For the year ended December 31, 2016, our share-based compensation increased to S\$14.3 million by S\$8.5 million, or 146.6%, from S\$5.8 million for the year ended December 31, 2015. This increase was due to new share options issued, an increase in the number of our employees eligible to participate in our share plans and a one-off acceleration stock options and awards charge-out amount of approximately S\$8.3 million due to the accelerated vesting of certain awards and options in 2016.

Transaction Costs from Acquisitions of Investments & Post-Acquisition Integration Expenses and Listing Expenses

For the year ended December 31, 2016, our transaction costs from acquisitions of investments & post-acquisition integration expenses and listing expenses increased to S\$33.0 million by S\$17.4 million, or 111.5%, from S\$15.6 million for the year ended December 31, 2015. This increase was primarily due to expenses arising from our capital raising exercises an increase in post-acquisition integration expenses due to a larger group size, as well as certain associated fees and costs relating to our proposed transaction relating to Fullerton Health China Corporation Limited described below.

On April 1, 2016, we entered into agreements with Salamat¹, City-Scape¹, CITIC and SC China for the subscription by these parties for certain securities in Fullerton Health China Corporation Limited. These agreements were terminated on March 8, 2017, and the associated fees and costs have been accounted for in our Group's consolidated financial statements for the year ended December 31, 2016.

Loss before Income Tax

As a result of the foregoing, our loss before income tax for the year increased to a loss of S\$18.4 million by S\$11.1 million, or 152.1%, from a loss of S\$7.3 million for the year ended December 31, 2016.

Income Tax Expense

For the year ended December 31, 2016, our income tax expense decreased to S\$3.8 million by S\$0.3 million, or 7.3%, from S\$4.1 million for the year ended December 31, 2015. This decrease was primarily caused by a reduction in the Group's deferred tax liability.

Loss for the Year

As a result of the foregoing, our loss for the year ended December 31, 2016 increased to a loss of S\$22.2 million by S\$10.8 million, or 94.6%, from a loss of S\$11.4 million from the year ended December 31, 2015.

2015 Compared with 2014

Revenue

For the year ended December 31, 2015, our revenue increased to S\$240.6 million by S\$76.8 million, or 46.9%, from S\$163.8 million for the year ended December 31, 2014. This increase was primarily due to an increase in the number of new client contracts awarded to us under our MBMS business in Singapore in 2015, as well as revenue contributions from our acquisitions in 2015 in Singapore, Indonesia and China. Revenue contribution from our specialty services business segment also increased significantly as a result of our acquisition of RadLink in 2015. This was partially offset by reduced revenue from our occupational health services business in Australia due to a slowdown in the Australian economy and a decline in the Australian dollar against the Singapore dollar.

The segment discussion below first examines revenue by type of service, and then by geographic segments.

Revenue—Enterprise Healthcare Services

For the year ended December 31, 2015, our revenue attributable to enterprise healthcare services increased to S\$193.3 million by S\$45.0 million, or 30.3%, from S\$148.4 million for the year ended December 31, 2014. This increase was primarily due to an increase in the number of new client contracts awarded to us under our MBMS business in Singapore in 2015.

¹ City-Scape Pte. Ltd. and Salamat Investment Pte. Ltd. are wholly-owned by GIC (Ventures) Pte. Ltd. GIC (Ventures) Pte. Ltd. is wholly-owned by the Minister for Finance, the body corporate constituted under section 2(1) of the Minister for Finance (Incorporation) Act, Chapter 183 of Singapore.

Revenue—Specialty Services

For the year ended December 31, 2015, our revenue attributable to specialty services increased to S\$48.4 million by S\$33.0 million from S\$15.4 million for the year ended December 31, 2014. This increase was primarily due to revenue contributions from our diagnostic imaging and medical evacuation businesses from our acquisitions of RadLink and the GAH Entities in 2015, as well as organic growth in our physiotherapy and pharmaceutical businesses.

Revenue—Singapore

For the year ended December 31, 2015, our revenue attributable to Singapore increased to S\$156.8 million by S\$51.7 million, or 49.2%, from S\$105.1 million for the year ended December 31, 2014. This increase was primarily due to an increase in the revenue generated from our enterprise healthcare services as the number of our client contracts increased, and revenue contribution from our acquisition of RadLink.

Revenue—Indonesia

For the year ended December 31, 2015, our revenue attributable to Indonesia increased to S\$15.1 million by S\$11.3 million from S\$3.8 million for the year ended December 31, 2014. This increase was primarily due to revenue contributions from PT GAH and PT GAM, which we acquired in February 2015.

Revenue—Australia

For the year ended December 31, 2015, our revenue attributable to Australia decreased to S\$44.8 million by S\$8.4 million, or 15.8%, from S\$53.2 million for the year ended December 31, 2014. This decrease was primarily due to reduced revenue from our occupational health services business in Australia due to a slowdown in the Australian economy and a decline in the Australian dollar against the Singapore dollar.

Revenue—China

For the year ended December 31, 2015, our revenue attributable to China increased to S\$23.9 million by S\$22.2 million from S\$1.7 million for the year ended December 31, 2014. This increase was primarily due to revenue contribution from the HMMP Entities, which we acquired in January 2015.

Other Income

For the year ended December 31, 2015, our other income increased to S\$3.3 million by S\$2.5 million from S\$0.8 million for the year ended December 31, 2014. This increase was primarily due to income from a management contract we entered into with a non-profit organization in Hong Kong to provide healthcare services.

Expenses

For the year ended December 31, 2015, our expenses increased to S\$202.1 million by S\$62.8 million, or 45.1%, from S\$139.3 million for the year ended December 31, 2014.

Purchase of Inventories, Net of Changes

For the year ended December 31, 2015, our purchase of inventories, net of changes increased to S\$27.4 million by S\$10.1 million, or 58.4%, from S\$17.3 million for the year ended December 31, 2014. This increase was primarily due to increased volume of drugs and medical consumables purchased, as a result of the increase in the volume of our business.

Cost of Outsourced Medical Consultations

For the year ended December 31, 2015, our cost of outsourced medical consultations increased to S\$91.6 million by S\$27.4 million, or 42.7%, from S\$64.2 million for the year ended December 31, 2014. This increase was primarily due to the increase in the number of utilizations of services provided by our panel healthcare providers.

Employee Compensation

For the year ended December 31, 2015, our employee compensation expenses increased to S\$64.7 million by S\$21.7 million, or 50.5%, from S\$43.0 million for the year ended December 31, 2014. This increase was primarily due to an increase in the number of our employees due to our acquisitions in 2015 and our increased hiring in Singapore as we expanded our operations.

Rental on Operating Leases

For the year ended December 31, 2015, our rental on operating leases increased to S\$9.9 million by S\$3.6 million, or 57.1%, from S\$6.3 million for the year ended December 31, 2014. This increase was primarily due to the increase in the number of our self-owned facilities as a result of our acquisitions in 2015.

Professional Fees

For the year ended December 31, 2015, our professional fees remained generally at similar levels, increasing to S\$1.4 million by S\$0.2 million, or 16.7%, from S\$1.2 million for the year ended December 31, 2014.

Repair and Maintenance of Equipment

For the year ended December 31, 2015, our repair and maintenance of equipment expenses increased to S\$1.5 million by S\$1.1 million from S\$0.4 million for the year ended December 31, 2014. This increase was primarily due to maintenance carried out on equipment owned by RadLink, which we acquired in 2015.

Others

For the year ended December 31, 2015, our other expense decreased to S\$5.6 million by S\$1.2 million, or 17.6%, from S\$6.8 million for the year ended December 31, 2014.

EBITDA

As a result of the foregoing, our EBITDA increased to S\$41.8 million for the year ended December 31, 2015, by S\$16.4 million, or 64.6%, from S\$25.4 million for the year ended December 31, 2014.

Depreciation

For the year ended December 31, 2015, our depreciation increased to S\$8.7 million by S\$4.1 million, or 89.1%, from S\$4.6 million for the year ended December 31, 2014. This increase was primarily due to the acquisition of RadLink and its assets in 2015 and increased investment in our information technology platform.

Amortization

For the year ended December 31, 2015, our amortization increased to S\$6.3 million by S\$1.0 million, or 18.9%, from S\$5.3 million for the year ended December 31, 2014. This increase was primarily due to an increase in intangible assets as we had more acquisitions of greater value in 2015 as compared to 2014.

Finance Costs

For the year ended December 31, 2015, our finance costs increased to S\$3.3 million by S\$2.8 million from S\$0.5 million for the year ended December 31, 2014. This increase was primarily due to an increase in bank borrowings in 2015 from S\$11.3 million to S\$124.8 million to fund our acquisitions.

Share-based Compensation

For the year ended December 31, 2015, our share-based compensation increased to S\$5.8 million by S\$3.0 million from S\$2.8 million for the year ended December 31, 2014. This increase was primarily due to a performance issue of an additional tranche of awards and options issued in February 2015 to our employees in 2014.

Transaction Costs from Acquisitions of Investments & Post-Acquisition Integration Expenses and Listing Expenses

For the year ended December 31, 2015, our transaction costs from acquisitions of investments & post-acquisition integration expenses and listing increased to S\$15.6 million by S\$7.3 million, or 88.0%, from S\$8.3 million for the year ended December 31, 2014. This increase was primarily due to our undertaking of a greater number of acquisitions of higher value in 2015 as compared to 2014.

Acquisition Break Fee

In June 2015, we entered into certain agreements, including share purchase and joint venture agreements, with an unrelated third party, to acquire 40.0% of the issued share capital of a Hong Kong-incorporated holding company that would have owned and operated medical clinic and insurance-related businesses in Beijing and to establish a

joint venture which would invest in healthcare in China. Pursuant to these agreements, we paid 30.0% of the consideration, amounting to approximately US\$9.6 million (the “Escrow Amount”), into an escrow account, and further paid 20.0% of the consideration, amounting to RMB39.0 million (the “Partial Consideration”), to the counterparty.

The parties mutually decided not to proceed with the investment and the joint venture, and we subsequently entered into a break fee agreement dated April 12, 2016. As a term of such break fee agreement, we agreed to pay break fees amounting to RMB30.0 million (the “Break Fees”), to be settled by a net off against the refund of the Partial Consideration we had paid to the counterparty. As of the date of this document, the remaining amounts of the Partial Consideration and the Escrow Amount have been refunded to us.

We recognized the aggregate amount of the Escrow Amount and the Partial Consideration, less the Break Fees, as a current asset on our balance sheet as of December 31, 2015. See Note 13 to our consolidated financial statements for the years ended December 31, 2014, 2015 and 2016 included elsewhere in this document. We also recognized the Break Fees as an acquisition break fee of S\$6.6 million (amounting to RMB30.0 million) in our consolidated statement of comprehensive income for the year ended December 31, 2015.

Performance Stock Grant to our Co-Founders

We recognized a performance stock grant to our co-founders of S\$2.8 million for the year ended December 31, 2015 due to the one-time issue of performance shares to our co-founders in 2015.

(Loss)/Profit before Income Tax

As a result of the foregoing, our profit before income tax decreased to a loss of S\$7.3 million for the year ended December 31, 2015 by S\$11.2 million from a profit of S\$3.9 million for the year ended December 31, 2014.

Income Tax Expense

For the year ended December 31, 2015, our income tax expense increased to S\$4.1 million by S\$1.4 million, or 51.9%, from S\$2.7 million for the year ended December 31, 2014. This increase in our income tax expense was primarily due to our increased operations and increased profits in 2015, particularly in Indonesia, which is a high income tax jurisdiction.

(Loss)/Profit for the Year

As a result of the foregoing, our profit for the year decreased to a loss of S\$11.4 million by S\$12.6 million for the year ended December 31, 2015 from a profit of S\$1.2 million for the year ended December 31, 2014.

Summary of Cash Flows

The following table sets forth our consolidated cash flows with respect to operating activities, investing activities and financing activities for the years indicated.

| | Year Ended December 31, | | |
|---|--------------------------------|-------------|-------------|
| | 2014 | 2015 | 2016 |
| | (S\$ in millions) | | |
| Net cash provided by operating activities | 13.9 | 31.0 | 46.2 |
| Net cash used in investing activities | (48.2) | (209.8) | (75.2) |
| Net cash provided by financing activities | 32.1 | 194.0 | 17.1 |
| Net (decrease)/increase in cash and cash equivalents | (2.2) | 15.2 | (11.9) |
| Cash and cash equivalents at beginning of the financial year | 17.9 | 15.7 | 30.9 |
| Cash and cash equivalents at end of the financial year ⁽¹⁾ | 15.7 | 30.9 | 19.0 |

Note:

(1) Cash and cash equivalents excludes fixed deposits pledged with a bank amounting to S\$6,622,000, S\$7,200,000 and S\$808,000 for the years ended December 31, 2014, 2015 and 2016, respectively.

Net Cash Provided By Operating Activities

We generated S\$46.2 million in net cash provided by operating activities for the year ended December 31, 2016. Our net cash provided by operating activities is calculated by adjusting our net loss of S\$22.2 million by (i) non-cash and other items, such as S\$3.8 million in income tax expense, S\$15.5 million in share-based compensation, S\$12.5 million of depreciation of property, plant and equipment, S\$7.3 million of amortization of intangible assets, S\$5.2 million in finance costs, S\$ 33.0 million in transaction costs arising from acquisition of subsidiaries and post-acquisition integration expenses, and S\$2.1 million in loss on disposal of property, plant

and equipment and sales leaseback arrangements, and (ii) changes in working capital described below as a result of a significant increase in business activities from the growth of our business.

Working capital sources of cash for the year ended December 31, 2016 primarily included a decrease in cash of S\$22.7 million resulting from an increase in trade and other receivables, a S\$2.0 million decrease in cash resulting from a decrease in other current assets, and a S\$23.0 million increase in cash due to an increase in trade and other payables. In the year ended December 31, 2016, we made cash payments of S\$5.2 million in respect of income tax expenses.

We generated S\$31.0 million in net cash provided by operating activities for the year ended December 31, 2015. Our net cash provided by operating activities is calculated by adjusting our net loss of S\$11.4 million by (i) non-cash and other items, such as S\$4.1 million in income tax expense, S\$8.6 million in share-option expense, S\$8.7 million of depreciation of property, plant and equipment, S\$6.3 million of amortization of intangible assets, S\$15.6 million in transaction costs arising from acquisition of investments and S\$6.6 million arising from an acquisition break fee (see “—Results of Operations—2015 compared with 2014—Acquisition Break Fee”), and (ii) changes in working capital described below as a result of a significant increase in business activities from the growth of our business.

Working capital sources of cash in 2015 primarily included an increase in cash of S\$8.2 million resulting from a decrease in trade and other receivables, a S\$13.7 million decrease in cash resulting from unbilled revenue that has accrued as a result of our close of our accounting books prior to the end of our financial year, S\$2.6 million decrease in cash resulting from an increase in other current assets, and a S\$6.7 million increase in cash due to an increase in trade and other payables. In 2015, we made cash payments of S\$6.3 million in respect of income tax expenses.

We generated S\$13.9 million in net cash provided by operating activities for the year ended December 31, 2014. Our net cash provided by operating activities is calculated by adjusting our net profit of S\$1.2 million by (i) non-cash and other items, such as S\$2.7 million in income tax expense, S\$2.8 million in share-option expense, S\$4.6 million of depreciation of property, plant and equipment, S\$5.3 million of amortization of intangible assets, and \$8.3 million in transaction costs arising from acquisition of investments, and (ii) changes in working capital described below as a result of a significant increase in business activities from the growth of our business.

Working capital sources of cash in 2014 primarily included an increase in cash of S\$1.1 million resulting from a decrease in trade and other receivables, a S\$5.9 million decrease in cash resulting from unbilled revenue that has accrued as a result of our close of our accounting books prior to the end of our financial year, a S\$2.9 million decrease in cash resulting from an increase in other current assets, and a S\$1.5 million decrease in cash due to a decrease in trade and other payables. In 2014, we made cash payments of S\$2.3 million in respect of income tax expenses.

Net Cash Used In Investing Activities

Net cash used in investing activities was S\$75.2 million for the year ended December 31, 2016, which was primarily attributable to S\$35.6 million used in additions to property, plant and equipment, and S\$29.2 million used in the acquisition of subsidiaries, including deferred consideration payments. For details of the acquisitions made during this year, see “—Significant Factors Affecting Our Results of Operations—Acquisitions”.

Net cash used in investing activities was S\$209.8 million for the year ended December 31, 2015, which was primarily attributable to S\$161.0 million used in the acquisition of subsidiaries and S\$11.5 million used in additions to property, plant and equipment. For details of the acquisitions made during this year, see “—Significant Factors Affecting Our Results of Operations—Acquisitions”.

Net cash used in investing activities was S\$48.1 million for the year ended December 31, 2014, which was primarily attributable to S\$22.3 million used in the acquisition of subsidiaries and S\$10.9 million used in additions to property, plant and equipment. For details of the acquisitions made during this year, see “—Significant Factors Affecting Our Results of Operations—Acquisitions”.

Net Cash Provided By Financing Activities

Net cash provided by financing activities was S\$17.1 million for the year ended December 31, 2016, which was primarily attributable to S\$100.0 million in proceeds from the issue of the 2021 Bonds and the 2023 Bonds, and S\$38.0 million in proceeds from bank borrowings, and was partially offset by S\$106.3 million in repayment of bank borrowings, S\$8.1 million in repayments of lease liabilities and S\$3.4 million in interest payments.

Net cash provided by financing activities was S\$194.0 million for the year ended December 31, 2015, which was primarily attributable to S\$123.3 million in proceeds from bank borrowings and S\$70.7 million in proceeds from capital injection, and was partially offset by S\$9.7 million in repayment of bank borrowings.

Net cash provided by financing activities was S\$32.1 million for the year ended December 31, 2014, which was primarily attributable to S\$28.1 million in proceeds from capital injection and S\$11.2 million in proceeds from bank borrowings, and was partially offset by S\$6.0 million in repayment of bank borrowings.

Capital Expenditures

Our Group-wide material capital expenditures for the year ended December 31, 2014 included expenditures of S\$1.4 million to implement human resource management systems and S\$1.1 million to establish call centers in Singapore.

Our Group-wide material capital expenditures for the year ended December 31, 2015 included expenditures of S\$1.4 million to renovate new and existing clinics in Australia, S\$1.2 million to improve Group-wide information technology, including our proprietary FHN platform, and S\$0.8 million to develop Group-wide marketing capabilities and S\$0.8 million to implement human resource management systems.

Our Group-wide material capital expenditures for the year ended December 31, 2016 included expenditures of S\$14.6 million on diagnostic medical equipment.

Our capital expenditures relating to the development of information technology and the implementation of SAP involve continuous improvements to our infrastructure, and remain ongoing. We fund these expenditures from our working capital.

The following table sets forth information regarding our total capital expenditures (excluding capital expenditures relating to acquisitions of our subsidiaries and investments) for the years ended December 31, 2014, 2015 and 2016.

| | Year Ended December 31, | | |
|---|-------------------------|-------------|-------------|
| | 2014 | 2015 | 2016 |
| | (S\$ in millions) | | |
| Office furniture, fittings and equipment (including CT scanners for RadLink)..... | 6.8 | 10.7 | 25.5 |
| Motor vehicles | - | 0.3 | 0.5 |
| Renovation and furnishing of medical centers | 3.5 | 2.8 | 5.0 |
| Development of proprietary technology platform software | 0.5 | 0.8 | 1.7 |
| Total capital expenditures | <u>10.8</u> | <u>14.6</u> | <u>32.7</u> |

Our capital expenditures relating to acquisitions of our subsidiaries and investments amounted to S\$23.4 million, S\$175.4 million and S\$29.8 million for the years ended December 31, 2014, 2015 and 2016, respectively.

Indebtedness

As of December 31, 2016, our total indebtedness was S\$154.3 million, comprising our bank borrowings of S\$56.5 million and S\$97.8 million comprising our 2021 Bonds and our 2023 Bonds. As of December 31, 2016, we had S\$30.0 million available under our credit facilities.

Bank Borrowings

The following table sets out certain details relating to our bank borrowings:

| Facility | Borrower | Amount Outstanding as of December 31, 2016 | Total Committed Amount | Interest Rate | Maturity |
|------------------------------|---------------------|--|------------------------------|--|-----------|
| | | (S\$ in millions) | (S\$ in millions) | | |
| Term loan 1 from Lender A | Our Company and FHG | 6.75 | 7.5 | Singapore InterBank Offer Rate + 2.5% | July 2019 |
| Term loan 2 from Lender A | Our Company and FHG | 13.75 | 15.0 | Singapore InterBank Offer Rate + 2.5% | July 2019 |
| Term loan from Lender B | Our Company and FHG | 1.0 | 1.5 | Lender's cost of funds + 2.0% | May 2017 |
| Revolving loan from Lender C | FHG | 17.0 | 20.0 | Swap Offer Rate + 1.5% | - |
| Revolving loan from Lender D | FHG | 4.5 | 10.0 | Lender's cost of funds + 1.5% | - |
| Revolving loan from Lender A | Our Company and FHG | 4.0 | 15.0 | Singapore InterBank Offer Rate + 2.25% | - |
| Revolving loan from Lender B | Our Company and FHG | 9.5 | 10.0 | Lender's cost of funds + 2.0% | - |
| Revolving loan from Lender E | FHG | 0.0 | 10.0 | Singapore InterBank Offer Rate + 2.0% | - |

Our Company and FHG entered into a S\$7,500,000 three-year term loan with Lender A on June 28, 2016. Interest is payable at the rate of the 1-month Singapore InterBank Offer Rate plus 2.50% per annum. This facility is unsecured and unguaranteed. This facility replaces a previous term loan facility that was used to repay bank debts owed by the Australian subsidiaries, loans to the holding company, and to support capital expenditures. The conditions of this loan require that we maintain a minimum debt service coverage ratio (defined in respect of any financial year as the ratio of EBITDA to the sum of actual interest expenses incurred for that financial year and the principal payable in the following financial year, and EBITDA in respect of any relevant period is defined as the consolidated profit of our Group before taxation (excluding the results from discontinued operations) and adjusted for certain other items) of 1.5 times, a maximum gearing ratio (defined as the ratio of gross debt to EBITDA) of 4 times and a maximum debt to equity ratio of 1 time.

Our Company and FHG entered into a S\$15,000,000 three-year term loan with Lender A on June 28, 2016. Interest is payable at the rate of the 1-month Singapore InterBank Offer Rate plus 2.50% per annum. This facility is unsecured and unguaranteed. This facility replaces a previous term loan facility that was used to finance the acquisition of RadLink. The conditions of this loan require that we maintain a minimum debt service coverage ratio (defined in respect of any financial year as the ratio of EBITDA to the sum of actual interest expenses incurred for that financial year and the principal payable in the following financial year, and EBITDA in respect of any relevant period is defined as the consolidated profit of our Group before taxation (excluding the results from discontinued operations) and adjusted for certain other items) of 1.5 times, a maximum gearing ratio (defined as the ratio of gross debt to EBITDA) of 4 times and a maximum debt to equity ratio of 1 time.

Our Company and FHG entered into a S\$2,000,000 term loan with Lender B on August 1, 2016, maturing in May 2017. Interest is payable at the rate of 2.00% per annum above the bank's prevailing cost of funds as determined by Lender B for interest periods of 1, 2, 3 or 6 months at our option. This facility is unsecured and unguaranteed. This facility replaces a previous term loan facility that was used to refinance existing borrowings and renovate a clinic and call center. The conditions of this loan require that we maintain a minimum debt service coverage ratio (defined in respect of any financial year as the ratio of EBITDA to the sum of interest expenses incurred for that financial year and the principal payable in the following financial year (the current portion of long-term debt), and EBITDA defined as Earnings Before Interest, Taxes, Depreciation and Amortization, and EBITDA in respect of any Relevant Period defined as the consolidated profit of our Group before taxation (excluding the results from discontinued operations) and before deducting or taking into account, not including, after adding back, or excluding certain other items) of 1.5 times on a consolidated Group basis, a maximum gearing ratio (defined as gross debt divided by EBITDA) of 4 times on a consolidated Group basis and a maximum debt to equity ratio of 1 time.

FHG entered into a S\$20,000,000 revolving loan with Lender C on September 1, 2015 to cover general corporate funding purposes. The term for each drawing on this revolving facility is 1, 2 or 3 months. Interest is payable at the rate of the aggregate of 1.50% per annum and the swap offer rate. This facility is unsecured. The conditions of this loan require that we maintain a maximum consolidated gross debt (defined as consolidated bank debt excluding shareholders loans) to consolidated EBITDA (defined as earnings before interest, tax, depreciation, amortization and non-recurring expenses) ratio of 3.5 times and minimum shareholders equity of S\$100,000,000.

FHG entered into a S\$10,000,000 revolving loan with Lender D on November 18, 2015 to cover working capital requirements and acquisition of clinics and healthcare related businesses. The term for each drawing on this revolving facility is for 1, 2, 3 or 6 months. Interest is payable at the rate of 1.50% per annum above the bank's cost of funds. This facility is unsecured and unguaranteed. This loan does not require us to maintain any specified financial ratios.

Our Company and FHG entered into a S\$15,000,000 revolving loan facility with Lender A on June 28, 2016 to refinance its existing revolving loan facilities. The term for each drawing on this facility is 1, 3 or 6 months or any other period agreed to by Lender A. Interest is payable at the rate of the 1, 3 or 6-month Singapore InterBank Offer Rate plus 2.25% per annum, payable in arrears on the last day of the term relating to the drawing. This facility is unsecured and unguaranteed. The conditions of this loan require that we maintain a minimum debt service coverage ratio (defined in respect of any financial year as the ratio of EBITDA to the sum of actual interest expenses incurred for that financial year and the principal payable in the following financial year, and EBITDA in respect of any relevant period is defined as the consolidated profit of our Group before taxation (excluding the results from discontinued operations) and adjusted for certain other items) of 1.5 times, a maximum gearing ratio (defined as the ratio of gross debt to EBITDA) of 4 times and a maximum debt to equity ratio of 1 time.

Our Company and FHG entered into a S\$10,000,000 revolving loan with Lender B on August 1, 2016. The term for each drawing on this revolving facility is 1 or 3 months. Interest is payable at the rate of 2.00% per annum

above the bank's cost of funds as determined by Lender B for interest periods of 1 or 3 months at our option. This facility is unsecured and unguaranteed. The purpose of this facility is for working capital requirements. The conditions of this loan require that we maintain a minimum debt service coverage ratio (defined in respect of any financial year as the ratio of EBITDA to the sum of interest expenses incurred for that financial year and the principal payable in the following financial year (the current portion of long-term debt), and EBITDA defined as Earnings Before Interest, Taxes, Depreciation and Amortization, and EBITDA in respect of any Relevant Period defined as the consolidated profit of our Group before taxation (excluding the results from discontinued operations) and before deducting or taking into account, not including, after adding back, or excluding certain other items) of 1.5 times on a consolidated Group basis, a maximum gearing ratio (defined as gross debt divided by EBITDA) of 4 times on a consolidated Group basis and a maximum debt to equity ratio of 1 time.

FHG entered into a S\$10,000,000 revolving loan with Lender E on November 27, 2015 to cover working capital requirements. The term for each drawing on this facility is for up to 6 months. Interest is payable at the rate of Singapore InterBank Offer Rate plus 2.00% per annum. This facility is unsecured and unguaranteed. This loan does not require us to maintain any specified financial ratios.

2021 Bonds and 2023 Bonds

On July 7, 2016, our Company issued the 2021 Bonds and the 2023 Bonds, which are listed on the SGX-ST. The Bonds are unconditionally and irrevocably guaranteed by CGIF. The Bonds were issued by way of a private placement to institutional and sophisticated investors, none of whom were our related parties as of the date of issue of the Bonds. The 2021 Bonds and the 2023 Bonds bear interest at a rate of 2.45 per cent. per annum and 2.75 per cent. per annum, respectively, payable semi-annually in arrears on January 7 and July 7 of each year. Taking into account the guarantee fees, the effective interest rates of the 2021 Bonds and the 2023 Bonds are 3.73 per cent. per annum and 4.04 per cent. per annum, respectively. The 2021 Bonds and the 2023 Bonds will mature on July 7, 2021 and July 7, 2023, respectively. The net proceeds of the Bonds were used to refinance certain revolving and term loan facilities, and bridge financing indebtedness of our Group.

In connection with the issue of the 2021 Bonds and the 2023 Bonds, our Company, FHG, Gethin-Jones, THD, A.M. Pharmacy, H&C, HCP and Fullerton Health Australia Pty Ltd (together with the Company, the "RIA Obligors") and CGIF have entered into the Reimbursement and Indemnity Agreement. Under the Reimbursement and Indemnity Agreement, the RIA Obligors are required to reimburse CGIF on a joint and several basis for any payment made by CGIF under the relevant guarantee for the Bonds for amounts equal to the aggregate of the amounts paid by CGIF under the relevant guarantee and customary default interest on overdue amounts that the RIA Obligors are late in paying CGIF. Under the Reimbursement and Indemnity Agreement, each of the RIA Obligors has also irrevocably and unconditionally undertaken to indemnify immediately on demand CGIF, its affiliates and their respective officers, directors, employees, agents and counsels, on an after tax basis against any loss arising from or in connection with, among other things, any claims made against CGIF, its affiliates and their respective officers, directors, employees, agents and counsels, the occurrence of any event of default under the Reimbursement and Indemnity Agreement, failure to pay under the documents for the Bonds and the guarantees, breaches of the Reimbursement and Indemnity Agreement, and material misstatements or omissions in the due diligence materials and disclosure documents for the Bonds and the guarantees. It is, among other events, an event of default if as a group, SCCL, Dr. Michael Tan Kim Song and Dr. Daniel Chan Pai Sheng ceases to maintain control, by contract or otherwise, of the largest ownership of issued share capital and voting rights, by contract or otherwise, in our Company as compared to any other shareholder or group of shareholders acting in concert. The occurrence of an event of default under the Reimbursement and Indemnity Agreement entitles the guarantor, CGIF, to exercise certain remedies at its discretion, including among other things increasing the guarantee fees we pay and enforcing security we have provided pursuant to the Reimbursement and Indemnity Agreement, among other things. We may also have to indemnify CGIF for any losses and additional costs and expenses in connection with any such event of default. Defaults under our existing bank facilities could also trigger an event of default under the Reimbursement and Indemnity Agreement, which would entitle CGIF to the remedies and indemnification described above. See "*Risk Factors—Risks Relating to Our Business—Our leverage could adversely affect our ability to raise additional capital, limit our operational flexibility and expose us to interest rate risk*" for consequences of an event of default under the Reimbursement and Indemnity Agreement. The Reimbursement and Indemnity Agreement terminates upon the payment of the guarantee fees, the termination of the guarantees and the performance or discharge in full of the reimbursement obligations of each RIA Obligor.

Contractual Obligations

The following table sets forth our contractual obligations and commitments as of December 31, 2016.

| | Total | Less than 1 Year | 1-5 Years | More than 5 Years |
|--|--------------------|---------------------|-------------|----------------------|
| | (\$\$ in millions) | | | |
| Short-term portion of bank borrowings ⁽¹⁾ | 35.0 | 35.0 | - | - |
| Long-term portion of bank borrowings ⁽¹⁾ | 21.5 | 8.8 | 12.7 | - |
| Operating leases ⁽²⁾ | 23.5 | 9.2 | 11.3 | 3.0 |
| Bonds issued ⁽³⁾ | 120.5 | 3.4 | 63.5 | 53.6 |
| Total contractual obligations | 200.5 | 56.4 | 87.5 | 56.6 |

Notes:

- (1) The contractual obligation amounts in this table include principal amounts of our bank borrowings, fixed-rate interest amounts payable on our bank borrowings, and other contractual obligation amounts which are based on fixed rates but exclude floating-rate interest amounts payable on our bank borrowings.
- (2) The contractual amounts outstanding under the operating leases include future aggregate minimum lease payments under non-cancellable operating leases.
- (3) The contractual amounts outstanding under the Bonds include principal amounts and fixed interest amounts payable thereon.

Pursuant to our proposed investment in Fullerton China, we committed to subscribe for shares in Fullerton China for an aggregate subscription price of US\$20.0 million within 20 business days after the occurrence of an FHC Event, and in any case no later than the FHC Class B Subscription Date. See “*Business—Recent Developments—Our Plans For Expansion into China*” for further details.

Pursuant to our proposed investment in the Bideford Road Building, we have also undertaken to subscribe for Class B shares of SC Aetas Cayman, representing 20.0% of the enlarged Class B share capital of SC Aetas Cayman. The total consideration to be paid by us for the Class B shares will be not more than S\$55 million. See “*Interested Person Transactions—Investment in the Bideford Road Building*” for further details.

Quantitative and Qualitative Disclosures about Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including interest rates and foreign exchange rates, of financial instruments. We are exposed to various financial market risks in our ordinary course business transactions, primarily from interest rate movements on non-current variable rate borrowings and exchange rate movements.

Currency Risk

As of the dates set forth below, our significant monetary assets and monetary liabilities denominated in currencies other than the functional currencies of the respective entities of our Group were as follows:

| | Liabilities as of December 31, | | | Assets as of December 31, | | |
|--------------------|--------------------------------|-------|-------|---------------------------|------|-------|
| | 2014 | 2015 | 2016 | 2014 | 2015 | 2016 |
| | (\$\$ in thousands) | | | | | |
| U.S. dollars | - | 8,921 | 2,141 | - | - | 5,517 |

We have a number of investments in foreign subsidiaries, whose net assets are exposed to currency translation risk. We do not currently designate our foreign currency denominated debt as a hedging instrument for the purpose of hedging the translation of its foreign operations.

Foreign Currency Sensitivity Analysis

The following details the sensitivity to a 10.0% increase and decrease in the relevant foreign currencies against the functional currency of the relevant entity in our Group. 10.0% is the sensitivity rate used when reporting foreign currency risk internally to our management and represents our management’s assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10.0% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within our Group where they gave rise to an impact on our Group’s profit or loss and/or equity.

If the relevant foreign currency strengthens/weakens by 10.0% against the functional currency of the relevant entity in our Group, profit or loss and other equity will increase/decrease by S\$338,000, for a change in the U.S. dollar exchange rate.

Interest Rate Risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. Our Group's interest rate risk mainly arises from bank borrowings, which are at floating rates of interest pegged to the Swap Offer Rate or the Singapore Interbank Offer Rate, plus margin. We have not entered into any interest rate hedging transactions for our bank borrowings.

Interest Rate Sensitivity Analysis

For the year ended December 31, 2016, if interest rates increase/decrease by 0.5% with all other variables including tax rate being held constant, the profit or loss for our Group will be lower/higher by S\$283,000 as a result of higher/lower interest expense on these borrowings.

Order Book

Due to the nature of our business, we do not maintain an order book.

Seasonality

Our results of operations are affected by seasonal factors. Our quarterly revenues and results of operations have fluctuated in the past and may continue to fluctuate significantly. In particular, patient volume and operating income at our medical centers are subject to economic and seasonal variations caused by a number of factors, including, but not limited to unemployment levels, the number of business days, the cultural and business environment in the home countries of medical travelers, seasonal cycles of illness and climate and weather conditions. We typically see a higher volume of patients in the fourth quarter of each year and fewer in the first quarter of each year. Any failure by us to effectively manage these challenges could result in a material adverse effect on our business, financial condition, results of operations and prospects.

Recent Accounting Pronouncements

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for our accounting periods beginning after January 1, 2015 or later periods and which we have not currently adopted. We do not expect that adoption of these accounting standards, amendments or interpretations will have a material impact on our financial statements, except for the following, for which our management is currently still considering the potential impact on our Group:

- IFRS 15 *Revenue from Contracts with Customers*;
- IFRS 9 *Financial Instruments*;
- IFRS 16 *Leases*;
- Amendments to IFRS 2 *Classification and Measurement of Share-based Payment Transactions*;
- Amendments to IAS 7 *Statement of Cash Flows: Disclosure Initiative*;
- Amendments to IAS 12 *Recognition of Deferred Tax Assets for Unrealised Losses*; and
- Improvements to IFRS 12 *Disclosure of Interest in Other Entities*.

See Note 28 to our consolidated financial statements for the years ended December 31, 2014, 2015 and 2016 included elsewhere in this document for more details on these new accounting standards, amendments and interpretations.

BUSINESS

Overview

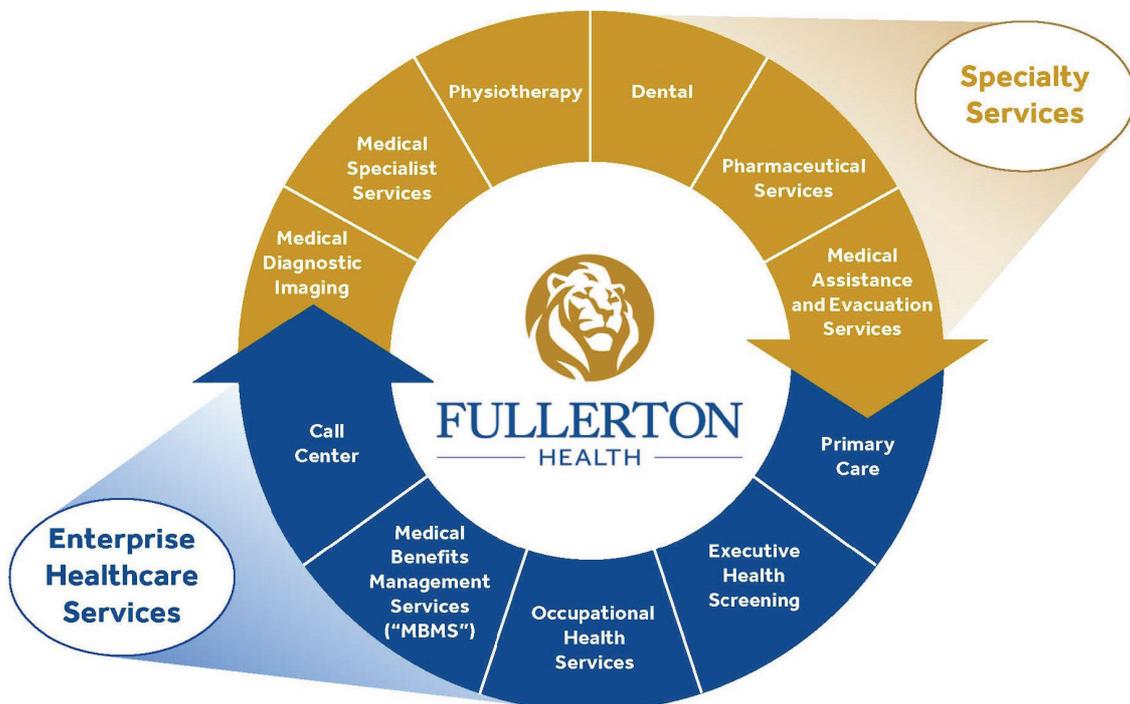
We operate a leading integrated enterprise healthcare solutions platform in the Asia-Pacific region, through which we manage and provide a broad range of healthcare services. Our value proposition entails the integration of our healthcare service offerings with customized healthcare management and advisory capabilities for our enterprise clients, creating value for key stakeholders, including healthcare service providers, employers, insurers and patients, across the healthcare value chain. As of December 31, 2016, we served over 25,000 corporations, directly or through our insurer clients, across the Asia-Pacific region, including multi-national companies, large local companies, SMEs and government organizations.

FHG was incorporated in late 2010 in Singapore and started its business by acquiring 100.0% of the equity interest of Gethin-Jones, an established healthcare provider with over 50 years of operations in Singapore, and A.M. Pharmacy Pte Ltd. FHG further expanded in 2011 with its acquisition of 100.0% of the equity interest in THD, which had three clinics at the time. These acquisitions marked our entry into the Singapore healthcare market, forming the nuclei and foundation of our emerging practice in providing integrated enterprise healthcare solutions. In 2013, our Company became the holding company of FHG and we expanded our operations to Hong Kong and Australia and in 2014, we expanded our operations to Indonesia.

Today, we are organized in two business segments:

Enterprise healthcare services. This segment comprises: (i) primary care services, (ii) executive health screening, (iii) occupational health services, (iv) medical benefits management services (“MBMS”), which is a healthcare administrative toolkit that supplements our other service offerings, and (v) call center services.

Specialty services. This segment comprises (i) medical diagnostic imaging services, (ii) medical specialist services, which currently include, among others, cardiology and general surgery services, (iii) physiotherapy services, (iv) dental services, (v) pharmaceutical services, and (vi) medical assistance and evacuation services.



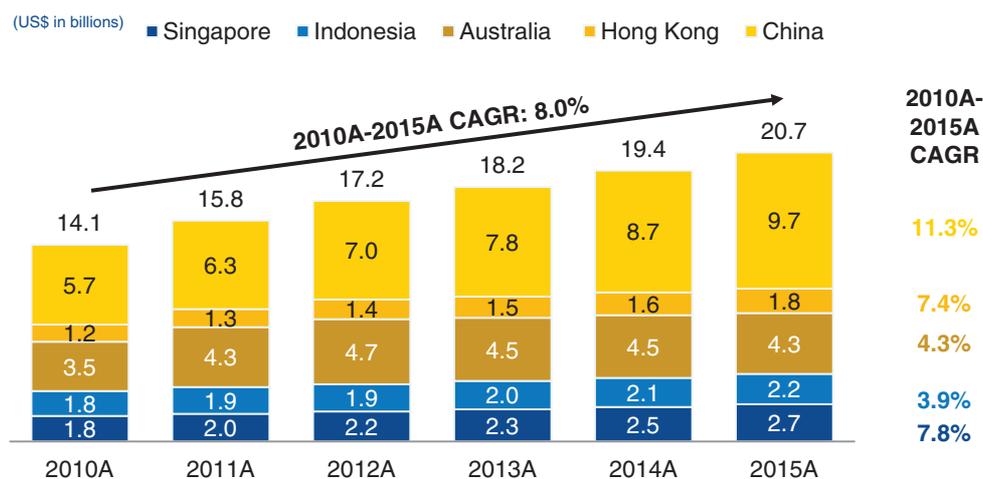
We design and implement cost-effective integrated enterprise healthcare solutions for our corporate and insurer clients, providing their employees and insured members access to our healthcare services while deploying our MBMS capabilities to facilitate management of our service delivery, as customized to fit our clients' needs and budgets.

We provide our clients with access to a global healthcare facilities network, which we refer to and identify in our communications to our clients as our "Fullerton Network". As of December 31, 2016, our Fullerton Network included 193 self-owned facilities, comprising facilities branded under "Fullerton Health" and other brands, including, among others, "Jobfit", "UrbanRehab", "RadLink" and "Tirta Medical Center" and, as of

December 31, 2016, we have panel management arrangements covering more than 8,000 healthcare providers. As of December 31, 2016, our self-owned facilities had over 2,000 employees, including over 400 medical professionals.

According to Frost & Sullivan, the addressable market for enterprise healthcare management in our targeted markets (Singapore, Indonesia, Australia, Hong Kong and China) was approximately US\$20.7 billion in 2015. Frost & Sullivan highlights that this growing market remains fragmented, as only a limited number of medical providers can provide an integrated suite of services that can optimize healthcare delivery, and current providers focus on providing specific services rather than integrated solutions. We believe our established client relationships and comprehensive service offerings and capabilities have uniquely positioned us in the Asia-Pacific region to address these market opportunities. The following diagram illustrates the market size of enterprise healthcare services across the five target markets from 2010 to 2015.

Market size of Enterprise Healthcare Management



Source: Frost & Sullivan

Note: "A" refers to actual market size for the years indicated.

Since 2011, we have grown rapidly through both organic growth and strategic acquisitions and investments. We seek to align our growth to anticipate and meet the evolving needs of our clients, and to expand into new service areas and jurisdictions where there is client demand. A key element of our growth strategy is our emphasis on strategic acquisitions of healthcare provider assets to broaden our healthcare delivery network and acquire new competencies or expand our geographic coverage, or to extend our client base and acquire new covered lives. Since 2011, we have completed 26 acquisitions (being acquisitions of controlling equity interests or business assets) and three investments (being T.H.E. Fullerton Healthcare, SC Fullerton and FC Dental Pte. Ltd.) in Singapore, Indonesia, Australia and Hong Kong, which are at various stages of integration. See "*Our Strategies—Expand through acquisitions, joint ventures or strategic alliances*" for more details of our acquisition strategy. To maximize value from our acquisitions and investments, we emphasize the disciplined integration of acquired businesses and assets through our implementation of robust post-acquisition integration processes, which we refer to as our "Fullerton Business Systems".

We believe that our customized and scalable information technology systems play a critical role in ensuring seamless delivery of integrated healthcare solutions to our clients and in our ability to successfully scale our business. Our information technology systems serve to streamline our clients' healthcare management and administrative functions, such as claims processing, while generating valuable utilization and medical data to which we have proprietary rights. Through our harnessing of such data, we believe we are able to offer advanced data analytics and risk management capabilities to improve our clients' understanding and management of their organizational healthcare needs, budgets and utilization trends.

For the years ended December 31, 2014, 2015 and 2016, our revenue was S\$163.8 million, S\$240.6 million and S\$302.3 million, respectively. For the years ended December 31, 2014, 2015 and 2016, our EBITDA was S\$25.4 million, S\$41.8 million and S\$55.2 million, respectively.

Recent Developments

Our Plans For Expansion Into China

Together with our partners, SC China and CITIC, our strategy is to use the Fullerton China platform to seek acquisition and growth opportunities in China (excluding, at present, Hong Kong and Macau). Our strategy for expansion into China is focused on delivering enterprise healthcare services in major cities such as Beijing, Shanghai and Guangzhou. We believe that our strategy is well supported by the strength of SIN Capital Group and our partners.

Subscription for Securities in Fullerton Health China Limited

On March 8, 2017, we entered into a share subscription agreement with CITIC and SC China pursuant to which (a) CITIC agreed to subscribe for 400 Class A shares and 2,000,000,000 Class B shares in Fullerton Health China Limited (“*Fullerton China*”) for aggregate subscription prices of US\$0.004 and US\$20.0 million respectively; (b) SC China agreed to subscribe for 200 Class A shares and 1,000,000,000 Class B shares in Fullerton China for aggregate subscription prices of US\$0.002 and US\$10.0 million respectively; and (c) the Company agreed to subscribe for 400 Class A shares in Fullerton China for an aggregate subscription price of US\$0.004. The completion of the subscriptions of securities in Fullerton China described in this paragraph (the “*FHCL Completion*”) is expected to occur by the end of March 2017. As of the date of this document, Fullerton China does not own any assets or businesses. Following FHCL Completion, we will own 40.0% of the voting shares of Fullerton China, which will lease to be our subsidiary and will be equity accounted for.

Additionally, the Company has undertaken to subscribe for 2,000,000,000 Class B shares for an aggregate subscription price of US\$20.0 million (the “*FHC Class B Subscription*”) within 20 business days after the occurrence of either (a) the completion of the listing of a class or classes of shares in the Company, under certain specified circumstances; or (b) the completion of a sale of any class or classes of shares in the Company where such sale generates an agreed amount of proceeds for the Company (an “*FHC Event*”), and in any case no later than the date falling 24 months after FHCL Completion (the “*FHC Class B Subscription Date*”). If the FHC Class B Subscription is not completed by the FHC Class B Subscription Date, SC China has undertaken to subscribe for 2,000,000,000 Class B shares for an aggregate subscription price of US\$20.0 million (the “*SC Class B Subscription*”) in lieu of FHC. Upon the Completion of the SC Class B Subscription (if applicable) FHC’s obligations in respect of the FHC Class B Subscription shall fully, unconditionally and irrevocably lapse and FHC shall sell to SC China all of the 400 Class A shares owned by FHC for an aggregate consideration of US\$0.004.

The subscription price for each such Class A share to be issued pursuant to the share subscription agreement will be the same for each subscriber of Class A shares, and the subscription price for each such Class B share to be issued pursuant to the share subscription agreement will be the same for each subscriber of Class B shares.

Business of Fullerton China; Non-Compete

The business of the Fullerton China group shall be the management and operation of healthcare business in China (excluding, at present, Hong Kong and Macau). Among other things, each of our Company and SC China has agreed that it shall not, and shall procure that its affiliates (as defined in the Glossary) shall not, undertake or carry on or be engaged or interested in any business or activities in competition with Fullerton China and its subsidiaries for as long as it owns any shares in Fullerton China and for 12 months after ceasing to own any shares in Fullerton China. Our existing businesses in Hong Kong continue to be held under and carried out by other companies in our Group.

Class A and Class B shares in Fullerton China

Class A shares are voting shares in Fullerton China which carry no economic rights, including no entitlements to dividends or other distributions and no rights to distributions of assets and funds in liquidation. Class A shares are also non-transferable except to certain affiliated transferees (as identified in the relevant shareholders’ agreement), provided that such permitted affiliated transferee holds Class B shares, provided, however, that upon any such transfer or sale of Class A shares to such an affiliated transferee, a number of Class B shares (corresponding in proportion to the aggregate subscription amount received by Fullerton China in respect of the particular Class A shares being sold/transferred by the relevant holder expressed as a percentage of the aggregate subscription amount received by Fullerton China in respect of all Class A shares held by the relevant holder immediately before such sale/transfer) shall be transferred to such affiliated transferee.

Class B shares are shares in Fullerton China which carry limited voting rights and which have full economic and liquidation preference rights. Class B shares may be transferred or sold to certain affiliated transferees (as

identified in the relevant share subscription agreement or shareholders' agreement) or to third parties (other than an agreed restricted list of parties, consisting of certain competitors of our Company and certain of these competitors' shareholders) ("Qualified Third Parties", and collectively with the aforesaid permitted affiliated transferees, the "Permitted Transferees"), provided, however, that upon any such transfer or sale of Class B shares to a Qualified Third Party, a number of Class A shares (corresponding in proportion to the aggregate subscription amount received by Fullerton China in respect of the particular Class B shares being sold/transferred by the relevant holder expressed as a percentage of the aggregate subscription amount received by Fullerton China in respect of all Class B shares held by the relevant holder immediately before such sale/transfer) shall be repurchased by Fullerton China at nominal consideration. If Class B shares are transferred or sold to a permitted affiliate, a number of Class A shares (corresponding in proportion to the aggregate subscription amount received by Fullerton China in respect of the particular Class B shares being sold/transferred by the relevant holder expressed as a percentage of the aggregate subscription amount received by Fullerton China in respect of all Class B shares held by the relevant holder immediately before such sale/transfer) shall be transferred to such permitted affiliate.

Prior to any such sale of Class B shares to third party purchasers, the other Class B shareholders of Fullerton China shall have a right of first refusal to purchase such Class B shares. If such other Class B shareholders do not exercise their right of first refusal, the shareholder proposing to sell its Class B shares may sell such Class B shares to Permitted Transferees on terms no more favorable than those offered to the other Class B shareholders. Should our Company and/or SC China decide to sell any Class B shares to a third party purchaser, the details of such proposed sale, including price and other terms, must be notified to CITIC, who shall have a tag right to sell a *pro rata* portion of their Class B shares to such third party purchaser on the basis that the number of Class B shares that our Company and/or SC China may sell, and the number of Class B shares that CITIC may sell, shall be *pro rata* (based on the number of Class B shares held by each such shareholder as against the aggregate number of Class B shares held amongst our Company, SC China, and CITIC) on the same terms to the same third party purchaser. If CITIC chooses to exercise their tag right, the completion of the tag along sale and the sale by our Company and/or SC China of our Class B shares must occur concurrently.

Further Equity Funding

Any further issues of equity securities by Fullerton China after FHCL Completion other than as agreed in the Fullerton China transaction documents shall be subject to customary pre-emption rights of the Class A shareholders of Fullerton China and the issue of any additional Class A shares shall be a shareholder reserved matter as further detailed below.

Governance of Fullerton China

Upon FHCL Completion, the board of directors of Fullerton China will consist of five directors. The shareholders' agreement relating to Fullerton China provides that our Company will be entitled to appoint two nominee directors, SC China will be entitled to appoint one nominee director, and CITIC will be entitled to appoint (a) two nominee directors provided that it holds at least 40.0% of the issued Class A shares, or (b) one nominee director provided that it holds at least 20.0% but less than 40.0% of Class A shares. In the event that CITIC holds less than the requisite proportion of Class A shares, its right to appoint nominee director(s) shall be subject to the majority approval of the other Class A shareholders. Save for certain surviving provisions as set out in the shareholders' agreement, the shareholders' agreement will terminate in respect of each Class A shareholder of Fullerton China if it ceases to own Class A shares in Fullerton China and accordingly, among other things, the foregoing director appointment rights will cease to be in effect once each such shareholder ceases to hold Class A shares in Fullerton China.

The shareholders of Fullerton China have agreed to customary board reserved matters (namely, the approval of the annual budget, the business plan and appointment of the chief executive officer of Fullerton China) which may not be undertaken without majority approval of its board, and customary shareholder reserved matters which may not be undertaken without the approval of the holders of at least 90.0% of the issued Class A shares or the unanimous approval of the holders of issued Class A shares (as the case may be). Among other things, the shareholder reserved matters of Fullerton China include an exit event of Fullerton China (which refers to an initial public offering of the shares of Fullerton China or sale of all or substantially all of the shares or assets of Fullerton China) which will result in a lower-than-stated rate of return for the shareholders of Fullerton China; amendments to the articles of association of Fullerton China, various corporate actions including material acquisitions and disposals, material capital expenditures, material borrowings, material related party transactions, certain changes in capital including issues of Class A shares, declaration or payment of a material amount of dividends, commencing or settling material litigation; changes to auditors or accounting policies and winding up.

CITIC Put Option

In the event that no Exit Event (which refers to an initial public offering or sale of all or substantially all of the shares or assets of Fullerton China) resulting in CITIC and/or its permitted affiliated transferees achieving at least 1.8 times of their investment amount into the Class A shares and Class B shares in Fullerton China (as described in “—Class A and Class B shares in Fullerton China”) occurs before the date falling on the fifth anniversary of FHCL Completion (the “Put Option Date”), within 12 months of such date, CITIC and/or its permitted affiliated transferees may exercise a put option and require our Company to purchase the Class B shares subscribed and held by CITIC and/or its permitted affiliated transferees (the “Put Option Shares”) and accompanying Class A shares. The purchase of the Put Option Shares will be at the higher of (i) a valuation of Fullerton China that will result in CITIC and/or its permitted affiliated transferees achieving at least 1.8 times their investment amount into the Class A shares and Class B shares (the “Fixed Return Valuation”) and (ii) a valuation of Fullerton China calculated on the basis of the following formula (the “EV/EBITDA Formula-Based Valuation”):

$$\{[(80.0\% \times A \times B) - C - D] \times E / F\},$$

Where:

- A means the then prevailing EV/EBITDA multiple of our Company (if any) on the date on which the put option is exercised;
- B means the EBITDA of Fullerton China based on the audited consolidated financial statements of Fullerton China for the financial year ended immediately prior to the date on which the put option is exercised;
- C means the consolidated net debt of Fullerton China on the date on which the put option is exercised;
- D means the minority interest of Fullerton China at book/market value (as applicable) on the date on which the put option is exercised;
- E means the number of Put Option Shares on the date on which the put option is exercised; and
- F means the total number of Class B shares in the capital of Fullerton China on the date on which the put option is exercised.

For the purposes of calculating the EV/EBITDA multiple, EBITDA of our Company shall be based on the audited consolidated financial statements of our Company for the financial year ended immediately prior to the date on which the put option is exercised and “EV” means the market capitalization of our Company, plus consolidated net debt of our Company on the date on which the put option is exercised, plus minority interest at book/market value (as applicable) of our Company on the date on which the put option is exercised, where:

- (a) “market capitalization” means the volume weighted average price of our Company’s Shares during the 30 calendar days immediately prior to the date on which the put option is exercised (determined from the Bloomberg <VWAP> platform), multiplied by total number of issued Shares in the capital of our Company on a fully-diluted basis; and
- (b) “net debt” means our Company’s long-term and short-term borrowings (including but not limited to bank loans, bonds payable, commercial papers and finance leases) excluding shareholder loans and perpetual securities (where such perpetual securities are not accounted as debt in the applicable financial statements) less cash and cash equivalents.

For details of the accounting treatment of the put option, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Indebtedness—Indebtedness and Liabilities Associated with our Fullerton China Transaction*”.

Proposed Strategic Investment in the Company

We are currently in discussions with a strategic investor (the “Strategic Investor”) in relation to its proposed equity investment in our Company (the “Strategic Investment”), through a combination of new shares to be issued and the acquisition of Shares from certain existing shareholder(s), resulting in the Strategic Investor holding no more than 20% of our issued share capital. The Strategic Investor is expected to have shareholder rights and other protections customary to similar private investments, including a right to appoint one director to the board of our Company. In addition, we expect to agree to certain post-closing adjustments to the purchase price paid for our Shares if we do not achieve certain specified financial targets.

There are no assurances that we will sign a binding agreement with the Strategic Investor on the terms described here, or at all. Please see “*Risks—Risks Relating To Our Business—We may not be successful in the implementation of our growth strategy or the effective management of our growth, which may cause our business to suffer*” for more details.

Our Strengths

We believe our principal competitive strengths include the following:

Leading position and early entrant in the fast growing Asia-Pacific enterprise healthcare solutions market

We are a leading vertically integrated enterprise healthcare solutions provider in the Asia-Pacific region. We have successfully built a leading market position in Singapore, Indonesia and Australia, based on our comprehensive and integrated suite of healthcare services. In Singapore, for example, we are the number one player in the enterprise healthcare management industry, with a market share of 37.4%, as measured by revenues in 2015, according to Frost & Sullivan. We are a trusted medical advisor and health management partner, offering a unique set of healthcare management solutions to our diversified client base across the Asia-Pacific region. As of December 31, 2016, we serviced, directly or through our insurer clients, more than 25,000 corporations, including multi-national companies, large local companies, small and medium enterprises and government organizations, and operate in five countries across the Asia-Pacific region.

According to Frost & Sullivan, there will be growing demand for integrated enterprise healthcare solutions in the Asia-Pacific region in light of an increasingly educated workforce and competition for qualified workers. Employers have identified healthcare benefits as one of the key components for employee recruitment and retention, and many corporations in the Asia-Pacific region currently do not provide the same level of healthcare benefits to their employees relative to common practices in other developed countries. In addition, corporations have to manage increasing healthcare costs while upholding the quality of healthcare services provided to their employees. The aging of the workforce has also increased demand for wellness and preventive care and chronic disease management, which implies higher costs of healthcare services. As such, Frost & Sullivan expects that there will be significant growth potential for healthcare benefits spending by enterprises in Asia. This ultimately drives corporations towards efficient healthcare delivery via outsourcing to integrated corporate healthcare service providers to improve cost efficiencies.

As a result of the key growth drivers described above, we expect that demand for healthcare management solutions will increase, which will boost demand for healthcare solution providers to better coordinate the provision of enterprise healthcare solutions in a cost-effective manner. We believe that our proven track record, our broad and well-established client base and position as a leading enterprise healthcare solutions provider in the Asia-Pacific region provides us with an early-mover advantage that will enable us to capitalize on growth opportunities in the Asia-Pacific markets.

Vertically integrated and scalable platform offers significant cost efficiencies and creates high barriers to entry

We offer a comprehensive suite of healthcare services through our Fullerton Network, which comprises 193 self-owned facilities and more than 8,000 panel healthcare providers as of December 31, 2016. Leveraging on our Fullerton Network, we are able to provide integrated enterprise healthcare solutions across our range of services, from MBMS to specialist healthcare services. Our self-owned facilities offer extensive healthcare services, including primary, secondary and tertiary care (including general practitioner services and medical specialist care), medical diagnostic imaging services, chronic disease management, physiotherapy services, dental services, executive health screening, occupational health services, medical assistance and evacuation services and pharmaceutical services.

Our large and growing Fullerton Network, growing client base and integrated healthcare model allow us to deliver cost-efficient solutions to our clients due to benefits from economies of scale. This is further supported by our proprietary information technology platform, which allows the delivery of customized, data-driven, reliable and cost-efficient solutions to our clients. We are able to have control and supervision over the costs associated with our businesses across the healthcare value chain, providing us with competitive advantages that are challenging for competitors to replicate. We believe that the sophistication of our integrated healthcare model favors us in tenders for client contracts, as we have few competitors in the Asia-Pacific markets in which we operate that are able to provide a similar value proposition.

Healthcare service providers within our Fullerton Network are able to cross-refer patients across our various services. Through cross-referring services within our Fullerton Network, we believe we are able to capture a

bigger portion of the healthcare value chain, enabling us to pass on cost savings to our corporate and insurer clients. We also provide value-added healthcare solutions including occupational health advisory, preventive care solutions or pre-employment assessments which result in enhanced productivity, reduction of medical leave and future healthcare and manpower cost savings.

All these factors not only enable us to have control over the costs associated with our businesses across the healthcare value chain, but also maximize client relationships and provide us with competitive advantages that are challenging for competitors to replicate.

The above ensures that we can link our clients with a network of experienced medical professionals, i.e., the Fullerton Network, whose pricing falls within what we aim to be a reasonable range and which are agreed on in our contracts with our panel of healthcare providers, thereby seeking to reduce instances of potential over-servicing or over-billing of our clients.

Our Fullerton Network delivers value to all stakeholders across the healthcare value chain

Our unique platform delivers value to all stakeholders across the healthcare value chain, including our corporate clients, our insurer clients, healthcare service providers in our Fullerton Network and our patients.

We believe that we benefit key stakeholders in the following ways:

- *For our corporate clients*, we believe our business model provides cost savings by reducing their administrative burden through designing and implementing integrated healthcare solutions that address their specific requirements, while providing access for their employees to healthcare services across our extensive Fullerton Network.
- *For our insurer clients*, our Fullerton Network provides economies of scale from long-term negotiated contracts with healthcare service providers, including significant cost savings from aggregation and consolidation of purchasing. Our in-house medical expertise also facilitates our evaluation of quality of care and adjudication of medical claims on behalf of our insurer clients.
- *For the healthcare service providers in our Fullerton Network*, we believe that we generate increased patient volumes from our corporate and insurer clients, while our customized and scalable information technology systems facilitate efficient administration of claims processing and payment. Our data analytics capabilities also provide clinical insights into care management, improving delivery of service.
- *For patients*, we believe we offer convenience and value due to the extent and diversity of medical services available via our Fullerton Network, which comprises reputable healthcare service providers spread across multiple regions.

Proprietary information technology platform enabling advanced analytics

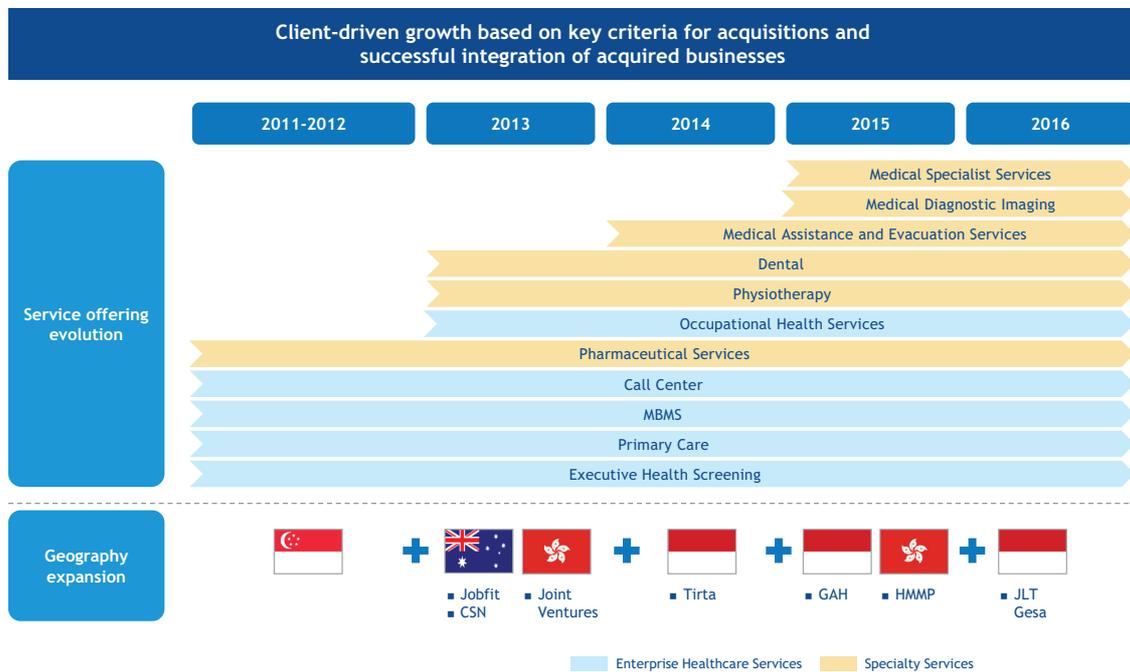
We believe that our proprietary information technology systems are leading industry solutions that we believe facilitate seamless operational management of our service offerings whilst protecting patient and corporate data according to stringent industry standards and applicable laws and regulations. In accordance with industry standards, FHG holds ISAE 3402 Certification, an assurance standard published in 2011 for documenting that a service organization has adequate internal controls, including controls on information security. Our data is held at accredited data centers which employ state-of-the-art monitored security. Our systems are scalable and customizable to meet the different needs of our customers. We also possess advanced data analytics capabilities which allow us to analyze and identify utilization patterns to improve business performance, overall efficiency and the well-being of the lives we care for.

Our proprietary technology systems drive the expansion of our Fullerton Network and enhance customer retention by facilitating the quick and simple onboarding of new clients and the integration of new medical providers and institutions into our Fullerton Network. As a result, we have the ability to scale quickly and offer consistent similar services in each of the countries in which we operate. Furthermore, our partnerships with established and reputable technology partners, such as Microsoft, provide assurance to our global corporate and insurer clients on the security and stability of our information technology systems. We believe that this plays a role in attracting new global corporate clients and expanding our business. We are also able to utilize data analytics to identify and fill gaps in the healthcare value chain, enhancing value to our patients and clients. As we utilize our technology platform to organize and analyze employee medical data and our clients' healthcare needs, we have capabilities to deploy data-driven and customized solutions to our clients, which maximize our client relationships. See “—Our Information Technology Platform” for a discussion of our technology platform and its capabilities.

Proven track record and ability to grow

We have a successful track record in growing our business, in particular, the number of lives covered, the types of service offerings and medical expertise we provide. Since 2011, we have been able to sustain our growth through disciplined integration of acquired assets and by replicating our business model in new markets.

The following diagram illustrates our growth based on the above-mentioned metrics since 2011.



We have a multi-pronged growth strategy—we seek to expand our existing business organically through continuously expanding our client and membership base and improving operating efficiencies, to expand into new geographies and new service segments, and to concurrently pursue an acquisition strategy focused on strategic acquisitions of businesses and assets that are synergistic to our existing businesses and disciplined integration of acquired businesses and assets to unlock value for our business through robust post-acquisition integration processes, which we refer to as our “Fullerton Business Systems”. We integrate our acquisitions with our existing businesses and then strive to develop and achieve their potential through organic growth. This model was used to build our Initial Singapore Business and has been used in other markets subsequently.

Our successful integration of different businesses and assets that vary in size, history, culture and operating environments is testament to our proven ability to grow inorganically. For example, when we acquired Gethin-Jones and THD, established healthcare providers in Singapore which formed the foundation of our emerging enterprise healthcare business together with FHG, we were able to increase the aggregated revenue of the Initial Singapore Business from S\$14.3 million to S\$139.7 million and EBITDA from S\$1.8 million to S\$20.1 million over the period from 2010 (the full year prior to the acquisition of the Initial Singapore Business) to 2016. We believe that this was primarily attributable to our focus on integrating these acquired businesses with our other businesses and developing and identifying synergies.

We believe that our disciplined approach to growth allows us to concurrently sustain organic growth alongside our acquisition strategy, by ensuring that management attention and resources continue to be prudently deployed to achieve operational efficiencies. In particular, we believe that we have been able to sustain strong growth in our Singapore businesses, which accounted for approximately 63.8% of our revenue for the year ended December 31, 2016, underscoring the success of our strategy in expanding our specialty services, which provide higher margins. For example, we were able to significantly increase our revenue and EBITDA growth from our Singapore businesses in 2015 through our acquisition and successful integration of RadLink, which provides high margin specialty services, and we believe that RadLink will continue to reinforce our future organic growth.

We have consistently expanded our client and patient base, along with the provision of additional service offerings. Part of our geographic expansion has been driven by direct requests from existing corporate clients to provide similar services in other countries which they operate in. By leveraging our established integrated healthcare and information technology platform, we believe we are poised to grow and achieve greater synergies, competitive advantages and economies of scale.

Experienced management team and leadership includes Shareholders with uniquely complementary experience and capabilities, in addition to qualified medical doctors with in-depth industry experience

We believe the experience, depth and diversity of our management team and leadership are a distinct competitive advantage in the complex and rapidly evolving healthcare industry in which we operate. Our management team has two main competencies that we believe position them well to lead and grow our business: first, three Executive Officers are qualified doctors, who have, or are in the midst of obtaining, management degrees (Masters of Business Administration or equivalent), with first-hand and in-depth knowledge of healthcare operations as well as experience in working with and managing medical professionals. Second, more than ten of the managers who lead the financial performance of our various subsidiaries are former entrepreneurs who had successfully built profitable companies before we acquired their operations and who have remained with us to grow the businesses of our subsidiaries. Six nationalities are represented in our senior management team, which is testament to the diversity of our leadership and our international outlook.

The members of our senior management team and leadership have extensive industry experience in their respective professional fields and have been instrumental to building our businesses in the Asia-Pacific region. Further, our country managing directors are empowered to drive the growth of the businesses in their respective geographic markets.

The members of our senior management team have on average more than 13 years of healthcare-related experience, spanning the healthcare value chain from primary care to hospital management. Our co-founder, Group Chief Executive Officer and Executive Director, Dr. Michael Tan Kim Song, and our co-founder, Group Deputy Chief Executive Officer, Regional Managing Director, Singapore & Malaysia and Executive Director, Dr. Daniel Chan Pai Sheng, each have extensive experience of more than 13 years in the enterprise healthcare space and are familiar with the needs of employers and insurers in the Asia-Pacific region. Dr. Michael Tan Kim Song was named 2015 Entrepreneur of the Year in Singapore by Ernst & Young. Dr. Michael Tan Kim Song was the Chief Executive Officer of Parkway East Hospital prior to co-founding our Group, and during his tenure there he executed a successful re-positioning and re-branding of the hospital that led to increased revenue and profitability under his leadership. Dr. Daniel Chan Pai Sheng has more than 13 years of experience in the private healthcare sector and has extensive experience in hospital administration and the provision of corporate healthcare benefits prior to co-founding our Group. See “*Management*” for more details on our Directors and Executive Officers.

Our Deputy Chairman and Non-Executive Director, Mr. David Sin is the owner and Chief Executive Officer of SIN Capital Group. Mr. David Sin is also a controlling shareholder of our Company. Under the Service Agreement, SIN Capital Group provides certain corporate services to us, including sourcing, structuring and managing our acquisitions and other transactions (such as managing due diligence, execution, negotiation and completion processes), establishing and implementing our corporate governance and risk framework and post-acquisition integration plans, participating in and leading our new market entry strategies and growth and participating in our operational, financial and business organization structuring and management. Mr. David Sin and SIN Capital Group have lent their extensive expertise in various industries, particularly in healthcare, to our management and led various investments undertaken by our Group. In particular, Mr. David Sin and SIN Capital Group have assisted in further tightening our policies and instilling discipline in our approach towards corporate activities.

Our Strategies

Our vision is to become the pre-eminent total healthcare solutions provider in the Asia-Pacific region. Our business growth strategy has multiple elements and is focused on aligning ourselves with the evolving needs and demands of our clients. Furthermore, enhancing our position along the healthcare value chain and offering a broader and more integrated continuum of care is a key objective as we seek to expand our service offerings, client base and geographic coverage, leading to increased patient flows and capturing of a larger share of healthcare spend.

To achieve our goal, we intend to leverage our existing strengths and investments to focus on and execute the following strategies:

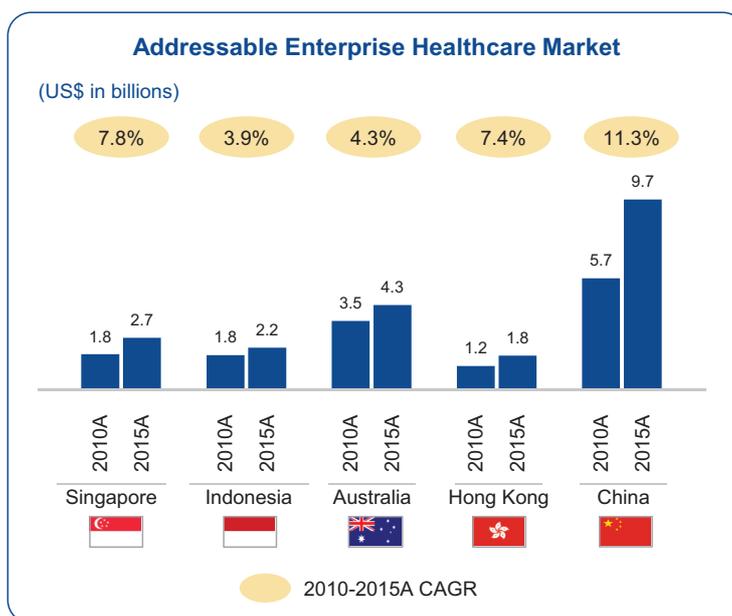
Financial Prudence

We have grown rapidly through both organic growth and strategic acquisitions and investment. We evaluate each potential acquisition and investment on the basis of stand-alone profitability and efficiency in addition to its potential synergistic contribution within our business model. Although our leverage has increased over the past years and may increase further in the future, we strive to maintain an efficient capital structure as we grow to

provide us sufficient financial flexibility in operations and sufficient liquidity in our cash flow position. Please refer to the section “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Indebtedness*” for further details on our material borrowings.

Expand client base across different client segments

We aim to expand our existing client base by winning new clients across various client segments including insurers, large corporates and SMEs. We believe there are significant opportunities for growth within each of the markets we operate in, given the demand for enterprise healthcare services and the fragmented and underserved nature of the markets. According to Frost & Sullivan, the addressable enterprise healthcare management market in Singapore grew at a CAGR of 7.8% between 2010 and 2015; the addressable enterprise healthcare management market in Indonesia grew at a CAGR of 3.9% between 2010 and 2015; the addressable enterprise healthcare management market in Australia grew at a CAGR of 4.3% between 2010 and 2015; the addressable enterprise healthcare management market in Hong Kong grew at a CAGR of 7.4% between 2010 and 2015; and the addressable enterprise healthcare management market in China grew at a CAGR of 11.3% between 2010 and 2015.



Source: Frost & Sullivan

Note: “A” refers to actual market size for the years indicated.

We will also leverage best practices across markets. We believe that we can use our information technology systems and associated data analytics to demonstrate our comprehensive capabilities to our existing and prospective clients in improving quality of care while reducing their costs and administrative burden. Through increasing our client base both organically and inorganically, we believe we will be able to realize economies of scale and further enhance our value proposition to our clients.

Expand into new geographic markets based on client-driven demand and market opportunity

We have been able to successfully expand into new markets such as Indonesia, Australia and Hong Kong, by leveraging existing client demand and by choosing to expand into new jurisdictions in which our multi-national clients have operations. We believe this approach facilitates quicker and greater utilization of new service offerings and enables us to realize better overall returns on our investments. We plan to continue expanding on the back of client-driven demand into new markets that represent attractive growth opportunities, including other Asia-Pacific markets.

We also believe that China represents an attractive growth market driven by strong fundamental and demographic factors. Through leveraging the strategic value of our joint venture partners, we seek to replicate and adapt our proven business model to the challenges and opportunities of the Chinese market, seeking to use contractual arrangements that are appropriate for our strategic objectives and which comply with all applicable Chinese laws, regulations and policies. We intend to use the Fullerton China platform to seek acquisition and growth opportunities in the China region. See “*Business—Recent Developments—Our Plans For Expansion into China*”.

We also believe that there is significant market potential for quality enterprise healthcare management services in other Asia-Pacific markets in which we do not currently have a presence.

Enhance value proposition to our existing clients and capture more care margins through vertical integration across the healthcare value chain into specialty services

We believe vertical integration continues to be an attractive growth area due to increasing demand for specialty services in the Asia-Pacific region. Frost & Sullivan expects that rising healthcare costs, vertical integration of healthcare services and increasing complexity of healthcare services result in a need for a value-based, integrated and cost-effective solution from corporate healthcare service providers. We are well positioned to maximize the benefits from our vertical integration, as we have an extensive base of primary care facilities that are able to refer patients to our specialty service facilities to enable us to earn larger profit margins within our network of facilities. We seek to continue our strategy of vertical integration to provide more consistent and integrated care to our clients, capture a larger part of overall healthcare spend and share cost savings with our clients.

We aim to pursue different strategies for expansion into specialist services in each of the markets in which we operate based on the prevalence of and demand for such services by our clients. For example, we acquired a physiotherapy practice in Singapore, UrbanRehab Private Limited, in January 2015 based on our analysis of patient data and needs via our customizable and scalable information technology systems. We also acquired RadLink, one of Singapore's largest private providers of outpatient diagnostic imaging and nuclear medicine services, in May 2015. We are exploring using RadLink as a platform to extend similar diagnostic imaging services across the Asia-Pacific region. Through cross-referrals of services and patients and refining operational efficiencies, we seek to increase profitability across our existing and acquired businesses. We also intend to exercise the lease option to lease and operate commercial floor space in the Bideford Road Building, allowing us to consolidate our current footprint of clinics in the Orchard Road area into a single location, and to position it as our flagship facility in Asia, which is expected to enhance our Fullerton Health brand. See "*Interested Person Transactions—Investment in the Bideford Road Building*".

Expand through acquisitions, joint ventures or strategic alliances

Expansion through value-creating acquisitions, joint ventures or strategic alliances will continue to play a key role in our growth strategy. Compared to greenfield projects, acquisitions, joint ventures or strategic alliances allow us to establish an immediate presence in new markets, expand service offerings and acquire new clients much more rapidly. In line with our strategy, we are currently pursuing various acquisitions within the specialty care segment in Singapore and the primary care segment in Australia, which we believe would add value to our overall business. We may also pursue certain strategic acquisitions in new markets and/or segments.

We will continue to adopt a disciplined approach to the execution of our growth strategy and focus on identifying healthcare businesses and assets with the following key criteria: (i) a strong management team, (ii) strong or established brand and reputation, (iii) proven track record of profitability, (iv) synergies with our existing businesses, and (v) potential for further growth. We will continue to leverage our business development teams and on-the-ground expertise to evaluate market dynamics and risks, and assess potential target companies and business partners. In addition, we will continue to work with our clients who have relationships with the incumbent players in local markets to provide us with referrals to potential acquisition targets and opportunities to enhance our business development initiatives.

We seek to achieve seamless integration of our acquired businesses with our existing business platform through implementation of our Fullerton Business Systems. The implementation of Fullerton Business Systems begins in parallel to the acquisition process with a pre-integration preparation phase, followed by a full integration process upon successful closing of the transaction.

Continue to develop our information technology systems to improve service quality and provide data analytics capabilities

We believe that our information technology platform is critical in maintaining our competitive advantage. We plan to continuously enhance, upgrade and leverage our customized and scalable information technology systems to further improve service delivery to our clients to foster relationships and maximize client retention. To ensure that our information technology systems are scalable across different countries and to ensure continued data security, we have partnered with Microsoft to shift our on-premise (data center) application hosting to cloud-based application solutions and services. We expect that these initiatives will help to facilitate our delivery of affordable and accessible healthcare services, which allows us to reinforce our value proposition to our clients.

Our fully-owned healthcare information database continues to grow as our client base increases. By leveraging on our integrated business intelligence and analytics platform, we believe that we are able to organize and analyze data to obtain insights on healthcare service utilization patterns. These insights can be used to enhance client service quality, improve fraud detection, save costs and provide greater customization in designing healthcare solutions for our clients.

We will also continue to study utilization trend data to identify shifts in our clients' demands, which facilitates our strategy to grow in alignment with our clients' needs. Furthermore, our integrated business intelligence and analytics platform would enable us to forecast and mobilize resources more quickly and efficiently to deal with care gaps that develop in circumstances such as influenza outbreaks, which would help our clients improve productivity while providing us with new opportunities to generate revenue.

Our Services

Our business is divided into two business segments based on the type of services provided: enterprise healthcare services and specialty services. Enterprise healthcare services comprise our primary care services, executive health screening services, occupational health services, MBMS and call center services. Specialty services comprise medical diagnostic imaging services, medical specialist services, which currently include, among others, cardiology and general surgery services, physiotherapy services, dental services, pharmaceutical services and medical assistance and evacuation services. For the year ended December 31, 2015, enterprise healthcare services and specialty services comprised 80.3% and 20.1%, respectively (before taking into account intercompany eliminations), of our revenue, and for the year ended December 31, 2016, enterprise healthcare services and specialty services comprised 79.0% and 21.7%, respectively (before taking into account intercompany eliminations), of our revenue.

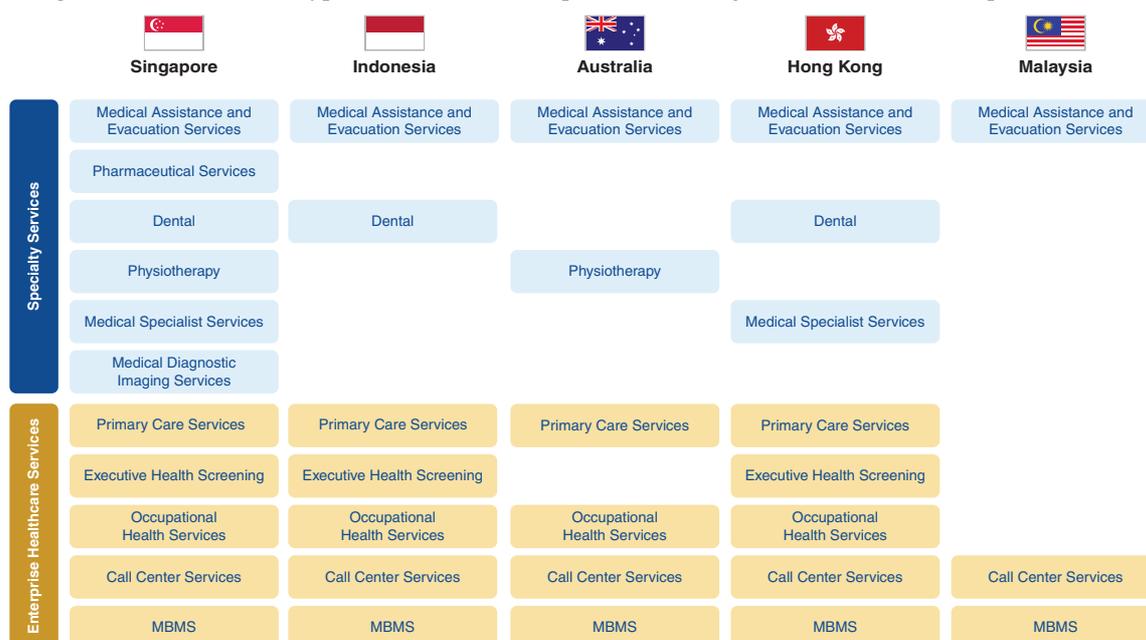
The following table sets forth, for the years indicated, the amount and percentage of our revenue attributable by key geographies and by business segments.

| Revenue from Country/ Business Segment | Year Ended December 31, | | | | | |
|---|---------------------------------------|-----------------------|--------|-----------------------|--------|-----------------------|
| | 2014 | | 2015 | | 2016 | |
| | Amount | Percentage of Revenue | Amount | Percentage of Revenue | Amount | Percentage of Revenue |
| | (\$S in millions, except percentages) | | | | | |
| Singapore | | | | | | |
| Enterprise healthcare services | 93.4 | 57.0 | 124.4 | 51.7 | 144.5 | 47.8 |
| Specialty services | 11.7 | 7.2 | 32.4 | 13.4 | 48.5 | 16.0 |
| Total | 105.1 | 64.2 | 156.8 | 65.1 | 193.0 | 63.8 |
| Indonesia | | | | | | |
| Enterprise healthcare services | 3.8 | 2.3 | 8.6 | 3.6 | 11.4 | 3.8 |
| Specialty services | - | - | 6.5 | 2.7 | 7.7 | 2.5 |
| Total | 3.8 | 2.3 | 15.1 | 6.3 | 19.1 | 6.3 |
| Australia | | | | | | |
| Enterprise healthcare services | 49.5 | 30.2 | 40.3 | 16.7 | 53.7 | 17.8 |
| Specialty services | 3.7 | 2.3 | 4.5 | 1.9 | 8.7 | 2.9 |
| Total | 53.2 | 32.5 | 44.8 | 18.6 | 62.4 | 20.7 |
| Hong Kong | | | | | | |
| Enterprise healthcare services | 1.7 | 1.0 | 20.0 | 8.3 | 20.8 | 6.9 |
| Specialty services | - | - | 3.9 | 1.7 | 7.0 | 2.3 |
| Total | 1.7 | 1.0 | 23.9 | 10.0 | 27.8 | 9.2 |
| Total revenue | 163.8 | 100.0 | 240.6 | 100.0 | 302.3 | 100.0 |
| Consolidated enterprise healthcare services | 148.4 | 90.5 | 193.3 | 80.3 | 238.7 | 79.0 |
| Consolidated specialty services | 15.4 | 9.5 | 48.4 | 20.1 | 65.7 | 21.7 |
| Consolidated intersegment eliminations⁽¹⁾ | - | - | (1.1) | (0.4) | (2.0) | (0.7) |

Note:

(1) Intersegment eliminations arise from transactions between entities in different business segments.

The diagram below shows the type of services that we provide in each jurisdiction where we operate:



Enterprise Healthcare Services

Enterprise healthcare services comprise our primary care services, executive health screening services, occupational health services, MBMS and call center services.

Primary Care Services

Our medical centers offer primary care services and other enterprise healthcare services such as executive health screening services and occupational health services. We also offer primary care and other enterprise healthcare services through on-site medical centers that are established within our corporate clients' premises under the terms of our contracts with these clients, to cater exclusively to their employees.

We provide primary care services in Singapore, Indonesia, Australia and Hong Kong.

In Singapore, we provide primary care services through 14 medical centers and 28 on-site medical centers. Our medical centers include seven medical centers under Gethin-Jones and three medical centers under THD, both of which are reputable pioneering corporate healthcare providers in Singapore which have been operating since the 1950s. We also operate a medical center under H&C, which we acquired in March 2014. Our on-site medical centers include on-site medical centers set up for well-established corporate clients such as the Marina Bay Sands Singapore and the Singapore Airlines Training Center, as well as on-site medical centers in educational institutions. Under our primary care operations in Singapore, as of December 31, 2016 we also operate a fleet of 19 ambulances in Singapore providing non-emergency ambulance and home nursing care services to Singapore hospitals, the National Kidney Foundation, and certain private clients.

In Indonesia, we provide primary care services through eight medical centers and 57 on-site medical centers established within our corporate clients' premises principally across Kalimantan and Jakarta.

In Australia, we provide primary care services through two medical centers operated by Medichcek, a joint venture in which we have an 80.0% equity interest, and through two medical centers in Canberra and in Carrum Downs, Victoria that is 100.0% operated by FHA Primary Care Pty Ltd.

In Hong Kong, we provide primary care services through one medical center under TCKL, which we acquired in May 2016.

Executive Health Screening Services

We provide executive health screening services to the employees of our corporate clients and insured members of our insurer clients. The executive health screening services we provide include comprehensive executive health screening and insurance medical health screening. The extent of the executive health screening services we provide depends on the package selected by the particular corporate client. We also provide on-site health screening and vaccination services on the premises of our corporate clients.

Our executive health screening services are offered in Singapore, Indonesia and Hong Kong.

In Singapore, we provide executive health screening services through three medical centers.

In Indonesia, we provide medical check-ups to employees of our corporate clients through our eight medical centers.

In Hong Kong, we provide executive health screening services through two medical centers operated by a joint venture in which we have a 60.0% equity interest, T.H.E. Fullerton Healthcare, which we established in 2013. In addition to executive health screening services, T.H.E. Fullerton Healthcare's medical centers also provide professional private nursing services for patients who require extended care and vaccination services.

Occupational Health Services

We offer a comprehensive suite of occupational health services, including the following:

- pre-employment medical assessments and pre-employment work fitness assessments, which comprise a broad range of investigations which can be customized according to the client's requirements. We also offer specialist assessments as well as statutory pre-employment assessments;
- work fitness assessments, which provide employers with information relating to the employee's level of fitness, physical strength and capacity to perform the physical demands required for the job;
- injury management and prevention;
- drug and alcohol screening;
- health surveillance, which offers comprehensive medical and physical fitness assessment to identify potential health and medical issues and to meet statutory requirements; and
- health and wellness programs, such as vaccinations programs, health education and promotion, and fitness and nutrition programs.

These services can be tailored to meet specific industry and organizational requirements.

Our occupational health services are offered in Singapore, Indonesia, Australia and Hong Kong.

In Singapore, we provide occupational health services through 14 medical centers and our 28 on-site medical centers.

In Indonesia, eight medical centers and 57 on-site medical centers provide occupational health services to employees of our corporate clients.

In Australia, we provide occupational health services through 32 medical centers under the Jobfit Group, located across Western Australia, Northern Territory, South Australia, Queensland, New South Wales and Victoria. Jobfit was established in Adelaide in 1996 and is among Australia's leading occupational health service providers. We also operate 14 medical centers on the premises of mining and infrastructure worksites covering occupational health, emergency response and medical emergency services.

In Hong Kong, we provide occupational health services through T.H.E. Fullerton Healthcare's two medical centers in Hong Kong.

MBMS

We provide MBMS to our corporate clients to allow for convenient and cost-effective management and administration of employee healthcare benefits programs, and independent claims management, group administration and emergency medical assistance to our corporate and insurer clients. We also collaborate with our insurer clients on various customer service initiatives. This includes, for example, a helpline service for insurer clients to make informed decisions on a range of medical issues, including treatment, surgery, hospitalization and medical insurance coverage.

Our MBMS include:

- claims processing for general practitioner, specialist practitioner and inpatient claims;
- handling claim appeals;

- liaising with clinics and network panel providers for supporting documents;
- issuing letters of guarantee to healthcare service providers to assure payments on behalf of patients covered under our healthcare solutions to reduce the amounts of their upfront payments;
- analyzing medical benefits utilization;
- analyzing health trends; and
- providing utilization reports.

The majority of the letters of guarantee to healthcare service providers are issued on behalf of our clients, who bear the risk of payment. The remaining letters of guarantee are issued by us directly, for which we bear the responsibility of guaranteeing payments to the appropriate healthcare service provider. Under the terms of our letters of guarantee, we reserve the right to pay the provider for eligible covered services only.

We offer MBMS in Singapore, Indonesia, Australia and Hong Kong, and we recently started offering MBMS in Malaysia in 2016.

In Singapore, we offer a comprehensive range of MBMS through a customized and scalable information technology platform. Our information technology platform functions as an intermediary between our corporate and insurer clients and our Fullerton Network by automating claims processing and reimbursement. The platform also serves as an electronic appointment booking tool and information repository on our Fullerton Network for employees and insured members of our corporate and insurer clients.

In Indonesia, our subsidiaries, Tirta and PT JLT Gesa, provide MBMS through programs designed to assist corporate clients in managing their employees' healthcare costs. The services provided include 24-hour medical hotline services and various healthcare cost and claims management services. Our T-Care technology platform is customizable to corporate and insurer clients based on their health plans and reporting requirements, and provides a web-based interface to view real-time employee statistics and generate comparisons of claims usage against budget.

In Australia, our subsidiary, Fullerton Health Corporate Services, provides MBMS including accident and healthcare claims management services, emergency assistance operational and consulting services to both overseas assistance companies and Australasian based corporate clients, and group insurance administration services to insurer clients. Our group insurance administration services in Australia are managed through our Prometheus technology platform. Prometheus is a comprehensive purpose-built claims and administration system that facilitates the validation of member data, running eligibility checks, calculation of benefits and premium, statement generation, claims data capture, identification and management of underwriting and generation of reports.

In Hong Kong, we offer claims processing services through our subsidiary, Health Maintenance Medical Practice Limited.

Call Center Services

Our call centers support the healthcare services we offer to the jurisdictions in which our corporate and insurer clients operate. Our call center services operate 24 hours a day, seven days a week, and include booking of appointments with healthcare service providers in our Fullerton Network, coordination of medical and emergency assistance for our medical assistance services, provision of support for claims processing and provision of assistance on medical enquiries by employees and insured members of our corporate and insurer clients. We handled over 1,000,000 phone calls per annum through our call centers for the year ended December 31, 2016.

We have call centers located in Singapore, Indonesia, Australia, Hong Kong and Malaysia.

Specialty Services

Specialty services comprise medical diagnostic imaging services, medical specialist services, which currently include, among others, cardiology and general surgery services, physiotherapy services, dental services, pharmaceutical services and medical assistance and evacuation services. Our specialty services are complementary to our enterprise healthcare services and may be offered under our integrated enterprise healthcare solutions to our corporate and insurer clients.

Medical Diagnostic Imaging Services

We offer a full range of diagnostic imaging, nuclear medicine and radiopharmaceutical services in Singapore through our subsidiary, RadLink. Our diagnostic imaging services include X-ray, Ultrasound, Mammography, Fluoroscopy, Bone Mineral Densitometry, MRI and CT scans. We also provide molecular imaging and services such as Positron Emission Tomography (“PET”) and radionuclide therapy.

Through the acquisition of RadLink in May 2015, we are currently one of Singapore’s largest private providers of outpatient diagnostic and molecular imaging services, performing over 160,000 X-rays and scans in 2016. We currently operate our flagship centers, namely RadLink Diagnostic Imaging Center and RadLink PET Center, in Paragon Medical, located in the heart of Singapore’s medical tourism hub along Orchard Road, as well as three other satellite medical centers. We have invested in the most technologically-advanced and sophisticated medical equipment, namely the Revolution CT, MRI Signa Explorer and the Logiq E9 Ultrasound, all of which were manufactured by GE Healthcare, making RadLink one of the first providers in Singapore and ASEAN to provide such capabilities. Our radiopharmaceuticals facility is operated by RadLink’s subsidiary, Singapore Radiopharmaceuticals Pte. Ltd. (“SRP”) which is the only privately-held radiopharmaceutical facility in Singapore. SRP is capable of producing specialized radioactive isotope tracers used in PET scans. We supply these radioactive isotope tracers to private PET centers, private and public restructured hospitals and clinical research institutions in Singapore.

In accordance with market practice, we offer rebates, which can range from 5.0% to 50.0% (but in the vast majority of cases, range from 20.0% to 30.0%) of the cost of radiology services, to clinics who refer patients to RadLink. We are working at enhancing our Group branding and considering other measures in order to ensure that any relationships among Group members who give and receive rebates are appropriately made known or otherwise publicized.

We may, in the future, explore using RadLink as a platform to expand into new and innovative imaging-related services, as well as extending the platform across the Asia-Pacific region. We intend to do this by leveraging our existing clinical footprint and medical expertise to cater to the demands of such services from our expanding base of corporate and insurer clients.

Medical Specialist Services

Cardiology

Our cardiology services include medical diagnosis and treatment of congenital heart defects, coronary artery disease, heart failure, valvular heart disease and electrophysiology, as well as open heart surgeries. We also offer medical diagnosis and treatment of hypertension, hyperlipidemia, cardiomyopathic heart disease and cardiac arrhythmias. We offer cardiology services in Singapore through Orchard Heart Specialist Pte. Ltd. Our cardiology practice comprises two medical centers located in the Mount Elizabeth and Mount Alvernia hospitals in Singapore.

General Surgery

Our general surgery services include laparoscopic surgery, colorectal surgery, breast surgery, vascular surgery, colorectal surgery, endocrine surgery and gastro-esophageal surgery.

We offer general surgery services in Singapore and Hong Kong.

In Singapore, our general surgery services are offered through TVGSC, located on Orchard Road. The center specializes in minimally invasive procedures, including vascular and endovascular surgery, laparoscopic surgery, treatment of piles, colonoscopy and gastroscopy, and varicose vein treatment. Our surgery services also include two specialist clinics in Hong Kong operated through our joint venture with The Specialist Consortium, SC Fullerton.

Physiotherapy

Our physiotherapy services include treatment and rehabilitation of orthopedic, sports, musculoskeletal and traumatic injuries. We performed nearly 80,000 physiotherapy sessions in the year ended December 31, 2016.

We offer physiotherapy services in Singapore and Australia.

In Singapore, we operate four physiotherapy clinics under the brand UrbanRehab Physiotherapy and Rehabilitation Specialist. We also operate the UrbanRehab-Fullerton Musculoskeletal Center, a multi-disciplinary clinic specialized in collaborative primary and secondary care treatment for sports and injury management.

In Australia, we believe we are one of the largest physiotherapy providers in South Australia and provide physiotherapy services through 12 physiotherapy clinics operated under our “Northcare Physio” brand.

Dental

Our dental clinics provide core dental services such as cleaning, scaling and polishing as well as ancillary services such as dental implant treatments and wisdom tooth surgery. We performed over 130,000 dental procedures in the year ended December 31, 2016.

We offer dental services in Singapore, Indonesia and Hong Kong.

In Singapore, our joint venture, FC Dental Pte. Ltd., in which we have a 20.0% equity interest, operates one dental clinic in the Nanyang Technological University.

In Indonesia, we provide dental services to certain corporate clients through our on-site medical centers.

We operate six dental clinics in Hong Kong.

Pharmaceutical Services

In Singapore, our subsidiary, HCP, has a pharmaceutical wholesale license and is involved in wholesale distribution of medications. A.M. Pharmacy also provides centralized distribution of medicines to our Singapore medical facilities. We also operate a retail pharmacy in Singapore which offers full dispensary services, including sale of a wide range of prescription medicines, counseling on medication and supplement usage.

Medical Assistance and Evacuation Services

We provide medical assistance and evacuation services through our subsidiaries, the GAH Entities. We cover our clients under our worldwide evacuation programs, which are designed to provide access to proper medical facilities from anywhere in the world. Our worldwide evacuation programs have a proven track record, having been established for more than 20 years with over 4,000 evacuations and over 30,000 other assistance cases performed to date in regions such as Africa, South America and Asia. Depending on the emergency situation, the form of medical assistance rendered ranges from simple medical assistance such as giving medical advice over the phone, giving pre-travel advice and assistance contingency planning for relocation to remote areas, medical monitoring and case management, guarantee of medical flights and cost containment of medical expenses to more sophisticated assistance such as escorted repatriation on commercial flights, air ambulance medical evacuation and mass casualty evacuation. Our worldwide evacuation programs were certified by the International Standard for Organization and the Occupational Health and Safety Management Systems in 2013 and re-certified in early 2014, 2015 and 2016. We currently service many assistance companies around the world and many international insurance companies and corporations with respect to their Indonesian employees and expatriates, and we plan to offer medical assistance and evacuation services to our clients located in other jurisdictions under our integrated healthcare solutions.

Our Clients

Our clients generally comprise (i) corporations, who enter into contracts with us for healthcare services for their employees and/or their dependents and (ii) insurance companies, who enter into contracts with us for healthcare services for their policyholders or employees and/or dependents of their corporate policyholders.

Our corporate clients, including those we provide services to through our insurer clients, span multi-national companies, large local companies, SMEs to government organizations, and operate in a broad range of industries such as banking and finance, construction, education, marine and offshore, petrochemical, shipping and transportation.

Key Clients

Our five largest client groups by revenue (each client group consisting of affiliated individual clients), in aggregate, contributed 36.8%, 30.6% and 29.2%, respectively, of our total revenue for the years ended December 31, 2014, 2015 and 2016. Our largest individual client by revenue, AIA Singapore, contributed more than 20.0% of our revenue for each of the years ended December 31, 2014 and 2015 and more than 15.0% of our revenue for the year ended December 31, 2016. Other than AIA Singapore, none of our top five individual clients for each of the years ended December 31, 2014, 2015 and 2016 individually contributed 5.0% or more of our total revenue for the relevant year.

Designing and Managing Integrated Enterprise Healthcare Solutions for Our Clients

We design and manage integrated enterprise healthcare solutions for our corporate and insurer clients that incorporate offerings from our enterprise healthcare services and our specialty services based on the specific requirements of each client. We seek to provide convenient, reliable, coordinated and comprehensive healthcare services to these clients' employees and insured members through our extensive and well-established global Fullerton Network. Our integrated enterprise healthcare solutions are complemented by a range of MBMS delivered through our technology systems. See "*—Our Information Technology Platform*" for a discussion of our technology systems.

Our Agreements with Our Clients

While there may be variations (see, for example, "*Risk Factors—Risks Relating to Our Business—Parts of our business require or may require us to be licensed as an insurer*"), our contracts with our clients generally have terms between two and five years, typically with options for our clients to renew on the same terms or subject to fee increases to account for medical inflation, and subject to customary provisions for termination upon notice. Our fee arrangements with our clients vary from country to country and are subject to local industry practice or applicable laws and regulations.

We generally enter into two types of fee arrangements as part of our agreements with our clients in respect of our integrated enterprise healthcare solutions—fee-for-services plans and retainer plans:

- *Fee-For-Services Plans*: A significant majority of our client contracts are fee-for-services plans. Under a fee-for-services plan, we agree on rates for certain types of healthcare services, such as general practice consultations, specialist consultations or physiotherapy treatments, and charge separately for medication and other related services such as imaging and laboratory tests. In respect of certain medical assistance and emergency evacuation services, we may also specify fixed rates based on the type and complexity of the claim as categorized based on parameters such as the number of personnel deployed. The amount to be paid is then determined based on the total number of times the particular healthcare service is utilized. We generally either directly pay the medical service providers, or process the reimbursements to patients who have paid out-of-pocket. Our clients pay us for the healthcare services their employees and insured members utilize.
- *Retainer Plans*: We generally enter into retainer plans under contracts in which we operate on-site medical centers on our clients' workplace premises. Under a retainer plan, we provide healthcare services within an agreed scope of medical coverage for a fixed fee for a specified period. This fee for the provision of healthcare services is payable upfront on the commencement of the contractually specified period.

We customize these fee arrangements with our corporate and insurer clients to accommodate their organizational requirements, depending on our evaluation of their risk profiles, and may from time to time enter into hybrid versions or combinations of these plans or vary the terms of some of these plans as part of our client agreements.

Our Fullerton Network

Our Fullerton Network consists of self-owned facilities as well as our extensive panel of healthcare service providers. The combined network is accessible to our clients and their employees as required and, supported by our integrated information technology platform, facilitates the provision of comprehensive and efficient healthcare services.

We assess whether to administer our healthcare services through self-owned facilities or panel healthcare providers based on criteria which include specific market and client requirements, the type of healthcare services, as well as our relative market position.

For example, as we believe that we already have a market-leading panel of general practitioners in Singapore, we would seek to expand our network of self-owned primary medical centers with the view to optimizing service delivery and efficiency or to accommodating specific client requests for in-house clinics. For specialty services, we generally seek to expand our network of self-owned facilities to increase our revenue and margins, as specialty services benefit from referrals within the Fullerton Network.

Our Self-Owned Facilities

As of December 31, 2016, we owned and operated 193 self-owned facilities, employing over 2,000 employees, including over 400 medical professionals.

The table below sets forth, for the specified dates, the number of our self-owned facilities based on the type of services provided:

| | As of December 31, | | |
|--|--------------------|------------|------------|
| | 2014 | 2015 | 2016 |
| Medical centers ⁽¹⁾ | 47 | 59 | 59 |
| On-site medical centers ⁽²⁾ | 81 | 101 | 99 |
| Physiotherapy centers | 6 | 19 | 16 |
| Dental centers | 0 | 6 | 6 |
| Specialist centers | 2 | 3 | 8 |
| Medical diagnostic and imaging centers | 0 | 5 | 5 |
| Total | <u>136</u> | <u>193</u> | <u>193</u> |

Notes:

* The number of self-owned facilities in the table refer to the number of points of service from which healthcare services are provided. Multiple self-owned facilities may be co-located on a single physical site.

- (1) Medical centers comprise facilities which provide primary care services, executive health screening services and occupational health services.
- (2) On-site medical centers comprise facilities established within our corporate clients' premises which provide primary care services and occupational health services exclusively to their employees.

The table below sets forth, as of the specified dates, the number of our self-owned facilities based on the jurisdiction in which they are located:

| | As of December 31, | | |
|--------------------|--------------------|------------|------------|
| | 2014 | 2015 | 2016 |
| Singapore | 22 | 42 | 54 |
| Indonesia | 68 | 71 | 66 |
| Australia | 42 | 70 | 62 |
| Hong Kong | 4 | 10 | 11 |
| Total | <u>136</u> | <u>193</u> | <u>193</u> |

Our Panel Facilities

The integrated enterprise healthcare solutions we provide to our corporate and insurer clients offer, in addition to our self-owned facilities, access as of December 31, 2016 to more than 8,000 panel healthcare providers, including general practitioner and specialist clinics and hospitals. None of our panel healthcare providers are related to our Directors or controlling shareholders, and save as disclosed in “—Suppliers”, none of our other panel healthcare providers are major suppliers.

We have entered into panel management arrangements with healthcare service providers globally to avail our clients of a greater diversity of healthcare services, particularly types of services we do not currently provide through our existing self-owned facilities, and to enable our clients to have access to healthcare services in geographies in which we do not currently have self-owned facilities.

We have strict evaluation standards we adhere to before we contract with healthcare service providers to sign on to our panel. Key considerations are accessibility for our clients, quality, service standards, reputation and pricing. Once contracted with us, our panel service providers agree to be evaluated on quality and pricing metrics, and we have a panel relations management team that reviews the service and clinical quality of our panel healthcare providers and provides technical and administrative support. Our panel relations management team also investigates complaints made against our panel healthcare providers by our clients.

For certain of our panel healthcare providers, in order to be paid by us, such panel healthcare providers will first enter claims into our information technology platform, after which the claims are processed and adjudicated by our MBMS teams. Payments are then issued for valid claims. Our information technology platform allows us to perform checks on the claims submitted by our panel healthcare providers. We run analytics on the claims submitted to us, and our network management team is trained to detect fraudulent claims. Suspicious claims are investigated with the applicable panel healthcare provider before being approved or denied. For more information about the analytics capabilities of our information technology platform, see “—Our Information Technology Platform”. Panel healthcare providers are also able to send electronic or physical copies of invoices to our MBMS team for processing and adjudication. In some instances, we utilize a “pay and claim” system in which patients pay the panel healthcare providers directly and submit receipts for reimbursement.

From time to time, we may also seek to acquire panel healthcare providers in our Fullerton Network if we have established a strong and satisfactory understanding of their value proposition to our business through a successful working relationship. For example, we invested in Tirta in Indonesia in 2014 after our engagement with the Tirta chain of medical centers as panel healthcare providers in our Fullerton Network for over three years.

Our Panel Management Arrangements

Healthcare service providers in our network of panel healthcare providers generally enter into panel management arrangements with us to provide healthcare services to our clients. We procure patients for our panel healthcare providers by linking the relevant panel healthcare providers with clients who have access to our Fullerton Network under our integrated enterprise healthcare solutions. We process and handle claims for our panel healthcare providers and the client referring the relevant patient and for this purpose, provide them with access to our 24/7 call center services to process and facilitate payment of their claims and our customized and scalable information technology systems, which we build and maintain on an on-going basis. We also provide our clients with data analytics services.

Please also see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Significant Factors Affecting Our Results of Operations—Utilization of our Healthcare Services—Enterprise Healthcare Services—Fee Arrangements*”.

In our arrangements with panel healthcare providers, we are generally required to arrange for payment to panel healthcare providers of all valid claims within 60 days after the cut-off date of valid claim submission. Under the terms of our panel management arrangements, our panel healthcare providers operate independently and are responsible for their own operating costs. They commit to maintaining all necessary licenses and following all applicable legal and professional guidelines for the provision of medical care.

We also collect a management fee from our panel healthcare providers for every claim we process, which varies depending on the complexity of the claims and cases handled as well as related services required depending on the client and panel healthcare provider. These fees are currently charged as a percentage of the total patient bill, after adjudication and adjustment as described above, and deducted from the claim amount payable to the panel healthcare provider. In order to facilitate our panel healthcare providers’ compliance with Guideline H3(7) of the 2016 ECEG, we are considering several revised models for the management fees we receive from our panel healthcare providers. We intend to implement new panel management arrangements with our panel healthcare providers in advance of Guideline H3(7) coming into force on July 1, 2017. For more information, please also see “*Risk Factors—Ensuring that our panel healthcare providers are in compliance with the 2016 edition of the Singapore Medical Council’s Ethical Code and Ethical Guidelines (the “2016 ECEG”) may disrupt or have a negative impact on our operations*”.

Linking clients with the Fullerton Network

The above ensures that we can link our clients with a network of experienced medical professionals, i.e., the Fullerton Network, whose pricing falls within what we aim to be a reasonable range and which are agreed on in our contracts with our panel of healthcare providers, thereby seeking to reduce instances of potential over-servicing or over-billing of our clients.

Our Information Technology Platform

We leverage information technology to provide healthcare services more efficiently. Our integrated enterprise healthcare solutions and MBMS are supported by our proprietary software, FHN, in Singapore. We also have customizable and scalable technology systems in other countries such as T-Care in Indonesia, Prometheus in Australia and Medjetco in Hong Kong, and we plan to implement FHN in other jurisdictions to allow for enhanced functionality and cross-linkages of our technology systems and service solutions across the jurisdictions we operate. FHN is a one-stop scalable and configurable integrated portal for insurers, human resource managers, employees and doctors within our Fullerton Network. It allows seamless end-to-end management for our clients and enables healthcare service providers, employers, insurers and patients to access critical information online. FHN was developed entirely in-house, and we own all rights to it.

FHN provides a number of functions by user type:

- *Medical professionals.* All claims and consultations with medical professionals in our Fullerton Network, including inpatient and outpatient care, are processed efficiently online. Doctors use the FHN system for patient verification as well as recording the patient’s medical diagnosis, prescribed medication and medical leave for healthcare analytics.

- *Patients.* Patients may use FHN to locate and book appointments with medical facilities in our Fullerton Network. Patients may also submit claims directly through FHN. FHN automatically generates email confirmations which both strengthens the physician-patient relationship through continued communication and reduces the likelihood of fraud by ensuring that the policyholder knows immediately when his or her policy is used.
- *Human Resource Managers in Corporates and Insurers.* Human resource professionals and insurer customers have the ability to retrieve data such as employees' and insured members' healthcare benefits spending. They can generate reports based on aggregate claims, and can compare their healthcare metrics against industry benchmarks. Analytics based on aggregated claims data allows our corporate and insurer customers opportunities for targeted medical care without compromising the privacy of individual patients.

In October 2015, we entered into a memorandum of understanding with Microsoft through which we will enter into a strategic partnership with Microsoft to shift FHN to the Microsoft Azure cloud computing platform, which we believe will enhance the integration and scaling of our technology platform while ensuring that confidential patient medical information is protected. Through this partnership we will receive the benefits of Microsoft's commitments to data security, which has been certified at the highest tier of the Multi-Tier Cloud Security standard for Cloud Service Providers in Singapore, and by the Health Information Technology for Economic and Clinical Health Act of the United States, the compliance standard for the Health Insurance Portability and Accountability Act of the United States.

Our fully-owned healthcare information database continues to grow as our client base increases. By leveraging on our integrated business intelligence and analytics platform, we believe that we are able to organize and analyze data to obtain insights on healthcare service utilization patterns. These insights can be used to enhance client service quality, improve fraud detection, save costs and provide greater customization in designing healthcare solutions for our clients.

Given the importance of information technology in our operations, we have developed an information technology disaster recovery and data recovery plan as part of our larger business continuity plan. In the event of major disruptions or failure in our information technology systems, we plan to quickly restore all mission-critical systems to minimize any adverse impact to our business operations and to protect our client data. We schedule maintenance fortnightly and have technical support for FHN, which is available at all hours. We have quarterly network vulnerability assessments and yearly penetration tests, and continue to strengthen our information technology security on the basis of these assessments and tests. We are also developing and testing a detailed information technology process disruption management plan with a third party consultant, and plan to implement it once testing is completed.

Post-Acquisition Integration—Our Fullerton Business Systems

Key to our acquisition-led growth strategy is our focus on integration, where we seek to achieve the seamless integration of our acquired businesses with our existing business framework through robust post-acquisition measures focusing on finance, information technology, operations and business development. We refer to our post-acquisition integration processes as "Fullerton Business Systems". Fullerton Business Systems involve implementing processes with our newly acquired businesses in four key areas, comprising finance and internal controls, information technology, operations and business development, with an aim to drive business performance. With respect to finance, we seek to reduce operating and interest expenses while increasing efficiency through greater cash flow management and increase revenue through new product initiatives. With respect to information technology, we seek to impart best practices on our acquisitions and to automate processes. With respect to operations, we seek to implement best practices from within our Group while improving service quality and fostering innovation. With respect to business development, we seek to cross- and up-sell to our clients while imparting sales and marketing capabilities from our headquarters, in order to increase sales while maintaining client satisfaction. Through Fullerton Business Systems, we strive to create a strong company culture across our businesses.

Fullerton Business Systems commence in parallel to each acquisition and take place in phases: (i) the pre-integration preparation phase, (ii) the short-term integration phase, (iii) the long-term integration phase and (iv) the post-integration audit phase. During the pre-integration preparation phase, we seek to anticipate and identify critical challenges to integration that may potentially arise with respect to the business or asset proposed to be acquired. We also educate key stakeholders of the acquisition target on our business values, branding and overall business strategy. During the short-term integration and long-term integration phases, we implement the integration solutions we have formulated in the pre-integration preparation phase, and we follow up with an audit

in the post-integration phase to assess how the acquired entity has performed against key performance indicators. We may introduce further measures to achieve greater integration depending on the results of the audit.

We have a proven track record of successful acquisitions and investments, having executed many such transactions since our inception.

Business Development

We have a dedicated team in each of the key countries where we operate which assists our respective country managing directors in business development. Our senior management is also actively involved in business development. Our senior management works with our business development team to actively engage our key corporate and insurer clients as well as to identify new clients, and to identify key organizational needs of these clients, develop strategies to expand our service capabilities in line with their evolving demands, in order to capture more business from our existing clients and win new clients.

We directly target and market to key clients and from time to time, we also participate in open tenders, where we have a proven track record of securing contract wins. Our senior management often participates in industry conferences as key speakers to ensure that we are at the forefront of industry changes and new service offerings. We also advertise in a targeted manner in key journals and publications which our existing and potential clients access.

Suppliers

We consider our panel healthcare providers as suppliers of medical services. See “—*Our Fullerton Network—Our Panel Facilities*”. Our general suppliers include pharmaceutical companies and third party service providers, such as laboratories. We maintain stable relationships with our major general suppliers, who have been our major general suppliers for an average of more than five years. However, we do not maintain any long-term supply or service contracts with our general suppliers. We purchase drug and medicine supplies from pharmaceutical companies in bulk as and when required. We are in the process of centralizing procurement of certain supplies for certain jurisdictions, to the extent we consider it feasible and efficient for us to do so. For example, in Singapore, our subsidiary HCP has a wholesale pharmaceutical license and provides centralized distribution of drugs and medicines to our Singapore medical facilities.

Our purchases are mainly settled in the currency of the jurisdiction in which our self-owned facilities operate and are settled mainly by bank transfers. The credit and payment terms granted by our general suppliers are generally between 30 and 60 days.

We generally maintain multiple general suppliers for our purchases in an effort to avoid relying on any single general supplier and to avoid unexpected shortages of supplies or services. To address contingency supply issues with any existing suppliers, we have established procedures to allow us to identify and procure suitable substitute suppliers in a timely manner. We have not experienced any material interruptions to or material decline in the amount or quality of our purchases of either supplies or services.

Competition

We compete with integrated enterprise healthcare services companies as well as providers of individual constituent services, and competition varies by country and type of service provided. According to Frost & Sullivan, the enterprise healthcare solutions industry in our targeted markets remains highly diverse and fragmented, and only in some markets like Singapore have integrated players emerged. We generally compete on the basis of service quality, price, range of services available and other factors. In Singapore, our key competitors include Raffles Medical and Parkway Shenton. In Indonesia, our key competitors include, for MBMS, PT. Administrasi Admedika Tbk and PT. AA International Indonesia Tbk, and for executive medical check-ups and primary care, PT. Intensive Medicare Tbk. In Australia, our key competitors include Sonic Health Plus and Konekt. In Hong Kong, our key competitors include Quality Healthcare, UMP and Town Health / Dr Vio.

Employees

Our employees consist of all personnel that work at our corporate headquarters in Singapore, our head offices in each market in which we operate, our call centers and our self-owned facilities. As of December 31, 2014, 2015 and 2016, we had 1,292, 1,609 and 2,019 employees, respectively. The number of our employees has increased as our business has grown significantly through organic growth and acquisitions. The following table sets forth, as of the dates indicated, the number of our employees by function and by jurisdiction:

| | As of December 31, | | |
|--|--------------------|--------------|--------------|
| | 2014 | 2015 | 2016 |
| Singapore | | | |
| Medical professionals ⁽¹⁾ | 81 | 139 | 180 |
| Support staff ⁽²⁾ | 137 | 190 | 142 |
| Others ⁽³⁾ | 91 | 140 | 235 |
| Total | 309 | 469 | 557 |
| Indonesia | | | |
| Medical professionals | 117 | 115 | 118 |
| Support staff | 344 | 297 | 301 |
| Others | 64 | 72 | 303 |
| Total | 525 | 484 | 722 |
| Australia | | | |
| Medical professionals | 82 | 100 | 100 |
| Support staff | 158 | 267 | 267 |
| Others | 88 | 113 | 118 |
| Total | 328 | 480 | 485 |
| Hong Kong | | | |
| Medical professionals | 25 | 29 | 34 |
| Support staff | 57 | 45 | 54 |
| Others | 48 | 59 | 59 |
| Total | 130 | 133 | 147 |
| Malaysia | | | |
| Others | - | 43 | 104 |
| Total | - | 43 | 104 |
| China | | | |
| Others ⁽⁴⁾ | - | - | 4 |
| Total | - | - | 4 |
| Grand total | 1,292 | 1,609 | 2,019 |

Notes:

- (1) "Medical professionals" includes doctors, dentists and allied health professionals such as clinical psychologists and physiotherapists.
- (2) "Support staff" includes nurses, clinical assistants, medical records officers and other operational staff in medical clinics as well as other staff essential to enterprise health services, including claims processing and call center staff.
- (3) "Others" refers to corporate headquarters and head office employees.
- (4) These employees are based in China as part of our efforts to expand into the Chinese market. See "*—Recent Developments—Our Plans For Expansion into China*" for more details.

We have entered into employment agreements with each of our employees. We may terminate the employment of any of our employees in the event that such employee's actions have resulted in material and demonstrable harm to our interests or if the employee has not performed as expected, subject to compliance with relevant laws governing employment. An employee may typically terminate his or her employment at any time for any material breach of the employment agreement by us. Each of our employees has also entered into a non-disclosure and confidentiality agreement with us as required in our employment agreements with them. Our employment agreements also include return of property and restraint clauses. Certain of our employees in Singapore are unionized. We have not experienced any disruption to our business operations due to labor disputes.

Clinical Quality and Service Quality

We have a multi-disciplinary service quality team which is cross-trained in operations and service quality in each of the jurisdictions in which we operate, which is responsible for ensuring that our medical professionals comply

with applicable regulations and which regularly reviews and monitors the clinical quality and service quality of our self-owned facilities. Our service quality teams collect and evaluate patient feedback, and also conduct internal surveys and service audits, results of which are collated and addressed by the relationship team.

As a condition of their employment, medical professionals are required to provide background information, certificates and evidence that they have complied with the applicable regulatory requirements. We sponsor professional indemnity insurance for medical professionals practicing in our self-owned facilities.

Our panel relations team is responsible for reviewing and monitoring the clinical quality and service quality of our panel healthcare providers, conducts service audits and investigates complaints made against our panel healthcare providers by our clients.

Training

Medical professionals are subject to the training and continuing education requirements imposed by the relevant professional medical association. Medical professionals typically fulfill such obligations, as required, by attending external conferences. In addition, medical professionals we employ are required to undergo orientation to familiarize themselves with our corporate vision, service standards, policies and procedures.

Our support staff also undergo training on our information technology systems to ensure that they are able to effectively manage and administer our operations. We also provide training sessions and professional support to our support staff, and conduct regular performance reviews. All support staff and healthcare employees performing duties in administrative functions are required to undergo training and certification before using our proprietary information technology systems that support our key business processes. Regular surveillance and performance audits are conducted to ensure currency and compliance with business rules that govern our business operations. Our panel relations team also trains support staff in our healthcare service providers in the use of our information technology systems to ensure that they are able to process claims through our systems.

Our service quality teams also oversee the training of our medical professionals and our support staff in each jurisdiction. Our service quality teams conduct fortnightly training sessions for our medical professionals and support staff, provide professional support and conduct regular performance reviews.

Risk Management

We have established a set of comprehensive risk management policies and measures to identify, evaluate and manage risks arising from our operations. We have developed an Enterprise Risk Management framework which includes policies and procedures such as a risk management manual, risk and control monitoring procedures, and risk reporting processes. Our management includes a Risk Steering Committee which meets at least four times per year. Our Audit and Risk Committee oversees the financial controls, internal control procedures and risk management systems for our Group. Our internal audit function is responsible for systematically conducting audits across operations, financial, information technology and compliance activities across the various jurisdictions in which we operate to evaluate the control risks and report and recommend its findings to our management to take improvement measures. Where necessary, we will consult our external legal advisors and auditors to discuss issues which arise to ensure compliance with the relevant regulatory requirements or applicable laws.

Insurance

We have property insurance coverage for all our major equipment. Medical professionals working in our self-owned facilities also maintain medical malpractice and professional indemnity insurance in accordance with the requirements of the jurisdictions in which they operate. They are indemnified by the insurers for legal costs and compensation payments involved in clinical negligence claims, subject to certain limitations and exclusions including criminal proceedings and fraud allegations which are excluded from the scope of such indemnity. We also purchase medical group indemnity insurance to protect us against third party negligence claims.

We have purchased key-man risk insurance in respect of five key individuals being Mr. David Sin, Dr. Michael Tan Kim Song, Dr. Daniel Chan Pai Sheng, Dr. Sujit Singh Gill, who runs The Vascular & General Surgery Center Pte. Ltd and Dr. Tan Kok Soon, who runs Orchard Heart Specialist Pte. Ltd.

We also maintain business interruption or liability insurance and have cyber security insurance to cover our risk for any unexpected cyber-attacks.

Product or medical malpractice liability or uninsured damage to any of our medical centers or the medical equipment in our medical centers could result in significant disruption to the operation of our medical centers and result in a material adverse effect to our business, financial condition and results of operations. See “*Risk Factors—Risks Relating to Our Business—Malpractice, misconduct or sub-standard services by our healthcare service providers may expose us to the possibility of litigation, complaints, or government investigations, which may result in penalties, reputational harm, or otherwise adverse consequences for our business*” and “*Risk Factors—Risks Relating to Our Business—Our insurance coverage may not be adequate to indemnify us against all possible liabilities*”.

Health and Safety and Environmental Matters

Our self-owned facilities are subject to local health and safety laws and regulations, and also various environmental laws and regulations (including those relating to medical waste disposal), in the jurisdictions in which they operate. We have internal policies and systems in place designed with a view to implementing and ensuring compliance with such requirements, including procedures and guidelines in relation to handling equipment, needle-sticks, sharp objects and medical waste.

Properties

We currently lease all of the properties we use to operate our business, except for the premises of our retail pharmacy located at 150 Orchard Road, #04-06 Orchard Plaza, Singapore 238841 in Singapore, which has a gross floor area of approximately 31 square meters. Our principal place of business is located at 108 Robinson Road, #09-02, Singapore 068900. We occupy and use this office space with a gross floor area of approximately 812 square meters, pursuant to a lease agreement entered into on February 27, 2015 (as supplemented by a supplemental deed dated November 1, 2015) and expiring on December 31, 2017.

The properties leased by our self-owned facilities are leased under tenancy agreements that do not generally contain any covenants, easements or exceptions that are not customary for an agreement of this nature. The terms of our lease agreements generally range from six months to ten years. In the event we are not able to renew any of our leases, we believe that we could relocate our operations to new properties without undue cost or disruption.

The Bideford Road Building

Under a subscription agreement entered into by our subsidiary, Fullerton Aetas, we have been granted an option, valid for a period of three months upon the issue of the temporary occupation permit, which is expected to be in 2019, or a certificate of statutory completion, as the case may be, of the Bideford Road Building and assignable to any entities within our Group, to lease a minimum of 10,000 square feet of space in the property. Upon exercise, the lease shall be for a term of at least four years, with a right of extension for a subsequent three years and a final three years thereafter, for a lease amount based on preferential terms, after taking into account the rent rates of similar properties assessed by an independent valuer, subject to the terms of the subscription agreement.

It is intended that the property will be redeveloped into an integrated mixed-use development, of which 60.0% of total GFA has been approved by the URA for residential or serviced apartments and 40.0% of total GFA has been approved for commercial use. Our current intention is to exercise the lease option to lease and operate commercial floor space in the redeveloped property.

See “*Interested Person Transactions—Investment in the Bideford Road Building*” for further details.

Intellectual Property

Our material intellectual property includes trademarks and domain names owned by Jobfit Medical Services Pty Ltd, PT. Global Assistance and Healthcare and Fullerton Healthcare Group Pte. Limited.

Other material intellectual property includes:

- FHN, our information technology system in Singapore;
- Enterprise Radiology Information Systems, RadLink’s proprietary information system that is fully integrated with its picture archiving and communication system, enabling radiologists, radiographers and other operational professionals to register, acquire, retrieve, manage and archive patients’ medical images and reports digitally and securely across multiple modalities and locations; and

- Health Monitoring, a proprietary database used by Jobfit to undertake analytics of information obtained when occupational medical assessments are undertaken.

We are not engaged in any material litigation or legal proceedings relating to our intellectual property.

Awards and Achievements

RadLink earned Frost & Sullivan's 2016 Frost & Sullivan Singapore Diagnostic Imaging Company of the Year from the consulting firm Frost & Sullivan, which was presented for our demonstrated excellence in growth, innovation and leadership towards delivering significant contribution to the diagnostic imaging industry in Singapore.

We were also chosen and voted by readers of HRM Asia, a Singapore-based publisher of a magazine on human resource strategies, as the winner for the Best Corporate Health and Wellness Screening Provider in the HRM Asia Readers' Choice Awards 2016, an annual awards ceremony for human resource and people management professionals.

Our Ocean Financial Center clinic in Singapore was awarded the Joint Commission International's ("JCI") Gold Seal of Approval for Ambulatory Care in January 2016. The JCI was established in 1997 and has helped to improve the quality of patient care with international health care organizations, public health agencies, and health ministries in more than 100 countries. Prior to receiving accreditation, the clinic underwent a rigorous on-site survey by a team of JCI experts. They evaluated the clinic's ambulatory care standards, which include international patient safety goals, risk management, compliance to best-in-class care pathways and service quality, among others.

We were awarded the 2015 Frost & Sullivan Singapore Primary Health Care Services Growth Excellence Leadership Award from Frost & Sullivan for displaying outstanding growth performance, strategy and diversification, brand equity and customer impact. The Singapore Excellence Awards program recognizes companies which have shown leadership in areas such as new product introduction and innovation, and achieved significant growth in market share and customer acquisition. Past winners include Sembcorp Industries and Mapletree Logistics Trust.

We also won Gold in the Best Corporate Healthcare Provider category at the HR Vendors of the Year Awards in 2015 for our strong team of experienced doctors and healthcare support staff, and our use of technology to stay ahead in the corporate healthcare industry. Past winners of this award include AIA, Mercer and SAP.

Dr. Michael Tan Kim Song, our co-founder, Group Chief Executive Officer and Executive Director, was named 2015 Entrepreneur of the Year in Singapore by Ernst & Young, and was selected to represent Singapore at the EY World Entrepreneur of the Year ceremony in Monaco in June 2016. Dr. Michael Tan Kim Song was recognized for using technology to improve patients' experiences, including through the use of a mobile application to replace physical consultation cards and through the digitization of X-ray results. The Ernst & Young Entrepreneur of the Year is an annual awards program that honors Singapore's top entrepreneurs for their contributions to the economy and society. Past winners include Hyflux Ltd and ARA Asset Management Limited.

Our co-founders, Dr. Michael Tan Kim Song and Dr. Daniel Chan Pai Sheng, were honorees of the Singapore Spirit of Enterprise awards in 2011.

Certain of our subsidiaries have also been recognized for their achievements. In Australia, Jobfit was ranked 8th in In-Business magazine's Fast Movers list for 2012, and 77th in Business Review Weekly's Fast 100 list for 2012.

Corporate Social Responsibility

We actively promote corporate social responsibility through a variety of programs. In Singapore, we launched Project Big Heart, in partnership with Jurong Central GRC and Loving Heart Multi-Service Center. This initiative aims to help lower-income residents and the elderly with chronic conditions like high blood pressure and diabetes, by providing them access to services such as free consultations with general practitioners, and free cataract and health screenings, including checks on their body mass index, blood pressure and blood glucose levels. In 2015, over 300 volunteers provided medical services to more than 600 patients and dispensed more than S\$200,000 worth of medicine. Most recently in February 2016, more than six hundred residents of the Jurong region in Singapore benefited from Project Big Heart, and in May 2016 we served over eighty elderly patients in the Jurong region.

Dr. Michael Tan Kim Song, Dr. Daniel Chan Pai Sheng and Mr. David Sin established the Fullerton Health Foundation, with the mission of improving the lives of the underprivileged by making healthcare and education in Asia available to them. It aims to do charitable works in Singapore and elsewhere, in partnership with us, such as the set-up of mobile health clinics, which aim to promote better health outcomes through the early detection and good management of chronic diseases. In March 2017, Fullerton Health Foundation came in as a founding partner for In My Shoes, a charity which collects secondhand shoes in good condition. These shoes are cleaned, repackaged with a message of motivation and purpose, and donated to needy beneficiaries in Singapore. In addition to making cash donations to In My Shoes, we plan to also sponsor health and wellness camps for underprivileged children and run shoe collection drives within our Company and in our clinics.

Dr. Michael Tan Kim Song, Dr. Daniel Chan Pai Sheng and Mr. David Sin have also established the Fullerton Health Foundation International Limited (“FHFIL”), a non-profit entity. In advance of the incorporation of FHFIL, Mr. David Sin signed a memorandum of cooperation with the Global Fund- an international organization that raises and invests monies to support the fight of AIDS, tuberculosis and malaria- pledging the support of FHFIL for Global Fund programs in Indonesia, Philippines and Vietnam. We plan to support Global Fund programs in these countries in partnership with FHFIL.

In Indonesia, the GAH Entities embarked on three projects in 2015 aimed at empowering the public through health education, early disease detection and improving access to good healthcare. The Joglo Project, in collaboration with the Jakarta Rotary Club, saw 275 residents from Joglo Kampung screened for tuberculosis. The Sekolah Bisah Project is a partnership with students from the British School Jakarta to provide preventive health care to a local primary school of 25 students. These students received free health checks, vaccinations, boosters and joint health promotion and education programs. Under the Desa Putra Project, we offered free health checks and health screenings to the teachers of the Desa Putra orphanage. In June 2016, the GAH Entities launched Project Better Health for our Children by providing medical services to orphans at Yayasan Kami Satu in Citeureup. In 2016, Tirta provided blood pressure tests, blood sugar tests, medical consultations and general health talks to more than 2,000 participants in Berau, Tanjung Tabalong and Batu Sopang in Kalimantan.

In Australia, we have undertaken a corporate social responsibility plan focusing on mental health. We have entered into a partnership with Head Space, a prominent mental health organization in Australia. This partnership involves three elements: commercial support to Head Space, training and development of Fullerton clinicians in Australia and research support. We also have a range of other initiatives and partnerships with worthy charities and causes, including the Jodi Lee Foundation, which is dedicated to increasing awareness of bowel cancer.

Research and Development

The nature of our business does not require us to carry out research and development, and we have not carried out any significant research and development for the years ended December 31, 2014, 2015 and 2016.

Notes:

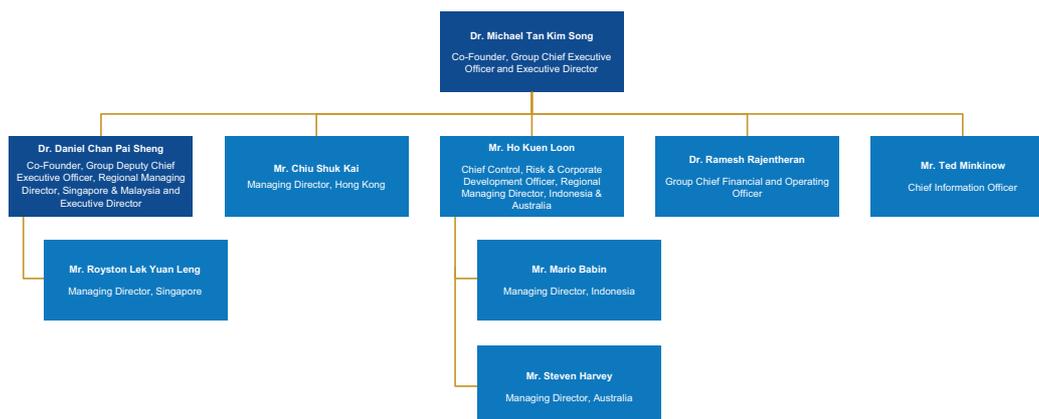
- (1) The remaining 6.4% of Fullerton Health Australia Pty Ltd (formerly known as Fullerton Healthcare Australia Pty Ltd) is held by SWH Nominees Pty Ltd ACN 124 877 630, which is beneficially owned by Mr. Steven Harvey, our Managing Director, Australia.
- (2) The remaining 20.0% of Medicheck Australia Pty Ltd is held by Ganesh Naidoo Medical Pty Ltd, which is beneficially owned by Dr. Ganesh Naidoo and Ms. Esme Naidoo, both employees of our Group.
- (3) The remaining 20.0% of Health Maintenance Dentaleare Limited held by HM SPV2 Limited, which is beneficially owned by Mr. Chiu Shuk Kai, our Managing Director, Hong Kong.
- (4) The remaining 20.0% of Health Maintenance Management Services Limited is held by HM SPV1 Limited, which is beneficially owned by Mr. Chiu Shuk Kai, our Managing Director, Hong Kong.
- (5) The remaining 20.0% of HMMP (Dental) Limited is held by HM SPV2 Limited, which is beneficially owned by Mr. Chiu Shuk Kai, our Managing Director, Hong Kong.
- (6) The remaining 20.0% of Health Maintenance Medical Practice Limited is held by HM SPV1 Limited, which is beneficially owned by Mr. Chiu Shuk Kai, our Managing Director, Hong Kong.
- (7) The remaining 20.0% of HM Investment Holding Limited is held by HM SPV1 Limited, which is beneficially owned by Mr. Chiu Shuk Kai, our Managing Director, Hong Kong.
- (8) The remaining 40.0% of The Vascular & General Surgery Center Pte. Ltd. is held by Dr. Sujit Singh Gill, an employee of our Group.
- (9) The remaining 40.0% of Orchard Heart Specialist Pte. Ltd. is held by Tan Kok Soon Pte. Ltd, which is beneficially owned by Dr. Tan Kok Soon, an employee of our Group.
- (10) The remaining 15.0% of Drs Thompson & Thomson (RadLink Medicare) Pte Ltd is held by Dr. P'ng Chin Guan, an employee of our Group.
- (11) The remaining 30.0% of RadLink Medicare (Woodlands) Pte Ltd is held by Dr. Lee Van Hien.
- (12) The remaining 30.0% of RadLink Medicare (Bishan) Pte Ltd is held by Dr. Tan Kia Yong Paul, an employee of our Group.
- (13) 51.0% of Town Hall Clinic Pte Ltd is held by Dr. P'ng Chin Guan, an employee of our Group, and 19% is held by Dr. P'ng Wei Jiang Justin.
- (14) The remaining 20.0% of Epione Group Private Limited is held by Ms. Sing Chui Yun, an employee of our Group.
- (15) The remaining 40.0% of UrbanRehab Private Limited is held by Mr. Nigel Chua Gin Han, an employee of our Group.
- (16) The remaining 80.0% of FC Dental Pte. Ltd. is held by Coden Holdings Pte. Ltd.
- (17) 3.5% of Comfort Ambulance & Services Pte. Ltd. is held by Mr. Lim Lee Ting Steven, 13.25% is held by Mr. Yang Yee and 13.25% is held by Mr. Yang Yi Rong. Mr. Yang Yee and Mr. Yang Yi Rong are employees of our Group.
- (18) 3.5% of Citizens Ambulance & Services Pte. Ltd. is held by Mr. Lim Lee Ting Steven, 13.25% is held by Mr. Yang Yee and 13.25% is held by Mr. Yang Yi Rong. Mr. Yang Yee and Mr. Yang Yi Rong are employees of our Group.
- (19) 5.0% of Baseline Group (Personnel) Pty Ltd is held by Mr. James Justin Watkins and 5.0% is held by Ms. Emma Louise Tobias. Mr. James Justin Watkins and Ms. Emma Louise Tobias are employees of our Group.
- (20) The remaining 10.0% of PT. Global Assistance & Healthcare is held by Ms. Lulu Wulandari, an employee of our Group.
- (21) The remaining 33.3% of PT. Global Asistensi Medika is held by Ms. Lulu Wulandari, an employee of our Group.
- (22) 30% of PT E-Tirta Medical Center is held by Dr. Rahmaniwati Sulaiman, 5.0% is held by Dr. Fitriani Sukri and 5.0% is held by Ms. Budiati Muchtaruddin. Dr. Fitriani Sukri are employees of our Group. Ms. Budiati Muchtaruddin is the wife of a consultant to our Group.
- (23) The remaining 1.0% of HMMP Medical (Macau) Limited is held by Mr. Tan Guan Soon, Royston, an employee of our Group.
- (24) The remaining 40.0% of T.H.E. Fullerton Healthcare Group Ltd is held by our joint venture partner T.H.E. Check-Up Center Limited.
- (25) The remaining 40.0% of S.C. Fullerton Healthcare Group Limited is held by our joint venture partner The Specialist Consortium Limited.
- (26) The official legal name of Fullerton Health Services (Beijing) Co Ltd is 富乐康医疗服务(北京) 有限公司.

The following shell companies (some of which may be wound up) are not reflected in the chart: SC Primus Holdings, 深圳市维世达守道医疗有限公司, and Primus Vista Holdings.

The remaining shareholders of the non-wholly owned entities are not associates of our Group or any of its directors or controlling shareholders.

MANAGEMENT

Management Reporting Structure



Board of Directors

Our Board is entrusted with the responsibility for the overall management and direction of our Company. The following table provides certain information regarding our Directors:

| Name | Age ⁽¹⁾ | Address | Position | Date of Appointment as Director |
|---------------------------|--------------------|---|---|---------------------------------|
| Mr. Michael Lim Choo San | 70 | 108 Robinson Road, #09-02, Singapore 068900 | Chairman and Independent Director | September 16, 2016 |
| Mr. David Sin | 38 | 108 Robinson Road, #09-02, Singapore 068900 | Deputy Chairman and Non-Executive Director | September 16, 2016 |
| Dr. Michael Tan Kim Song | 43 | 108 Robinson Road, #09-02, Singapore 068900 | Group Chief Executive Officer and Executive Director | September 16, 2016 |
| Dr. Daniel Chan Pai Sheng | 43 | 108 Robinson Road, #09-02, Singapore 068900 | Group Deputy Chief Executive Officer, Regional Managing Director, Singapore & Malaysia and Executive Director | September 16, 2016 |
| Mr. Edwin Basuki | 40 | 108 Robinson Road, #09-02, Singapore 068900 | Non-Executive Director | September 16, 2016 |
| Mr. Sherwin Loh Juin Huan | 38 | 108 Robinson Road, #09-02, Singapore 068900 | Non-Executive Director | September 16, 2016 |
| Dr. Teh Kok Peng | 69 | 108 Robinson Road, #09-02, Singapore 068900 | Independent Director | September 16, 2016 |
| Mr. Robert Yap Min Choy | 53 | 108 Robinson Road, #09-02, Singapore 068900 | Independent Director | September 16, 2016 |

Note:

(1) As at March 31, 2017.

Experience and Expertise of the Board

Certain information concerning the business and working experience of the Directors is set out below:

Mr. Michael Lim Choo San

Mr. Michael Lim Choo San is the Chairman and an Independent Director. He is also the Non-Executive Chairman of Nomura Singapore Limited and a Non-Executive Director of Nomura Holdings Limited. He was previously the Chairman of the Land Transport Authority of Singapore, the Singapore Accountancy Commission and National Healthcare Group Pte Ltd and a Non-Executive Director of Olam International Limited. Mr. Lim also previously held various positions in PricewaterhouseCoopers Singapore from 1972 to 2003, with his last position being the Executive Chairman. Mr. Lim is a Fellow Chartered Accountant of Singapore and holds a Bachelor of Commerce and Administration from Victoria University of Wellington, New Zealand.

Mr. David Sin

Mr. David Sin is the Deputy Chairman and Non-Executive Director. He was the Executive Chairman of our Company from 2012 to 2016. Mr. Sin is the Chief Executive Officer of SIN Capital Group. Prior to that, he was at American International Group from 2007 to 2008 and Goldman Sachs International from 2003 to 2005. Mr. Sin holds a Bachelor of Arts (Economics) (Honors) in Accounting and Finance from the University of Manchester and a Master in Business Administration from Harvard Business School.

Dr. Michael Tan Kim Song

Dr. Michael Tan Kim Song is our Group Chief Executive Officer and an Executive Director. He is the co-founder of our Group and was previously with Parkway Shenton Singapore where he served as a medical director from 2003 to 2007 and Vice President (Business Development) from 2007 to 2008. He was also the Chief Executive Officer of Parkway East Hospital from 2008 to 2010. Dr. Tan holds a Bachelor of Medicine and Bachelor of Surgery (MBBS), Graduate Diploma in Family Practice Dermatology and a Graduate Diploma in Occupational Medicine from the National University of Singapore. He also holds a Master of Business Administration from Imperial College of Science, Technology and Medicine. Dr. Tan is currently attending the Owner/President Management Program at Harvard Business School.

Dr. Daniel Chan Pai Sheng

Dr. Daniel Chan Pai Sheng is our Group Deputy Chief Executive Officer, Regional Managing Director, Singapore & Malaysia and an Executive Director. He is the co-founder of our Group and was previously with Parkway Shenton Singapore from 2004 to 2008 where he served as a medical director and Vice President (Business Development). He was also the Chief Operating Officer of Parkway East Hospital from 2008 to 2010. Dr. Chan holds a Bachelor of Medicine and Bachelor of Surgery (MBBS) from Imperial College of Science, Technology and Medicine and a Graduate Diploma in Occupational Medicine from the National University of Singapore. Dr. Chan also holds a Master of Business Administration from the University of Liverpool and a Family Physician qualification from the Singapore Medical Council. Dr. Chan has been enrolled in the Advanced Management Program at Harvard Business School.

Mr. Edwin Basuki

Mr. Edwin Basuki is a Non-Executive Director. He has been a Managing Director at SIN Capital Group since 2015. He was previously a Senior Vice President at a subsidiary of DBS Group from 2013 to 2015, focusing on Direct Investments and Capital Markets. Prior to that, he was an Executive Director with the Investment Banking team at Goldman Sachs from 2010 to 2013, a Senior Vice President with the Investment Banking team at Macquarie Capital from 2005 to 2010 and an Associate Analyst with the Equity Research team at Macquarie Securities from 2002 to 2004. Mr. Basuki holds a Bachelor of Engineering (Honors) in Chemical Engineering from University College London and a Master of Science in Management Science and Engineering from Stanford University.

Mr. Sherwin Loh Juin Huan

Mr. Sherwin Loh Juin Huan is a Non-Executive Director. He has been a Managing Director at SIN Capital Group since 2013 and was previously with Goldman Sachs (Hong Kong) from 2010 to 2013 and Goldman Sachs (London) from 2003 to 2006, his last held position being Executive Director in the Financing Group, Investment Banking Division. He was also previously a Vice President in the Equity-Linked and Corporate Derivatives Origination and Equity Capital Markets teams of J.P. Morgan (Hong Kong and Singapore) from 2006 to 2010. Mr. Loh holds a Bachelor of Science in Actuarial Science (Honors) from the London School of Economics and Political Science.

Dr. Teh Kok Peng

Dr. Teh Kok Peng is an Independent Director. He is also a Non-Executive Director of Oversea-Chinese Banking Corporation Limited and Sembcorp Industries. Dr. Teh was formerly the President of GIC Special Investments Private Limited from 1999 to 2011 and was with the Monetary Authority of Singapore from 1981 to 1999, with his last position being Deputy Managing Director. He was also formerly a Project Economist with the World Bank from 1975 to 1981. Dr. Teh holds a Doctor of Philosophy from the University of Oxford and a Bachelor of Economics from La Trobe University.

Mr. Robert Yap Min Choy

Mr. Robert Yap Min Choy is an Independent Director. He currently sits on the board of several companies including Jurong Port, Sunseap Group, Y3 Technologies and Supply Chain Angels. Mr. Yap is currently also the Chairman of the Institute for Service Excellence Board of Advisors of the Singapore Management University and the Chairman of the Board of Advisors of the School of Information Systems of the Singapore Management University. Mr. Yap was formerly the President of DFS Venture and Group Executive Vice President of DFS Group from 2004 to 2014, Chief Executive Officer, East Asia, of PSA International from 2000 to 2004, a director at Philips Electronics Asia Pacific from 1999 to 2000 and a Divisional Director at FJ Benjamin from 1995 to 1999. Mr. Yap holds a Bachelor of Engineering and Master of Engineering Science from the University of New South Wales.

Family Relationship

None of the Directors is related to one another or to any of the Executive Officers or to any Substantial Shareholder of our Company.

Terms of Office

Our Directors do not have fixed terms of office. Each Director is required to retire from office at least once every three years and for this purpose, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) is required to retire from office by rotation and will be eligible for re-election at that annual general meeting (the Directors so to retire being those longest in office).

Service Agreements

None of our Directors (including our Group Chief Executive Officer and our Group Deputy Chief Executive Officer) has entered, or proposes to enter, into service agreements with us or any subsidiary or subsidiary entity of our Group which provides for benefits upon termination of employment. The service agreements of our Group Chief Executive Officer and our Group Deputy Chief Executive Officer each provides for compensation in the form of a monthly salary with a variable component, an annual wage supplement, a bonus offered at our discretion and eligibility to participate in our share plans, subject to prevailing rules and regulations of such plans.

The service agreements of our Group Chief Executive Officer and our Group Deputy Chief Executive Officer do not have a fixed term and each contain termination provisions, pursuant to which either party to the agreement may terminate their employment at any time by giving not less than six months' prior written notice. We are also entitled to terminate their employment immediately or by giving such notice as we consider fit, provided we pay them a sum equal to their basic monthly salary in respect of the period or balance of the period of notice they would have otherwise been given. We may also terminate their employment immediately, by giving written notice and without compensation, under certain specified conditions, which include acts of dishonesty or fraud, their becoming disqualified to serve as a Director, their conviction of a criminal offense (other than an offense which in our opinion does not affect their position within our Group), and their breach of any of the terms of their service agreement.

Each of the service agreements of our Group Chief Executive Officer and our Group Deputy Chief Executive Officer also contains non-compete provisions that apply for six months after the termination of employment and which prohibit, among other things, the solicitation of any persons in competition with the business of our Group within any country in the Asia-Pacific region in which any business is being carried on by our Group, the solicitation of any person employed by our Group in any executive, managerial, technical, sales, consultative or creative capacity for the purpose of being involved in a competing business, the participation in any competing business, and dealing with clients of our Group in competition with the business of our Group. The service agreements also contain restrictions on the disclosure of our confidential information, including trade secrets, information relating to clients of our Group and details of business relationships.

Audit and Risk Committee

Our Audit and Risk Committee comprises Mr. Michael Lim Choo San, Dr. Teh Kok Peng, Mr. David Sin and Mr. Robert Yap Min Choy. The Chairman of our Audit and Risk Committee is Mr. Michael Lim Choo San.

Responsibilities of our Audit and Risk Committee include, among others, to assist our Board in fulfilling its responsibility for overseeing the quality and integrity of the accounting, auditing, internal controls and financial practices of our Company and our Group, and advising our Board on our Group's overall risk appetite, tolerance

and strategy. Our Audit and Risk Committee also reviews the policy and arrangements for employees and any other persons to raise concerns, in confidence, about possible improprieties in financial reporting or other matters. Our Audit and Risk Committee shall ensure that these arrangements allow such concerns to be raised and independently investigated, and appropriate follow up action be taken.

Nominating Committee

Our Nominating Committee comprises Dr. Teh Kok Peng, Mr. Robert Yap Min Choy and Dr. Michael Tan Kim Song. The Chairman of our Nominating Committee is Dr. Teh Kok Peng.

Responsibilities of our Nominating Committee include, among others, establishing a formal and transparent process for the appointment and re-appointment of Directors to our Board and assessing annually the effectiveness of our Board as a whole and our Board committees, and the contribution of each Director to the effectiveness of our Board. In addition, our Nominating Committee will make recommendations to our Board on the development of a process of evaluation of the performance of our Board, our Board committees and our Directors. Our Nominating Committee will also implement a process for assessing the effectiveness of our Board as a whole and our Board committees and for assessing the contribution of the Chairman and each individual Director to the effectiveness of our Board.

Remuneration Committee

Our Remuneration Committee comprises Mr. Robert Yap Min Choy, Mr. Michael Lim Choo San and Mr. David Sin. The Chairman of our Remuneration Committee is Mr. Robert Yap Min Choy.

Responsibilities of our Remuneration Committee include, among others, reviewing and recommending to our Board, in consultation with the Chairman of the Board, for endorsement: a remuneration policy framework for our Board, specific remuneration for each of our Directors, and performing an annual review of remuneration packages. Our Remuneration Committee shall also ensure that the level and structure of remuneration should be aligned with the long term interest and risk policies of our Group and should be appropriate, to attract, retain and motivate (a) our Directors to provide good stewardship of our Company and (b) key management personnel to successfully manage our Group, as well as ensure accountability to our Group.

Executive Officers

The following table provides certain information regarding the Executive Officers.

| Name | Age⁽¹⁾ | Address | Position |
|---------------------------|--------------------------|---|---|
| Dr. Michael Tan Kim Song | 43 | 108 Robinson Road, #09-02, Singapore 068900 | Group Chief Executive Officer and Executive Director |
| Dr. Daniel Chan Pai Sheng | 43 | 108 Robinson Road, #09-02, Singapore 068900 | Group Deputy Chief Executive Officer, Regional Managing Director, Singapore & Malaysia and Executive Director |
| Dr. Ramesh Rajentheran | 43 | 108 Robinson Road, #09-02, Singapore 068900 | Group Chief Financial and Operating Officer |
| Mr. Ho Kuen Loon | 44 | 108 Robinson Road, #09-02, Singapore 068900 | Chief Control, Risk & Corporate Development Officer and Regional Managing Director, Indonesia & Australia |
| Mr. Royston Lek Yuan Leng | 40 | 108 Robinson Road, #09-02, Singapore 068900 | Managing Director, Singapore |
| Mr. Mario Babin | 52 | Cilandak Commercial Estate Unit 111-GC, Jalan Cilandak Kko Raya, Jakarta 12560, Indonesia | Managing Director, Indonesia |
| Mr. Chiu Shuk Kai | 56 | Unit 405, 4/F., Tower 1, Silvercord, 30 Canton Road, Tsim Sha Tsui, Kowloon | Managing Director, Hong Kong |
| Mr. Steven Harvey | 48 | 47 Greenhill Road Wayville SA 5034, Australia | Managing Director, Australia |
| Mr. Ted Minkinow | 59 | 108 Robinson Road, #09-02, Singapore 068900 | Chief Information Officer |

Note:

(1) As at March 31, 2017.

Experience and Expertise of the Executive Officers

Information on the working experience of the Executive Officers is set out below:

Dr. Michael Tan Kim Song

Dr. Michael Tan Kim Song is our co-founder, Group Chief Executive Officer and an Executive Director. See “*Management—Board of Directors*”.

Dr. Daniel Chan Pai Sheng

Dr. Daniel Chan Pai Sheng is our co-founder, Group Deputy Chief Executive Officer, Regional Managing Director, Singapore & Malaysia and an Executive Director. See “*Management—Board of Directors*”.

Dr. Ramesh Rajentheran

Dr. Ramesh Rajentheran is our Group Chief Financial and Operating Officer. Prior to joining our Company, he was in the investment banking sector from 2004 to 2015, having been a Managing Director at Barclays in Singapore and Hong Kong, Head of Markets & Advisor to Executive Chairman at the Hong Leong Group, an Executive Director at Morgan Stanley in London and an Associate Director at UBS in London. From 1999 to 2002, Dr. Rajentheran was a physician with the National Health Service in the United Kingdom. He holds a Bachelor of Medicine and Bachelor of Surgery (MBBS) from the University of Newcastle and a Master of Business Administration with a concentration in finance from London Business School.

Our Group Chief Financial Officer is the most senior corporate officer in charge of finance functions at our Company. As of December 31, 2016, 106 qualified and experienced finance and accounting professionals and support staff report to our Group Chief Financial Officer, including (i) a Group Financial Controller, based in Singapore, who is a Fellow Chartered Accountant with over 15 years of accounting and finance experience, (ii) a Group Finance Manager, based in Indonesia, who is a qualified Chartered Accountant and a Master of Management graduate with over 17 years of accounting and finance experience and (iii) a Group Finance Manager, based in Australia, who is a Certified Practicing Accountant with over 23 years of accounting and finance experience. In addition, our Group Chief Financial Officer is supported by Mr. Ho Kuen Loon, our Chief Control, Risk & Corporate Development Officer and Regional Managing Director, Indonesia and Australia, who was the previous Group Chief Financial Officer from 2013 to 2015 and who is a qualified Chartered Financial Analyst and Chartered Accountant and Master of Business Administration graduate with over 18 years of accounting and finance experience. See “*—Experience and Expertise of the Executive Officers—Mr. Ho Kuen Loon*”.

Mr. Ho Kuen Loon

Mr. Ho Kuen Loon is the Chief Control, Risk and Corporate Development Officer and Regional Managing Director, Indonesia and Australia. Prior to his appointment, he was our Group Chief Financial Officer from 2013 to 2015. His previous positions prior to joining our Company include Group Chief Financial Officer of Keppel Integrated Engineering from 2011 to 2013, Assistant General Manager, Corporate Development of Keppel Offshore & Marine from 2010 to 2011, Partner & Chief Operating Officer of Innosight Asia from 2006 to 2009 and Regional Director, Asia of Innosight LLC from 2004 to 2005. Mr. Ho is a qualified Chartered Financial Analyst and Chartered Accountant of Singapore and holds a Bachelor of Accountancy from Nanyang Technological University and a Master of Business Administration from Harvard Business School.

Mr. Royston Lek Yuan Leng

Mr. Royston Lek Yuan Leng is the Managing Director, Singapore. Prior to joining our Company, he was a Senior Vice President at Jurong Port from 2010 to 2014 and before that, an Associate Partner at Deutsche Post DHL in Germany from 2007 to 2009, and the Head of Strategy & Operations at DHL in China from 2004 to 2007. Mr. Lek holds a Bachelor of Arts (Honors) in International Business, Finance & Economics from the University of Manchester, a Master of Science in Logistics and Supply Chain Management from Cranfield University and an Executive Master of Business Administration from Tsinghua University and INSEAD.

Mr. Mario Babin

Mr. Mario Babin is the Managing Director, Indonesia. He was the co-founder and formerly the President Director of Global Assistance & Healthcare from 1998 to 2015. Mr. Babin was also previously an International Coordinator with the International SOS Assistance from 1987 to 1995 and an Administration Coordinator with

the Provincial Government of Quebec from 1986 to 1987. From 2008 to 2014, he was a member of the board of directors of the Indonesian Canadian Chamber of Commerce. Mr. Babin graduated from Cégep du Vieux Montréal with a D.E.C. in Marketing.

Mr. Chiu Shuk Kai

Mr. Chiu Shuk Kai is the Managing Director, Hong Kong. He has been the Managing Director of Health Maintenance Medical Practice Limited since 1995 and is an Executive Director of several companies in Hong Kong, including HM Investment Holding Limited, HMMP (Dental) Limited and Health Maintenance Management Services Limited. He holds a Bachelor of Science (Math & Statistics) from the University of Western Ontario in London, Canada.

Mr. Steven Harvey

Mr. Steven Harvey is the Managing Director, Australia. He has been the Managing Director of Fullerton Health Australia since 2013 and was also previously the Chief Executive Officer and Managing Director of the Jobfit Group of companies from 2006 to 2012, State Manager for Spotless Group from 1999 to 2005 and Chief Executive Officer within the Benchmark Hospital Group from 1996 to 1999. Mr. Harvey holds a Bachelor of Nurse Studies from the University of South Australia and also holds a Master of Business Administration from Charles Sturt University.

Mr. Ted Minkinow

Mr. Ted Minkinow is the Chief Information Officer. Prior to joining our Company, he was in the Information Technology industry from 2003 to 2015, having been a Program director at Standard Chartered Bank, a Senior Program Manager at Microsoft Corporation and a Consultant at Ciber Corporation. Prior to 2003, Mr. Minkinow was a Command Pilot and Squadron Commander in the United States Air Force. Mr. Minkinow holds a Bachelor of Science from The United States Air Force Academy and a Master of Aeronautical Science from Embry-Riddle Aeronautical University.

Family Relationship

None of the Executive Officers is related to one another or to any of our Directors or to any Substantial Shareholder of the Company.

Arrangements or Understandings

Mr. David Sin is a controlling shareholder of our Company and wholly-owns SIN Capital Group. Mr. Edwin Basuki and Mr. Sherwin Loh Juin Huan are employees of SIN Capital Group. Dr. Michael Tan Kim Song is a controlling shareholder of our Company.

Save as disclosed above, none of our Directors or Executive Officers has any arrangement or understanding with any of the Substantial Shareholders, customers or suppliers of our Company or other persons, pursuant to which he or she was appointed as a Director or an Executive Officer, as the case may be.

Remuneration of the Directors and Executive Officers

The compensation paid by us and our subsidiaries to each of the Directors and Executive Officers for services rendered by them in all capacities to us and our related corporations for the years ended December 31, 2014, 2015 and 2016 in remuneration bands, are as follows

| <u>Name</u> | <u>Remuneration for the year ended December 31, 2014⁽¹⁾</u> | <u>Remuneration for the year ended December 31, 2015⁽¹⁾</u> | <u>Remuneration for the year ended December 31, 2016⁽¹⁾</u> |
|---------------------------|--|--|--|
| Directors | | | |
| Mr. Michael Lim Choo San | - | A | A |
| Mr. David Sin | A | A | A |
| Dr. Michael Tan Kim Song | B | B | B |
| Dr. Daniel Chan Pai Sheng | B | B | B |
| Mr. Edwin Basuki | - | A | A |
| Mr. Sherwin Loh Juin Huan | A | A | A |
| Dr. Teh Kok Peng | - | A | A |
| Mr. Robert Yap Min Choy | - | - | A |
| Executive Officers | | | |
| Dr. Michael Tan Kim Song | | <i>See above</i> | |
| Dr. Daniel Chan Pai Sheng | | <i>See above</i> | |
| Dr. Ramesh Rajentheran | - | A | B |
| Mr. Ho Kuen Loon | A | A | A |
| Mr. Mario Babin | - | B | B |
| Mr. Chiu Shuk Kai | - | A | A |
| Mr. Steven Harvey | A | A | A |
| Mr. Royston Lek Yuan Leng | A | B | B |
| Mr. Ted Minkinow | - | A | B |

Notes:

Remuneration bands:

“A” refers to remuneration less than or equal to the equivalent of S\$250,000.

“B” refers to remuneration greater than the equivalent of S\$250,000 and less than or equal to S\$500,000.

“C” refers to remuneration greater than the equivalent of S\$500,000 and less than or equal to S\$750,000.

(1) Compensation includes any benefits in kind and any deferred compensation accrued for the relevant financial year and payable at a later date.

Our Directors and Executive Officers also received awards and/or options granted to them under the Share Plans and FHG Preference Shares pursuant to the FHG CIP. The value of these awards, options and preference shares has not been included in computing the compensation of the relevant Directors and Executive Officers described above.

Directors’ and Employees’ Share Incentive Schemes

On December 20, 2013, FHG approved a share option plan and a restricted share plan known respectively as the Fullerton Healthcare Group Pte. Limited Share Option Plan (the “FHG SOP”) and the Fullerton Healthcare Group Pte. Limited Restricted Share Plan (the “FHG RSP”). FHG also adopted the Fullerton Healthcare Group Pte. Limited Co-Investment Plan (the “FHG CIP” and together with the FHG SOP and the FHG RSP, the “FHG Plans”) under which participants could subscribe for redeemable convertible preference shares in the capital of FHG (“FHG Preference Shares”). Each FHG Preference Share was convertible into one ordinary share in the capital of FHG upon the occurrence of certain prescribed events.

Our Group undertook a restructuring exercise to restructure our shareholding and streamline the operational structure of our Group in 2016, which necessitated the restructuring of the FHG Plans to allow participants thereunder to instead participate directly in the equity of our Company. For this purpose, in September 2016, our Board adopted a share option plan and a restricted share plan known respectively as the Fullerton Healthcare Corporation Limited Pre-IPO Share Option Plan (the “Pre-IPO FHC SOP”) and the Fullerton Healthcare Corporation Limited Pre-IPO Restricted Share Plan (the “Pre-IPO FHC RSP” and together with the Pre-IPO FHC SOP, the “Share Plans”).

In conjunction with the restructuring exercise, the remuneration committee appointed to administer the FHG RSP and FHG SOP approved an exchange of all outstanding FHG awards and options in respect of ordinary shares of FHG granted thereunder for new awards and options in respect of Shares granted under the Share Plans. The terms of the new awards and options are substantially the same as the terms of the FHG awards and options. In particular, the aggregate exercise price of the new options is the same as the aggregate exercise price of the FHG options. The FHG RSP and FHG SOP were terminated thereafter.

The remuneration committee administering the Share Plans had, when deliberating on the grant of an option and/or award to a participant, considered the recommendations of the professional external human resource consultants engaged by our Group.

As part of the restructuring exercise and so as to enable the holders of FHG Preference Shares to directly participate in the equity of our Company, our Company purchased all the outstanding FHG Preference Shares from their holders on October 6, 2016. The payment of the non-cash consideration for the purchase of the FHG Preference Shares by our Company was satisfied by the allotment and issue of approximately five Shares for each FHG Preference Share purchased, to the respective holder of the FHG Preference Share.

Awards, Options and Preference Shares

Options in respect of a total of 87,328,210 Shares are outstanding to a total of 250 of our Directors, Executive Officers, employees, former employees, advisors and consultants. Consideration of S\$1.00 was paid by each such Director, Executive Officer, employee, former employee, advisor and consultant on acceptance (including deemed acceptance) of the grant of his/her options.

INTERESTED PERSON TRANSACTIONS

Details of present and ongoing transactions between our Group and its related parties which we consider to be material in the context of this Offering are described below.

We have not considered a transaction which value is less than S\$100,000 material in the context of this Offering and have not taken such transactions into account for the purposes of aggregation in this section.

(I) Lease of premises at 108 Robinson Road #03-00 and #09-00 Singapore 068900

FHG entered into a lease agreement dated February 27, 2015 with Robinson Land for the lease of office space at 108 Robinson Road #03-00 Singapore 068900 and 108 Robinson Road #09-00 Singapore 068900 from Robinson Land to FHG, for a two year term from January 1, 2015 to December 31, 2016 and further extended for a one year term to December 31, 2017 pursuant to a supplemental deed. The lease was at a monthly rent of S\$42,087.92 (inclusive of goods and services tax). The supplemental deed also provided for Robinson Land to undertake and manage renovation works on the premises on behalf of FHG on such terms as the parties may agree.

The amounts paid to Robinson Land under the lease agreement (as supplemented by the supplemental deed) in 2015 and for January 1, 2016 up to December 31, 2016 were approximately S\$379,011 and S\$2,269,000 respectively. The amount paid in 2016 included the amount of S\$1,840,000 agreed between the parties for the renovation works.

The lease agreement (as supplemented by the supplemental deed) in respect of the lease of the office space was entered into on an arm's length basis on normal commercial terms taking into consideration comparable market rates for similar premises at the relevant time, and is not prejudicial to the interests of our Company or its minority Shareholders.

The agreement in relation to, including the amount paid for, the renovation works was not on an arm's length basis.

(II) Provision of Medical Services to SIN Capital Group

FHG entered into a service agreement dated March 1, 2013 with SIN Capital Group pursuant to which FHG is to provide medical services, comprising general practitioner services, specialist services and executive health screening services, to eligible employees of SIN Capital Group at the rates specified in the service agreement.

The fees for medical services paid to FHG in 2014, 2015, 2016 were S\$61,841, S\$9,711 and S\$13,000 respectively.

The provision of medical services by FHG, including the fees paid to FHG, was on an arm's length basis and the rates for each medical service were at prevailing rates for these services offered by FHG to other companies at the time of entry into of the service agreement.

(III) Provision of Services by SIN Capital Group

Our Company entered into a service agreement dated April 6, 2015 (the "Service Agreement") with SIN Capital Group. SIN Capital Group is wholly-owned by Mr. David Sin. The Service Agreement provided for SIN Capital Group to provide certain corporate services to our Group:

- (a) sourcing, structuring and managing acquisitions and other transactions undertaken by our Group, including but not limited to managing due diligence, execution, negotiation and completion processes;
- (b) establishing and implementing our Group's corporate governance and risk framework and post-acquisition integration plans;
- (c) participating in and leading our Group's new market entry strategies and growth; and
- (d) participating in our Group's operational, financial and business organization structuring and management.

SIN Capital Group has been providing such corporate services to our Group since February 7, 2013. The fees for Corporate Services performed in 2014, 2015 and 2016 were S\$1,508,826, S\$1,000,000 and S\$2,176,000, respectively.

The provision of the Corporate Services by SIN Capital Group, including the payment of fees to SIN Capital Group, was on an arm's length basis.

(IV) Investment in the Bideford Road Building

On September 16, 2016, Fullerton Aetas Limited ("Fullerton Aetas"), a subsidiary of our Company, entered into a subscription agreement with SC Aetas Cayman and a tag-along, put and call option agreement with SC Aetas Cayman, SC Omega Investments SPC ("SC Omega") and SIN Capital (Cayman) Corporation Ltd ("SCCCL") pursuant to which, among other things, Fullerton Aetas will subscribe for 20.0% of the Class B shares of SC Aetas Cayman (the "Initial Subscription"). At the time of the Initial Subscription, the remaining 80.0% of such Class B shares will be held by SC Omega. This transaction is currently subject to completion.

SC Aetas Cayman is the sole shareholder of SC Aetas Singapore, which holds the Bideford Road Building, a freehold commercial and residential property at 30 Bideford Road, Singapore 229922 in the Orchard Road area in Singapore. SC Aetas Cayman has two classes of shares, namely Class A shares with full voting rights and no economic rights and Class B shares with full economic rights and limited voting rights. The single Class A share is held by SCCCL, an entity controlled by and an associate of Mr. David Sin.

Class A shareholders of SC Aetas Cayman have the power to appoint and remove directors of SC Aetas Cayman and are able to vote on any shareholder resolution that is proposed at a general meeting or circulated for approval in writing. If the directors of SC Aetas Cayman put any resolution relating to the Bideford Road Building to shareholders of SC Aetas Cayman, Class A shareholders would be the only shareholders entitled to vote on it. However, the articles of association of SC Aetas Cayman do not provide for Class A shareholders to have approval or veto rights over decisions in relation to the Bideford Road Building.

At the time of entry into of the subscription agreement, SC Omega, an investment vehicle controlled by Mr. David Sin, was the sole shareholder of the Class B shares of SC Aetas Cayman. Fullerton Aetas has undertaken to subscribe for new Class B shares, representing 20.0% of the enlarged Class B share capital of SC Aetas Cayman, such Initial Subscription to take place within six months of an initial public offering and listing of all the shares in the capital of FHC on a stock exchange specified in the subscription agreement. There are no restrictions on the sale by Fullerton Aetas of such Class B shares of SC Aetas Cayman to any third party.

Over the three year redevelopment period of the Bideford Road Building, SC Aetas Cayman will issue new Class B shares. Fullerton Aetas has undertaken to subscribe for 20.0% of each such issue and SC Omega has undertaken to subscribe for 80.0% of each such issue.

The total consideration to be paid by Fullerton Aetas, which will be at a fixed subscription price per Class B share, for the Class B shares will be determined based on Fullerton Aetas's proportionate stake in the Class B shares of SC Aetas Cayman (expected to be 20.0%) and the total equity contribution of all Class B shareholders of SC Aetas Cayman. Given that Class B shares of SC Aetas Cayman represent 100.0% of the economic rights to the Bideford Road Building, the value of such shares equates to the equity required for acquisition costs (including purchase price for the land, stamp duty and related fees), redevelopment, debt servicing and related costs and other fees (including management corporation strata title and sinking fund contribution and incorporation costs), excluding the amount of debt funding for the project. Based on the foregoing, the total consideration to be paid by Fullerton Aetas for the Class B shares will be not more than S\$55 million.

The subscription agreement and the tag-along, put and call option agreement, as the case may be, also provide for the following:

1. **Lease option.** SC Aetas Singapore has granted Fullerton Aetas an option, valid for a period of three months upon the issue of the temporary occupation permit, which is expected to be in 2019, or a certificate of statutory completion, as the case may be, of the Bideford Road

Building and assignable to any entities within our Group, to lease a minimum of 10,000 square feet of space in the Bideford Road Building. Upon exercise, the lease shall be for a term of at least four years, with a right of extension for a subsequent three years and a final three years thereafter, for a lease amount based on preferential terms, after taking into account the rent rates of similar properties assessed by an independent valuer to be appointed by SC Aetas Cayman and Fullerton Aetas at the time of exercise of the option and at each exercise of the right of extension.

2. **Anti-dilution (SCCCL and SC Omega).** SCCCL has undertaken that for three years from the date of completion of the Initial Subscription, if SC Omega sells any of its Class B shares at a valuation of SC Aetas Cayman that is lower than the average blended subscription amount paid by SC Aetas Cayman's Class B shareholders when subscribing for Class B shares up to the date of completion of such sale of Class B shares by SC Omega, SCCCL will pay to Fullerton Aetas an amount calculated as follows:

Number of Class B shares in SC Aetas Cayman * (A – B)

A: average blended subscription amount paid by all Class B shareholders in SC Aetas Cayman when subscribing for Class B shares up to the date of completion of the sale of Class B shares by SC Omega

B: sale price per Class B share in such a sale by SC Omega

3. **Anti-dilution (SC Aetas Cayman).** SC Aetas Cayman has undertaken that for three years from the date of completion of the Initial Subscription, it will seek the prior written consent of Fullerton Aetas and SC Omega prior to issuing new Class B shares or other rights, options or convertible securities in respect of any Class B shares or undertaking any redemption, repurchase or acquisition of its Class B shares.
4. **Put option.** SCCCL has granted a put option to Fullerton Aetas at each of the following times:
 - (a) on the date falling five years from the date of the tag-along, put and call option agreement, such put option to be exercisable within one month from such date; and
 - (b) in the event that (i) SCCCL sells or otherwise transfers its Class A share of SC Aetas Cayman to a party other than an Affiliate or (ii) any Class A share(s) are issued to a party other than SCCCL and/or its Affiliates, within five years from the date of the subscription agreement, which results in SCCCL and/or its Affiliates holding less than all of the issued Class A shares in SC Aetas Cayman, on the date of completion of such transfer or issue.

For the purpose of the above, "Affiliate" means any entity which, directly or indirectly, is controlled by, under common control with, or in the control of, a party to the tag-along, put and call option agreement, and "control" shall mean the power to elect or appoint a majority of directors or to direct the management of the first-mentioned entity, or the ownership of more than 50.0% of the voting rights of the shares or other equity interests or registered capital of such entity.

The put option gives Fullerton Aetas the right to require SCCCL to purchase all Class B shares held by Fullerton Aetas at the time of exercise of the put option at a valuation that is mutually agreed between Fullerton Aetas and SCCCL, subject to a minimum valuation that results in Fullerton Aetas achieving a 10.0% internal rate of return on its investment amount.

5. **Call option.** Fullerton Aetas has granted a call option to SCCCL on the date falling five years from the date of the tag-along, put and call option agreement, such call option to be exercisable within one month from such date.

The call option gives SCCCL the right to require Fullerton Aetas to sell all the Class B shares held by Fullerton Aetas at the time of exercise of the call option to SCCCL at a valuation that is mutually agreed between Fullerton Aetas and SCCCL, subject to a minimum valuation that results in Fullerton Aetas achieving a 12% internal rate of return on its investment amount.

6. **Tag-along rights.** In the event that SC Omega transfers, sells or disposes of all or any part of its Class B shares which results in it holding less than 51% of the total number of Class B shares in SC Aetas Cayman to any third party, Fullerton Aetas will have the right to have all or the same proportion of its Class B shares purchased by such third party on the same terms as well.
7. **Right of First Refusal.** There are no restrictions on Fullerton Aetas's right to sell or transfer its Class B shares, save that if Fullerton Aetas proposes to transfer, sell or dispose of all or any part of its Class B shares to any third party, SCCCL shall have a right of first refusal to purchase such Class B shares. If SCCCL does not exercise its right of first refusal, Fullerton Aetas may sell such Class B shares to third parties on terms no more favorable than those offered to SCCCL.

It is intended that the Bideford Road Building will be redeveloped into an integrated mixed-use development. The URA has approved the use of 60.0% of the total gross floor area of the Bideford Road Building for residential or serviced apartments and 40.0% for commercial use.

This investment provides us with the opportunity to secure a lease of prime retail and commercial space at preferential terms, which may result in material rental savings to us.

Our current intention is to exercise the lease option to lease and operate commercial floor space in the redeveloped Bideford Road Building, allowing us to consolidate our current footprint of clinics in the Orchard Road area in a single location, and to position it as our flagship facility in Asia, which is expected to enhance the Fullerton Health brand.

The investment by Fullerton Aetas in the Bideford Road Building, including the consideration to be paid by Fullerton Aetas for the Class B shares, was on an arm's length basis on normal commercial terms and is in the opinion of our Audit and Risk Committee to be on an arm's length basis on normal commercial terms and not prejudicial to the interests of the minority Shareholders of our Company. Our view and the view of our Audit and Risk Committee take into account the following, among others: (a) the investment provides us with the opportunity to secure a lease of prime retail and commercial space at preferential terms, which may result in material rental savings to us; (b) the grant of the lease option, which upon exercise would allow us to consolidate our current footprint of clinics in the Orchard Road area in a single location, and to position it as our flagship facility in Asia, which is expected to enhance the Fullerton Health brand; and (c) the anti-dilution features and tag-along rights provided for in the tag-along, put and call option agreement, as described above.

(V) Investment in Fullerton China

Pursuant to a share subscription agreement entered into on March 8, 2017, (a) CITIC agreed to subscribe for 400 Class A shares and 2,000,000,000 Class B shares in Fullerton China for aggregate subscription prices of US\$0.004 and US\$20.0 million, respectively; (b) SC China, an associate of Mr. David Sin, agreed to subscribe for 200 Class A shares and 1,000,000,000 Class B shares in Fullerton China for aggregate subscription prices of US\$0.002 and US\$10.0 million, respectively; and (c) the Company agreed to subscribe for 400 Class A shares in Fullerton China for an aggregate subscription price of US\$0.004. FHCL Completion is expected to occur by the end of March 2017.

For more details see *"Business—Recent Developments—Our Plans For Expansion into China"*.

Our Company's investment in Fullerton China is on an arm's length basis on normal commercial terms and is in the opinion of our Audit and Risk Committee to be on normal commercial terms and not prejudicial to the interests of our Company and its minority Shareholders.

SHARE CAPITAL AND SHAREHOLDERS

Share Capital of the Company

Our Company was incorporated in the Cayman Islands on November 30, 2012 under the Cayman Islands Companies Law. As of the date of incorporation, the issued and paid-up share capital of our Company was US\$1.00 comprising 1 Share. As of December 31, 2016, the issued and paid-up share capital of our Company was US\$162,077 comprising 562,289,858 Shares.

As of the date of this document, there is only one class of shares in the capital of our Company. The rights and privileges attached to our Shares are stated in our Memorandum of Association and Articles of Association.

Current Shareholders

The table below sets out the names of each Substantial Shareholder of our Company, which means a Shareholder who is known by the Company to beneficially own 5.0% or more of its issued shares on a fully-diluted basis, and the number and percentage of shares in which each of them has an interest (whether direct or deemed), as well as the number and percentage shares in which the Directors and Executive Officers have an interest.

A person is deemed to have an interest in a share in any one or more of the following circumstances: (a) where he has entered into a contract to purchase a share; (b) where he has a right to have a share transferred to himself or to his order, whether the right is exercisable presently or in the future and whether on the fulfillment of a condition or not; (c) where he has the right to acquire a share under an option, whether the right is exercisable presently or in the future and whether on the fulfillment of a condition or not; or (d) where he is entitled, otherwise than by reason of his having been appointed a proxy or representative to vote at a meeting of members of a corporation or of a class of its members, to exercise or control the exercise of a right attached to a share, not being a share of which he is the registered holder.

| Name | Shares owned as of December 31, 2016 | | | |
|---|--------------------------------------|-----|----------------------------|---------------------|
| | Direct Interest | | Deemed Interest | |
| | No. of Shares (million) | % | No. of Shares (million) | % |
| Mr. David Sin | 16.7 | 2.6 | 453.6 | 69.8 ⁽¹⁾ |
| Dr. Michael Tan Kim Song | 34.7 | 5.3 | 80.7 | 12.4 ⁽²⁾ |
| Dr. Daniel Chan Pai Sheng | 6.5 | 1.0 | 77.7 | 12.0 ⁽³⁾ |
| Directors and Executive Officers ⁽⁴⁾ | 3.4 | 0.5 | 26.3 | 4.0 |

Notes:

- (1) Mr. David Sin's aggregate deemed interest is comprised of Shares held by entities solely controlled by Mr. Sin, and Shares to be issued to him and an entity controlled by him upon the exercise of certain options.
- (2) Dr. Michael Tan's aggregate deemed interest is comprised of Shares held by entities solely controlled by Dr. Tan, and Shares to be issued to him upon the exercise of certain options.
- (3) Dr. Daniel Chan's aggregate deemed interest is comprised of Shares held by entities solely controlled by Dr. Chan, and Shares to be issued to him upon the exercise of certain options.
- (4) This excludes Directors and Executive Shareholders who are Substantial Shareholders.

TAXATION

The statements made herein regarding taxation are general in nature and based on certain aspects of the current tax laws of Singapore and the Cayman Islands and administrative guidelines issued by the relevant authorities in force as of the date of this document and are subject to any changes in such laws or administrative guidelines, or in the interpretation of these laws or guidelines, occurring after such date, which changes could be made on a retrospective basis. These laws and guidelines are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. The statements below are not to be regarded as advice on the tax position of any Securityholder or of any person acquiring, selling or otherwise dealing with the Securities or on any tax implications arising from the acquisition, sale or other dealings in respect of the Securities. The statements made herein do not purport to be a comprehensive or exhaustive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Securities and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules. Prospective investors are advised to consult their own tax advisors as to the Singapore, the Cayman Islands or other tax consequences of the acquisition, ownership of or disposal of the Securities. It is the responsibility of all persons interested in purchasing Securities to inform themselves as to any tax consequences from their investing in the Company and the Company's operations or management, as well as any foreign exchange or other discal or legal restrictions, which are relevant to their particular circumstances in connection with the acquisition, holding or disposition of Securities. It is emphasized that neither the Company nor any other persons involved in this document accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Securities.

Cayman Islands Taxation

There is, at present, no direct taxation in the Cayman Islands and interest, dividends and gains payable to the Company will be received free of all Cayman Islands taxes. The Company is registered as an “exempted company” pursuant to the Cayman Islands Companies Law. The Company has received an undertaking from the Governor in Cabinet of the Cayman Islands to the effect that, for a period of 20 years from the date of the undertaking, no law that thereafter is enacted in the Cayman Islands imposing any tax or duty to be levied on profits, income or on gains or appreciation, or any tax in the nature of estate duty or inheritance tax, will apply to any property comprised in or any income arising under the Company, or to the shareholders thereof, in respect of any such property or income.

Singapore Taxation

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the Monetary Authority of Singapore (the “MAS”) and the Inland Revenue Authority of Singapore (the “IRAS”) in force as at the date of this Offering Circular and are subject to any changes in such laws or administrative guidelines, or the interpretation of those laws or guidelines, occurring after such date, which changes could be made on a retroactive basis. Neither these statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any Securityholder or of any person acquiring, selling or otherwise dealing with the Securities or on any tax implications arising from the acquisition, sale or other dealings in respect of the Securities. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Holders and prospective holders of the Securities are advised to consult their own tax advisors as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Securities, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasized that none of the Issuer, the Sole Lead Manager and any other persons involved in the issue of the Securities accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Securities.

In addition, the disclosure below is on the assumption that the IRAS regards the Securities as “debt securities” for the purposes of the Income Tax Act, Chapter 134 of Singapore (the “ITA”) and that distribution payments made under the Securities will be regarded as interest payable on indebtedness and holders thereof may therefore enjoy the tax concessions and exemptions available for qualifying debt securities, provided that the other conditions for the qualifying debt securities scheme are satisfied. If the Securities are not regarded as “debt securities” for the purposes of the ITA and holders thereof are not eligible for the tax concessions under

the qualifying debt securities scheme, the tax treatment to holders may differ. Investors and holders of the Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Securities.

1. QUALIFYING DEBT SECURITIES SCHEME

Credit Suisse (Singapore) Limited is a Financial Sector Incentive (Standard Tier) Company for the purposes of the ITA.

As the Securities are issued on or before December 31, 2018 and the Sole Lead Manager is either a Financial Sector Incentive (Capital Market) Company, a Financial Sector Incentive (Standard Tier) Company or a Financial Sector Incentive (Bond Market) Company (each as defined in the ITA), the Securities would be “qualifying debt securities” and subject to certain conditions having been fulfilled (including the furnishing of a return on debt securities in respect of the Securities in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Securities as the relevant authorities may require to the MAS and such other relevant authorities as may be prescribed), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the “Qualifying Income”) from the Securities derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates).

However, notwithstanding the foregoing:

- a) if during the primary launch of the Securities, the Securities are issued to less than four persons and 50 per cent. or more of the issue of the Securities is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Securities would not qualify as “qualifying debt securities”; and
- b) even though the Securities are “qualifying debt securities”, if at any time during the tenure of the Securities, 50 per cent. or more of the issue of the Securities is held beneficially or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from the Securities held by:
 - i. any related party of the Issuer; or
 - ii. any other person where the funds used by such person to acquire the Securities are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the concessionary rate of tax as described above.

The term “related party”, in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms “break cost”, “prepayment fee” and “redemption premium” are defined in the ITA as follows:

- a) “break cost”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;
- b) “prepayment fee”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and
- c) “redemption premium”, in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to “break cost”, “prepayment fee” and “redemption premium” in this Singapore tax disclosure have the same meaning as defined in the ITA.

All foreign-sourced income received in Singapore on or after January 1, 2004 by Singapore tax-resident individuals will be exempt from income tax, provided such foreign-sourced income is not received through a partnership in Singapore.

2. CAPITAL GAINS

Any gains considered to be in the nature of capital made from the sale of the Securities will not be taxable in Singapore. However, any gains derived by any person from the sale of the Securities which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Securities who apply or are required to apply Singapore Financial Reporting Standard 39 (“FRS 39”) may for Singapore income tax purposes be required to recognize gains or losses (not being gains or losses in the nature of capital) on the Securities, irrespective of disposal, in accordance with FRS 39. Please see the section below on “*Adoption of FRS 39 Treatment for Singapore income tax purposes*”.

3. ADOPTION OF FRS 39 TREATMENT FOR SINGAPORE INCOME TAX PURPOSES

The IRAS has issued a circular entitled “*Income Tax Implications Arising from the Adoption of FRS 39—Financial Instruments: Recognition and Measurement*” (the “FRS 39 Circular”). The ITA has since been amended to give effect to the FRS 39 Circular.

The FRS 39 Circular generally applies, subject to certain “opt-out” provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

On December 11, 2014, the Accounting Standards Council issued a new financial reporting standard for financial instruments, FRS 109—Financial Instruments, which will become mandatorily effective for annual periods beginning on or after January 1, 2018. It is at present unclear whether, and to what extent, the replacement of FRS 39 by FRS 109 will affect the tax treatment of financial instruments which currently follow FRS 39.

Holders of the Securities who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Securities.

4. ESTATE DUTY

Singapore estate duty has been abolished with respect to all deaths occurring on or after February 15, 2008.

CLEARING AND SETTLEMENT ARRANGEMENTS

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg (together, the “Clearing Systems”) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but none of the Issuer or the Sole Lead Manager takes any responsibility for the accuracy of this section. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer and any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Securities held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

CLEARING SYSTEMS

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

REGISTRATION AND FORM

Book-entry interests in the Securities held through Euroclear and Clearstream, Luxembourg will be represented by the Global Certificate registered in the name of a nominee of, and held by, a common depository for Euroclear and Clearstream, Luxembourg. As necessary, the Registrar will adjust the amounts of Securities on the Register for the accounts of Euroclear or Clearstream, Luxembourg to reflect the amounts of Securities held through Euroclear and Clearstream, Luxembourg, respectively. Beneficial ownership of book-entry interests in Securities will be held through financial institutions as direct and indirect participants in Euroclear, and Clearstream, Luxembourg.

The aggregate holdings of book-entry interests in the Securities in Euroclear and Clearstream, Luxembourg will be reflected in the book-entry accounts of each such institution. Euroclear or Clearstream, Luxembourg, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the Securities will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interests in the Securities. The Registrar will be responsible for maintaining a record of the aggregate holdings of Securities registered in the name of a common nominee for Euroclear and Clearstream, Luxembourg and/or if individual Certificates are issued in the limited circumstances described under “*The Global Certificate—Registration of Title*”, holders of Securities represented by those individual Certificates. The Paying Agent will be responsible for ensuring that payments received by it from the Issuer for holders of book-entry interests in the Securities holding through Euroclear and Clearstream, Luxembourg are credited to Euroclear or Clearstream, Luxembourg, as the case may be.

The Issuer will not impose any fees in respect of holding the Securities; however, holders of book-entry interests in the Securities may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear or Clearstream, Luxembourg.

CLEARING AND SETTLEMENT PROCEDURES

Initial Settlement

Upon their original issue, the Securities will be in global form represented by a Global Certificate. Interests in the Securities will be in uncertified book-entry form. Purchasers electing to hold book-entry interests in the Securities through Euroclear and Clearstream, Luxembourg accounts will follow the settlement procedures applicable to conventional Eurobonds. Book-entry interests in the Securities will be credited to Euroclear and Clearstream, Luxembourg participants' securities clearance accounts on the business day following the issue date of the Securities (the "Closing Date") against payment (value the Closing Date).

Secondary Market Trading

Secondary market trades in the Securities will be settled by transfer of title to book-entry interests in the Clearing Systems. Title to such book-entry interests will pass by registration of the transfer within the records of Euroclear or Clearstream, Luxembourg, as the case may be, in accordance with their respective procedures. Book-entry interests in the Securities may be transferred within Euroclear and within Clearstream, Luxembourg and between Euroclear and Clearstream, Luxembourg in accordance with procedures established for these purposes by Euroclear and Clearstream, Luxembourg. Transfer of book-entry interests in the Securities between Euroclear or Clearstream, Luxembourg may be effected in accordance with procedures established for this purpose by Euroclear and Clearstream, Luxembourg.

GENERAL

None of Euroclear or Clearstream, Luxembourg is under any obligation to perform or continue to perform the procedures referred to above, and such procedures may be discontinued at any time. None of the Issuer, the Trustee or any of their agents will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective participants of their respective obligations under the rules and procedures governing their operations or the arrangements referred to above.

EXPERTS

Frost & Sullivan has given and has not withdrawn their written consent to the issue of this document with the inclusion herein of their name and their write-ups, statements and reports in the form and context in which they appear in this document. The above-mentioned write-ups, statements and reports were prepared for the purpose of incorporation in this document.

None of the experts named in this document:

- is employed on a contingent basis by the Company or any member of the Group;
- has a material interest, whether direct or indirect, in the Shares or the shares or equity interests of any member of the Group; or
- has a material economic interest, whether direct or indirect, in the Company, including an interest in the success of the Offering.

SUBSCRIPTION AND SALE

The Issuer has entered into the Subscription Agreement, pursuant to which, and subject to certain conditions contained therein, the Issuer agreed to sell to the Sole Lead Manager, and the Sole Lead Manager agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the aggregate principal amount of the Securities. In addition, the Issuer has agreed with the Sole Lead Manager that the Issuer will pay a commission to certain private banks in connection with the distribution of the Securities to their clients. This commission will be based on the principal amount of the Securities so distributed, and may be deducted from the purchase price for the Securities payable by such private banks upon settlement.

Any subsequent sale of the Securities to investors may be at a price different from the Issue Price.

The Subscription Agreement provides that the Issuer will indemnify the Sole Lead Manager against certain liabilities in connection with the offer and sale of the Securities.

The Subscription Agreement provides that the obligations of the Sole Lead Manager is subject to certain conditions precedent, and entitles the Sole Lead Manager to terminate it in certain circumstances prior to payment being made to the Issuer.

The Sole Lead Manager and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Sole Lead Manager and its affiliates have, from time to time, performed, and may in the future perform, various lending, financial advisory and investment banking services for the Issuer and/or the Group and their related parties, for which the Sole Lead Manager and its affiliates received or will receive customary fees and expenses. Among other such services, the Sole Lead Manager was an arranger of certain loan facilities to various members of the SIN Capital Group. In addition, the Sole Lead Manager was a joint bookrunner for the Company's suspended initial public offering in 2016.

The Sole Lead Manager and its affiliates may purchase the Securities and be allocated the Securities for asset management and/or proprietary purposes but not with a view to distribution. In the ordinary course of its various business activities, the Sole Lead Manager and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer.

The distribution of this offering circular or any offering material and the offering, sale or delivery of the Securities is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this offering circular or any offering material are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This offering circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorized.

General

No action has been taken by the Sole Lead Manager that would permit a public offering of the Securities, or possession or distribution of the offering circular or any other offering or publicity material relating to the Securities, in any country or jurisdiction where action for that purpose is required. The Sole Lead Manager agree that it will, to the best of its knowledge and belief, comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Securities or has in its possession or distributes the offering circular.

Any person who may be in doubt as to the restrictions set out in the SFA or the laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers the Securities or any interest therein or rights in respect thereof and the consequences arising from a contravention thereof should consult his own professional advisers and should make his own inquiries as to the laws, regulations and directives in force or applicable in any particular jurisdiction at any relevant time.

United States

The Securities have not been and will not be registered under the Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Securities are being offered and sold only outside the United States in reliance on Regulation S.

None of the Sole Lead Manager, its affiliates, or any persons acting on its behalf, have engaged or will engage in any “directed selling efforts” (as defined in Regulation S) with respect to the Securities, and the Sole Lead Manager, its affiliates and persons acting on its or their behalf, have complied with and will comply with the offering restrictions requirement of Regulation S.

United Kingdom

The Sole Lead Manager has represented and agreed that:

- (a) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

European Economic Area—Public Offer Selling Restrictions under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), the Sole Lead Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of the Securities which are the subject of the offering contemplated by the Offering Circulars to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

- (a) **Qualified investors:** at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive; or
- (b) **Fewer than 150 offerees:** at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the Sole Lead Manager nominated by the Issuer for any such offer; or
- (c) **Other exempt offers:** at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the Securities referred to in (a) to (c) above shall require the Issuer or the Sole Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression “an offer of the Securities” to the public in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (as amended by Directive 2010/73/EU) and includes any relevant implementing measure in the Relevant Member State.

Hong Kong

The Sole Lead Manager has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in SFO and any rules made under the SFO.

Singapore

The Sole Lead Manager has acknowledged that the Offering Circular has not been registered as a prospectus with the MAS. Accordingly, the Sole Lead Manager has represented and agreed that it has not offered or sold any Securities or caused the any Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the Offering Circulars or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Securities are subscribed or purchased under Section 275 of the SFA by a relevant person

which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Japan

The Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended (the “FIEA”). Accordingly, the Sole Lead Manager has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Securities in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan.

Cayman Islands

No offer or invitation, whether directly or indirectly, may be made to the public in the Cayman Islands to subscribe for the Securities and no such invitation is made hereby. The Sole Lead Manager has represented, warranted and undertaken that the public in the Cayman Islands will not be invited to subscribe for the Securities.

INDEPENDENT AUDITORS AND REPORTING ACCOUNTANTS

Our audited consolidated financial statements for the years ended December 31, 2014, 2015 and 2016 have been audited by Deloitte & Touche LLP, Public Accountants and Chartered Accountants Singapore, as stated in their report appearing herein.

LEGAL MATTERS

Certain legal matters as to English law will be passed upon by Latham & Watkins LLP, legal counsel to the Issuer and Allen & Overy LLP, legal counsel to the Sole Lead Manager.

GENERAL INFORMATION

1. **Listing of the Securities:** Approval-in-principle has been obtained from the SGX-ST for the listing and quotation of the Securities on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the accuracy of any of the statements made or opinions or reports contained in this document. Admission of the Securities to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Issuer or the Securities. The Securities will be traded on the SGX-ST in a minimum board lot size of US\$200,000 for so long as such Securities are listed on the SGX-ST and the rules of the SGX-ST so require.
2. **Paying Agent:** So long as the Securities are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where such Securities may be presented or surrendered for payment or redemption, in the event that the Global Certificate representing the Securities is exchanged for definitive certificates. In addition, an announcement of such exchange will be made through the SGX-ST. Such announcement will include all material information with respect to the delivery of the definitive certificates or, as the case may be, certificates including details of the paying agent in Singapore.
3. **Clearing Systems:** The Securities are expected to be accepted for clearance through Euroclear and Clearstream.
4. **Authorizations:** The Issuer has obtained all necessary consents, approvals and authorizations in connection with the issue and performance of the Securities. The issue of the Securities was authorized by resolutions of the board of directors of the Issuer on March 25, 2017.
5. **Litigation:** None of the Issuer or any member of the Group is involved in any litigation or arbitration proceedings that the Issuer believes are material in the context of the Securities nor is the Issuer aware that any such proceedings are pending or threatened.
6. **No Material Adverse Change:** There has been no material adverse change in the business operations, financial condition, results of operation, cashflow or prospects of the Issuer or the Group since December 31, 2016.
7. **Available Documents:** Copies of the following documents are available for inspection at the principal place of business of the Issuer at 108 Robinson Road, #09-02 Finexis Building, Singapore 068900, during normal business hours upon prior written request for so long as any of the Securities are outstanding:
 - (a) the Memorandum and Articles of Association of the Issuer;
 - (b) the Trust Deed;
 - (c) the Agency Agreement; and
 - (d) the report titled “Independent Auditor’s Report and the Consolidated Financial Statements for the Years Ended December 31, 2014, 2015 and 2016” as set out in Appendix A of this document.

GLOSSARY

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| % or “per cent.” | : Per centum or percentage |
| “2014 Acquisitions” | : Tirta, Mediceck, H&C, HCP and Emerald Medical Pty Ltd. |
| “2015 Acquisitions” | : RadLink, the HMMP Entities, UrbanRehab Private Limited, Citizens Ambulance & Services Pte. Ltd., Comfort Ambulance & Services Pte. Ltd., Integrated Health Plans Pte Ltd, Advantage Health Benefits Pte. Ltd., Corporate Health Services Pte. Ltd., Corporate Outsource Services Sdn Bhd, TVGSC, the GAH Entities, GJ Medical Clinic, Baseline Group (Personnel) Pty Ltd, Physio Direct Pty Ltd, Top End Physiotherapy and Sports Clinic Pty Ltd and The Trustee for Nirmalendran Family Trust Pty Ltd |
| “2016 Acquisitions” | : Orchard Heart Specialist Pte Ltd, AME Ambulance Services Pte. Ltd., TCKL and PT JLT Gesa |
| “2016 ECEG” | : The 2016 edition of the Singapore Medical Council’s Ethical Code and Ethical Guidelines |
| “2021 Bonds” | : S\$50,000,000 2.45 per cent. Senior Unsecured Guaranteed Bonds due 2021 |
| “2023 Bonds” | : S\$50,000,000 2.75 per cent. Senior Unsecured Guaranteed Bonds due 2023 |
| “Accounting Standards Council” | : The council responsible for the formulation and promulgation of accounting standards and interpretations of the Singapore Financial Reporting Standards |
| “Accountholder” | : Each person who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as entitled to a particular principal amount of the Securities |
| “affiliate” | : With respect to any person, any other person directly or indirectly controlling, controlled by, or under common control with, such person |
| “Agents” | : The Registrar, the Principal Paying Agent, the other Paying Agents, the Transfer Agents and the Calculation Agent, as defined elsewhere in this offering circular |
| “A.M. Pharmacy” | : A.M. Pharmacy Pte Ltd. |
| “Articles of Association” | : The articles of association of our Company |
| “Audit and Risk Committee” | : The audit and risk committee of our Company as of the date of this document, unless otherwise stated |
| “BNM” | : Bank Negara Malaysia (the Central Bank of Malaysia) |
| “Board” | : The board of Directors of our Company as of the date of this document, unless otherwise stated |
| “Bonds” | : The 2021 Bonds and 2023 Bonds |
| “CAGR” | : Compound Annual Growth Rate |
| “Cayman Islands Companies Law” | : The Companies Law of the Cayman Islands (as amended) |
| “CGIF” | : The Credit Guarantee and Investment Facility |
| “CGU” | : Cash-generating-units |
| “China” | : People’s Republic of China |
| “CITIC” | : An affiliate of CITIC Capital Partners Management Limited |
| “Clearing Systems” | : Euroclear and Clearstream |

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| “Clearstream” or “Clearstream, Luxembourg” | : Clearstream Banking, S.A. |
| “Company” | : Fullerton Healthcare Corporation Limited |
| “Companies Ordinance” | : Companies Ordinance (Cap. 622 of the Law of Hong Kong) |
| “CT” | : Computed tomography |
| “Currency Law” | : Law No. 7 of 2011 |
| “C(WUMPO)” | : Companies (Winding UP and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong |
| “Directors” | : The directors of our Company as of the date of this document, unless otherwise stated |
| “EBITDA” | : Earnings before finance cost, taxes, depreciation, amortization, share-based compensation, transaction costs from acquisitions of investments & post-acquisition integration expenses and listing expenses, acquisition break fee and performance stock grant to the co-founders |
| “EBITDA Margin” | : A non-IFRS measure calculated by dividing EBITDA by revenue |
| “Executive Directors” | : The executive Directors of our Company as of the date of this document, unless otherwise stated |
| “Executive Officers” | : The executive officers of our Company as of the date of this document, unless otherwise stated |
| “Euroclear” | : Euroclear Bank SA/NV |
| “Exit Event” | : An initial public offering or sale of all or substantially all of the shares or assets of Fullerton China resulting in CITIC and/or its permitted affiliated transferees achieving at least 1.8 times, of its investment amount into the Class B shares in Fullerton China |
| “FHC Event” | : Either (a) the completion of the listing of a class or classes of shares in the Company, under certain specified circumstances; or (b) the completion of a sale of any class or classes of shares in the Company where such sale generates an agreed amount of proceeds for the Company |
| “FHC Class B Subscription Date” | : The date falling 24 months after FHCL Completion |
| “FHCL Completion” | : The completion of the subscriptions of securities in Fullerton China described in the section of this Offering Circular entitled “ <i>Business—Recent Developments—Subscription for Securities in Fullerton Health China Limited</i> ” |
| “FHFIL” | : Fullerton Health Foundation International Limited |
| “FHG” | : Fullerton Healthcare Group Pte. Limited |
| “FHGC” | : FHC (Greater China) Private Limited |
| “FHG CIP” | : Fullerton Healthcare Group Pte. Limited Co-Investment Plan |
| “FHG Plans” | : FHG SOP and the FHG RSP |
| “FHG RSP” | : Fullerton Healthcare Group Pte. Limited Restricted Share Plan |
| “FHG SOP” | : Fullerton Healthcare Group Pte. Limited Share Option Plan |

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| “FHG Preference Shares” | : Redeemable convertible preference shares in the capital of FHG |
| “FHHK” | : Fullerton Healthcare (Hong Kong) Private Limited |
| “FIEA” | : Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended |
| “Financial Sector Incentive (Capital Market) Company” | : A company approved as such by the Minister or such person as he may appoint, as defined in the ITA |
| “Financial Sector Incentive (Standard Tier) Company” | : A company approved as such by the Minister or such person as he may appoint, as defined in the ITA |
| “Financial Sector Incentive (Bond Market) Company” | : A company approved as such by the Minister or such person as he may appoint, as defined in the ITA |
| “Fixed Return Valuation” | : A valuation of Fullerton China that will result in CITIC achieving at least 1.8 times their investment amount into the Class B shares |
| “Frost & Sullivan” | : Frost & Sullivan (Singapore) Pte Ltd |
| “FRS 39” | : Singapore Financial Reporting Standard 39 |
| “FRS 39 Circular” | : Income Tax Implications Arising from the Adoption of FRS 39—Financial Instruments: Recognition and Measurement, as issued by the IRA |
| “FSMA” | : Financial Services and Markets Act 2000 |
| “Fullerton Aetas” | : Fullerton Aetas Limited |
| “Fullerton Business Systems” | : Our post-acquisition business integration processes |
| “Fullerton China” | : Fullerton Health China Limited |
| “Fullerton Health Corporate Services” | : Fullerton Health Corporate Services (Aust) Pty Ltd (formerly known as Corporate Services Network Pty Ltd) |
| “Fullerton Network” | : Our global network of healthcare facilities |
| “GAH Entities” | : Global Assistance & Healthcare (Singapore) Pte. Ltd., Global Assistance & Healthcare Holdings Pte. Ltd., PT GAH and PT GAM |
| “Gethin-Jones” | : Gethin-Jones Medical Practice Pte. Limited |
| “GFA” | : Gross floor area |
| “Grace Healthcare” | : Grace Healthcare Investments Limited |
| “Group” | : Our Company and its subsidiaries |
| “Group Chief Executive Officer” | : The chief executive officer of our Company as of the date of this document, unless otherwise stated |
| “Group Chief Financial Officer” | : The chief financial officer of our Company as of the date of this document, unless otherwise stated |
| “Group Finance Manager” | : The group finance manager of our Company as of the date of this document, unless otherwise stated |

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| “Guideline H3(7)” | : Guideline H3(7) of the 2016 ECEG |
| “H&C” | : Drs Horne & Chin Pte. Ltd. |
| “HCP” | : H C P Pte. Ltd. |
| “Hesed Healthcare” | : Hesed Healthcare Investments Limited |
| “HMMP Entities” | : Health Maintenance Medical Practice Limited, Health Maintenance Management Services Limited, HMMP (Dental) Limited, Health Maintenance Dentalcare Limited and HM Investment Holding Limited |
| “Hong Kong” | : The Hong Kong Special Administrative Region of China |
| “IFRS” | : International Financial Reporting Standards, as issued by the International Accounting Standards Board |
| “Indonesian Parliament” | : The Indonesian House of Representatives |
| “Income Tax Act” | : Income Tax Act, Chapter 134 of Singapore |
| “Independent Auditors” | : Deloitte & Touche LLP |
| “Independent Director” | : An “independent” director for the purposes of the Code is one who has no relationship with our Company, its related companies or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director’s independent business judgment with a view to the best interests of our Company |
| “Initial Singapore Business” | : FHG, Gethin-Jones and THD |
| “Initial Subscription” | : The initial subscription for 20.0% of the Class B shares of SC Aetas Cayman by Fullerton Aetas |
| “Inland Revenue Ordinance” | : Inland Revenue Ordinance (Cap. 112 of the Laws of Hong Kong) |
| “Investment Law” | : Law No. 25 of 2007 of Indonesia |
| “IRAS” | : Inland Revenue Authority of Singapore |
| “Isaac Healthcare” | : Isaac Healthcare Investments Limited |
| “Issuer” | : Fullerton Healthcare Corporation Limited |
| “ITA” | : Income Tax Act, Chapter 134 of Singapore |
| “JCI” | : Joint Commission International |
| “Jobfit” | : Jobfit Medical Services Pty Ltd |
| “Jobfit Group” | : Jobfit and its subsidiaries |
| “MAS” | : The Monetary Authority of Singapore |
| “Managing Director” | : The managing director of our Company as of the date of this document, unless otherwise stated |
| “MBMS” | : Medical benefits management services |
| “support staff” | : Nurses, clinical assistants, medical records officers and other operational staff in medical clinics |

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| “medical professionals” | : General practitioners, specialist doctors and allied healthcare professionals (including dentists, audiologists, clinical psychologists, dietitians, occupational therapists, physiotherapists, podiatrists, prosthetists, orthotists, radiation therapists, radiographers, speech-language therapists and other healthcare professionals) |
| “Medicheck” | : Medicheck Australia Pty Ltd |
| “Ministry of Health” | : The Ministry of Health, Singapore |
| “MRI” | : Magnetic resonance imaging |
| “Nominating Committee” | : The nominating committee of our Company as of the date of this document, unless otherwise stated |
| “Non-Executive Director” | : The non-executive Director of our company as of the date of this document, unless otherwise stated |
| “Offering” | : The offering of the Securities |
| “panel healthcare providers” | : The independent hospitals, medical centers and healthcare facilities with whom we have entered into panel management arrangements |
| “Permitted Strategic Investor Payment” | : Has the meaning set out in Condition 5.1(c) of the Terms and Conditions |
| “PET” | : positron emission tomography |
| “PMA Company” | : <i>Penanaman Modal Asing</i> Company |
| “Pre-IPO FHC RSP” | : The Fullerton Healthcare Corporation Limited Pre-IPO Restricted Share Plan adopted on September 13, 2016 |
| “Pre-IPO FHC SOP” | : The Fullerton Healthcare Corporation Limited Pre-IPO Share Option Plan adopted on September 13, 2016 |
| “Prospectus Directive” | : Directive 2003/71/EC (as amended by Directive 2010/73/EU) and includes any relevant implementing measure in the Relevant Member State |
| “Put Option Date” | : The date falling on the fifth anniversary of FHCL Completion |
| “Put Option Shares” | : Class B shares in Fullerton China subscribed and held by CITIC and/or its permitted affiliated transferees |
| “PT GAH” | : PT Global Assistance & Healthcare |
| “PT GAM” | : PT Global Asistensi Medika |
| “Qualifying Income” | : Has the meaning set out in the section “ <i>Taxation—Singapore Taxation</i> ” |
| “RadLink” | : RadLink-Asia Pte Ltd |
| “Regulation S” | : Regulation S under the Securities Act |
| “Reimbursement and Indemnity Agreement” | : The reimbursement and indemnity agreement dated July 7, 2016 that the Company entered into with CGIF in connection with our Bonds |
| “Relevant Accounting Standard” | : The International Financial Reporting Standards as amended from time to time or any other accounting standards that may replace those accounting standards for the purposes of the consolidated financial statements of the Issuer |
| “Relevant Member State” | : Each member state of the European Economic Area which has implemented the Prospectus Directive |

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| “Relevant Implementation Date” | : The date on which the Prospectus Directive is implemented in the Relevant Member State |
| “Remuneration Committee” | : The remuneration committee of our Company as of the date of this document, unless otherwise stated |
| “RIA Obligor” | : Our Company and FHG, Gethin-Jones, THD, A.M Pharmacy, H&C, HCP and Fullerton Health Australia Pty Ltd which have entered into the Reimbursement and Indemnity Agreement with CGIF |
| “Robinson Land” | : Robinson Land Pte Ltd |
| “S\$” or “Singapore dollars and cents” | : Singapore dollars and cents, the lawful currency of the Republic of Singapore |
| “Sarnano” | : Sarnano Limited |
| “SC Aetas Cayman” | : SC Aetas (Cayman) Limited |
| “SC China” | : SC China Health Holdings Ltd |
| “SCCL” | : SIN Capital (Cayman) Ltd |
| “SCCCL” | : SIN Capital (Cayman) Corporation Ltd |
| “SEBI 17/26” | : Bank Indonesia Circular Letter No. 17/26DSta dated October 15, 2015 |
| “Securities” | : The US\$175,000,000 senior perpetual capital securities issued by the Company |
| “Securities Account” | : Securities account maintained by a Depositor with Euroclear or Clearstream |
| “Securities Act” | : U.S. Securities Act of 1933, as amended |
| “Securityholders” | : Registered holder of Securities, except where the registered holder is Euroclear or Clearstream, the term “Securities” shall, in relation to such Securities, mean the Depositors whose Securities Accounts are credited with Securities |
| “Service Agreement” | : The service agreement between SIN Capital Group and the Company dated April 6, 2015 |
| “SFA” | : Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time |
| “SFO” | : The Securities and Futures Ordinance (Cap. 571) of Hong Kong |
| “SGX-ST” | : Singapore Exchange Securities Trading Limited |
| “Share Plans” | : The Pre-IPO FHC SOP 2016 and the Pre-IPO FHC RSP 2016 |
| “Shareholders” | : Registered holder of Shares, except where the registered holder is CDP, the term “Shareholders” of our Company shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares |
| “Shares” | : Ordinary shares in the capital of our Company |
| “SIN Capital Group” | : SIN Capital Group Pte. Ltd. |
| “SMEs” | : small- and medium-sized enterprises |
| “Sole Lead Manager” | : Credit Suisse (Singapore) Limited |
| “SRP” | : Singapore Radiopharmaceuticals Pte. Ltd. |
| “Step-Up Date” | : April 6, 2020 |

| | |
|---|---|
| “Strategic Investment” | : A proposed equity investment in our Company by the Strategic Investor |
| “Strategic Investor” | : A strategic investor with whom we are in discussions with relating to the Strategic Investment |
| “Substantial Shareholder” | : A person who has an interest or interests in one or more voting Shares, and the total votes attached to those Shares is not less than 5.0% of the total votes attached to all the Shares |
| “Taxes” | : Any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Cayman Islands or Singapore or any authority thereof or therein having power to tax |
| “TCKL” | : Dr. Tony Chun Kit Lee Medical Practice Limited |
| “Terms and Conditions” | : The terms and conditions of the Securities, as set out in <i>“Terms and Conditions of the Securities”</i> |
| “THD” | : Drs Trythall Hoy Davies (Pte) Ltd |
| “T.H.E. Fullerton Healthcare” | : T.H.E. Fullerton Healthcare Group Ltd |
| “Tirta” | : PT E-Tirta Medical Center |
| “Trustee” | : DB International Trust (Singapore) Limited |
| “TVGSC” | : The Vascular & General Surgery Center Pte. Ltd. |
| “United States” or “U.S.” | : United States of America |
| “URA” | : Urban Redevelopment Authority of Singapore |
| “US\$” or “U.S. dollars and cents” | : United States dollars and cents, the lawful currency of the United States |
| “Winding-up” | : Means bankruptcy, winding-up, liquidation or similar proceedings |

APPENDIX A
INDEPENDENT AUDITOR'S REPORT AND THE CONSOLIDATED FINANCIAL
STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2014, 2015, 2016

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**INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF
FULLERTON HEALTHCARE CORPORATION LIMITED**

Report on the Financial Statements

Opinion

We have audited the consolidated financial statements of Fullerton Healthcare Corporation Limited (the “Company”) and its subsidiaries (the “Group”) which comprise the consolidated statements of financial position as at 31 December 2016, 2015 and 2014, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the financial years ended 31 December 2016, 2015 and 2014, and notes to the consolidated financial statements, including a summary of significant accounting policies, as set out on pages A-5 to A-81.

In our opinion, the accompanying consolidated financial statements of the Group are properly drawn up in accordance with International Financial Reporting Standards (“IFRSs”) so as to give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, 2015 and 2014, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for each of the financial years ended 31 December 2016, 2015 and 2014.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountant’s Code of Ethics for Professional Accountants (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’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 Group or to cease operations, or has no realistic alternative but to do so.

The directors’ responsibilities include overseeing the Group’s financial reporting process.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FULLERTON HEALTHCARE CORPORATION LIMITED**

Auditor's Responsibilities for the Audit of Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 ISAs 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 consolidated financial statements.

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

- a) Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FULLERTON HEALTHCARE CORPORATION LIMITED**

We communicate with those charged with governance 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.

Restriction on Distribution and Use

This report is made solely to you for inclusion in the Offering Circular in connection with the proposed issue of senior perpetual securities on the Main Board of Singapore Exchange Securities Trading Limited and for no other purpose. We do not assume responsibility towards or accept any liability to any other person for the content of this report.

Public Accountants and
Chartered Accountants
Singapore

Chua How Kiat
Partner

24 March 2017

**FULLERTON HEALTHCARE CORPORATION LIMITED
AND ITS SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 31 December 2014, 2015 and 2016

| | | Group | | |
|-----------------------------------|-------|------------------------------|------------------------------|------------------------------|
| | Note | 2016 \$'000 | 2015 \$'000 | 2014 \$'000 |
| ASSETS | | | | |
| Current assets | | | | |
| Cash and bank deposits | 9 | 19,829 | 38,082 | 22,341 |
| Trade and other receivables | 10 | 97,754 | 69,404 | 34,914 |
| Inventories | 11 | 2,623 | 2,003 | 1,629 |
| Other current assets | 12 | 11,693 | 25,548 | 4,886 |
| | | <u>131,899</u> | <u>135,037</u> | <u>63,770</u> |
| Non-current assets | | | | |
| Property, plant and equipment | 13 | 63,096 | 41,440 | 22,119 |
| Goodwill | 14(a) | 262,242 | 232,731 | 82,547 |
| Intangible assets | 14(b) | 24,905 | 32,275 | 19,609 |
| Investment in associate | 15(b) | 483 | 469 | 110 |
| Other assets | | 388 | 388 | 325 |
| Deferred tax assets | 7 | 875 | - | - |
| | | <u>351,989</u> | <u>307,303</u> | <u>124,710</u> |
| Total assets | | <u>483,888</u> | <u>442,340</u> | <u>188,480</u> |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Trade and other payables | 16 | 96,992 | 78,774 | 27,167 |
| Current income tax liabilities | | 5,542 | 3,831 | 2,604 |
| Finance lease liabilities | 17 | 21 | 8,155 | 37 |
| Bank borrowings | 18 | 43,813 | 98,331 | 5,750 |
| | | <u>146,368</u> | <u>189,091</u> | <u>35,558</u> |
| Non-current liabilities | | | | |
| Bank borrowings | 18 | 12,687 | 26,501 | 5,487 |
| Finance lease liabilities | 17 | 36 | 8 | 31 |
| Deferred income tax liabilities | 7 | 5,783 | 9,166 | 4,937 |
| Other Long term liabilities | 19 | 9,566 | 1,993 | 61 |
| Senior unsecured guaranteed bonds | 20 | 97,843 | - | - |
| | | <u>125,915</u> | <u>37,668</u> | <u>10,516</u> |
| Total liabilities | | <u>272,283</u> | <u>226,759</u> | <u>46,074</u> |
| NET ASSETS | | <u>211,605</u> | <u>215,581</u> | <u>142,406</u> |
| EQUITY | | | | |
| Share capital and share premium | 21(a) | 253,321 | 210,873 | 140,162 |
| Share option reserve | 21(b) | 8,476 | 11,673 | 3,077 |
| Currency translation reserve | | (961) | (5,088) | (3,896) |
| Other reserves | 21(c) | (19,572) | - | - |
| Accumulated losses | | (36,054) | (11,880) | 102 |
| | | <u>205,210</u> | <u>205,578</u> | <u>139,445</u> |
| Non-controlling interests | | 6,395 | 10,003 | 2,961 |
| Total equity | | <u>211,605</u> | <u>215,581</u> | <u>142,406</u> |

The accompanying notes form an integral part of these financial statements.

**FULLERTON HEALTHCARE CORPORATION LIMITED
AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the financial years ended 31 December 2014, 2015 and 2016**

| | | Group | | |
|--|-------|------------------------|------------------------|------------------------|
| | Note | 2016 \$'000 | 2015 \$'000 | 2014 \$'000 |
| Revenue | 4 | 302,339 | 240,589 | 163,775 |
| Other income | 4 | 4,571 | 3,259 | 847 |
| Expenses | | | | |
| - Purchase of inventories, net of changes | | (41,190) | (27,423) | (17,282) |
| - Cost of outsourced medical consultations | | (106,423) | (91,611) | (64,234) |
| - Employee compensation | 5 | (76,295) | (64,684) | (43,027) |
| - Rental on operating leases | | (12,208) | (9,926) | (6,256) |
| - Professional fees | | (1,343) | (1,360) | (1,231) |
| - Repair and maintenance of equipment | | (1,539) | (1,477) | (375) |
| - Others | | (12,685) | (5,555) | (6,789) |
| | | <hr/> | <hr/> | <hr/> |
| Earnings before finance cost, taxes, depreciation, amortisation, share-based compensation, transaction costs from acquisitions of investments & post acquisition integration expenses and listing expenses, acquisition break fee and performance stock grant to the co-founders | | 55,227 | 41,812 | 25,428 |
| Depreciation of property, plant and equipment | 13 | (12,537) | (8,709) | (4,633) |
| Amortisation of intangible assets | 14(b) | (7,285) | (6,312) | (5,269) |
| Finance costs | 6 | (5,218) | (3,261) | (524) |
| Share-based compensation | 5 | (14,291) | (5,823) | (2,842) |
| Transaction costs from acquisitions of investments & post acquisition integration expenses and listing expenses | 8 | (32,990) | (15,637) | (8,336) |
| Acquisition break fee | | - | (6,609) | - |
| Performance stock grant to the co-founders | 5 | (1,260) | (2,773) | - |
| | | <hr/> | <hr/> | <hr/> |
| (Loss) Profit before income tax | | (18,354) | (7,312) | 3,824 |
| Income tax expense | 7(a) | (3,810) | (4,108) | (2,669) |
| (Loss) Profit for the year | | <hr/> | <hr/> | <hr/> |
| | | (22,164) | (11,420) | 1,155 |

**FULLERTON HEALTHCARE CORPORATION LIMITED
AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (cont'd)
For the financial years ended 31 December 2014, 2015 and 2016**

| | Note | 2016 \$'000 | 2015 \$'000 | 2014 \$'000 |
|--|------|-----------------|-----------------|----------------|
| (Loss) Profit for the year | | (22,164) | (11,420) | 1,155 |
| Other comprehensive income (loss) for the year, net of tax: | | | | |
| <i>Item that may be reclassified subsequently to profit or loss:</i> | | | | |
| Exchange differences on translation of foreign operations | | 4,485 | (1,575) | (3,205) |
| Total comprehensive loss for the year | | <u>(17,679)</u> | <u>(12,995)</u> | <u>(2,050)</u> |
| (Loss) Profit attributable to: | | | | |
| Owners of the Company | | (24,174) | (12,409) | 1,764 |
| Non-controlling interests | | 2,010 | 989 | (609) |
| | | <u>(22,164)</u> | <u>(11,420)</u> | <u>1,155</u> |
| Total comprehensive (loss) income attributable to: | | | | |
| Owners of the Company | | (20,047) | (13,601) | (1,441) |
| Non-controlling interests | | 2,368 | 606 | (609) |
| | | <u>(17,679)</u> | <u>(12,995)</u> | <u>(2,050)</u> |

The accompanying notes form an integral part of these financial statements.

**FULLERTON HEALTHCARE CORPORATION LIMITED
AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the financial years ended 31 December 2014, 2015 and 2016**

| <u>Group</u> | <u>Note</u> | <u>Share capital</u> \$'000 | <u>Share premium</u> \$'000 | <u>Share option reserve</u> \$'000 | <u>Currency translation reserve</u> \$'000 | <u>Other reserves</u> \$'000 | <u>Accumulated Losses</u> \$'000 | <u>Total</u> \$'000 | <u>Non-controlling interests</u> \$'000 | <u>Total equity</u> \$'000 |
|--|-------------|--------------------------------|--------------------------------|---------------------------------------|---|---------------------------------|-------------------------------------|------------------------|--|-------------------------------|
| Balance at 1 January 2016 | | 215 | 210,658 | 11,673 | (5,088) | - | (11,880) | 205,578 | 10,003 | 215,581 |
| <i>Transactions with owners</i> | | | | | | | | | | |
| Conversion of redeemable convertible preference shares | 21(c) | - | 24,900 | - | - | (19,572) | - | 5,328 | (5,328) | - |
| Vesting and issuance of shares under Restricted Share Plan | 21(b)(ii) | - | 18,748 | (18,748) | - | - | - | - | - | - |
| Share option expense | 5, 21(b) | - | - | 15,551 | - | - | - | 15,551 | - | 15,551 |
| Acquisition of subsidiaries | 27 | - | - | - | - | - | - | - | 84 | 84 |
| Dividend paid to non-controlling interests | | - | - | - | - | - | - | - | (732) | (732) |
| Distribution to shareholders (Note A) | | - | (1,200) | - | - | - | - | (1,200) | - | (1,200) |
| <i>Total comprehensive (loss) income for the year</i> | | | | | | | | | | |
| Loss for the year | | - | - | - | - | - | (24,174) | (24,174) | 2,010 | (22,164) |
| Other comprehensive income for the year | | - | - | - | 4,127 | - | - | 4,127 | 358 | 4,485 |
| Total | | - | - | - | 4,127 | - | (24,174) | (20,047) | 2,368 | (17,679) |
| Balance at 31 December 2016 | | 215 | 253,106 | 8,476 | (961) | (19,572) | (36,054) | 205,210 | 6,395 | 211,605 |

Note A

On 30 March 2016, the Directors of the Company approved a distribution to the shareholders amounting to \$1.2 million from share premium account. In lieu of a cash payment of the distribution, the amount was applied to discharge the amounts due from shareholders of the same amount.

**FULLERTON HEALTHCARE CORPORATION LIMITED
AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (cont'd)
For the financial years ended 31 December 2014, 2015 and 2016**

| Group | Note | Share capital \$'000 | Share premium \$'000 | Share option reserve \$'000 | Currency translation reserve \$'000 | Retained profits/ (Accumulated Losses) \$'000 | Total \$'000 | Non-controlling interests \$'000 | Total equity \$'000 |
|---|----------|-------------------------|-------------------------|--------------------------------|--|---|-----------------|-------------------------------------|------------------------|
| Balance at 1 January 2015 | | 144 | 140,018 | 3,077 | (3,896) | 102 | 139,445 | 2,961 | 142,406 |
| <i>Transactions with owners</i> | | | | | | | | | |
| Issue of new shares | 21(a) | 71 | 70,640 | - | - | - | 70,711 | - | 70,711 |
| Proceeds from employee's co-investment plan | 21(c) | - | - | - | - | - | - | 5,328 | 5,328 |
| Share option expense | 5, 21(b) | - | - | 8,596 | - | - | 8,596 | - | 8,596 |
| Acquisition of subsidiaries | 27 | - | - | - | - | - | - | 980 | 980 |
| Dividend paid to non-controlling interests | | - | - | - | - | - | - | (112) | (112) |
| Adjustment to dividend from prior years | | - | - | - | - | 427 | 427 | (97) | 330 |
| Waiver of debt by non-controlling interest | | - | - | - | - | - | - | 337 | 337 |
| <i>Total comprehensive (loss) income for the year</i> | | | | | | | | | |
| (Loss) income for the year | | - | - | - | - | (12,409) | (12,409) | 989 | (11,420) |
| Other comprehensive loss for the year | | - | - | - | (1,192) | - | (1,192) | (383) | (1,575) |
| Total | | - | - | - | (1,192) | (12,409) | (13,601) | 606 | (12,995) |
| Balance at 31 December 2015 | | 215 | 210,658 | 11,673 | (5,088) | (11,880) | 205,578 | 10,003 | 215,581 |

**FULLERTON HEALTHCARE CORPORATION LIMITED
AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (cont'd)
For the financial years ended 31 December 2014, 2015 and 2016**

| Group | Note | Share capital \$'000 | Share premium \$'000 | Share option reserve \$'000 | Currency translation reserve \$'000 | Retained profits/ (Accumulated Losses) \$'000 | Total \$'000 | Non-controlling interests \$'000 | Total equity \$'000 |
|--|----------|-------------------------|-------------------------|--------------------------------|--|---|-----------------|-------------------------------------|------------------------|
| Balance at 1 January 2014 | | 42 | 111,980 | 235 | (691) | (1,235) | 110,331 | 2,999 | 113,330 |
| <i>Transactions with owners</i> | | | | | | | | | |
| Issue of new shares | 21(a) | 102 | 28,038 | - | - | - | 28,140 | - | 28,140 |
| Share option expense | 5, 21(b) | - | - | 2,842 | - | - | 2,842 | - | 2,842 |
| Acquisition of subsidiaries | 27 | - | - | - | - | - | - | 571 | 571 |
| Dividend paid | | - | - | - | - | (427) | (427) | - | (427) |
| <i>Total comprehensive income for the year</i> | | | | | | | | | |
| Profit for the year | | - | - | - | - | 1,764 | 1,764 | (609) | 1,155 |
| Other comprehensive loss for the year | | - | - | - | (3,205) | - | (3,205) | - | (3,205) |
| Total | | - | - | - | (3,205) | 1,764 | (1,441) | (609) | (2,050) |
| Balance at 31 December 2014 | | 144 | 140,018 | 3,077 | (3,896) | 102 | 139,445 | 2,961 | 142,406 |

**FULLERTON HEALTHCARE CORPORATION LIMITED
AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS
For the financial years ended 31 December 2014, 2015 and 2016**

| | Note | 2016 \$'000 | 2015 \$'000 | 2014 \$'000 |
|--|------|-----------------|------------------|-----------------|
| Cash flows from operating activities | | | | |
| Net (loss)/profit | | (22,164) | (11,420) | 1,155 |
| Adjustments for: | | | | |
| - Income tax expense | | 3,810 | 4,108 | 2,669 |
| - Share-based compensation | | 14,291 | 5,823 | 2,842 |
| - Performance stock grant to the co-founders | | 1,260 | 2,773 | - |
| - Allowance for doubtful receivables | | 438 | 181 | 358 |
| - Depreciation | | 12,537 | 8,709 | 4,633 |
| - Amortisation of intangible assets | | 7,285 | 6,312 | 5,269 |
| - Finance costs | | 5,218 | 3,261 | 524 |
| - Interest income | | (223) | (230) | (63) |
| - (Profit)/Loss on disposal of property, plant and equipment and sales leaseback arrangement (Note 4) | | (2,148) | (2,667) | 63 |
| - Transaction costs arising from acquisition of investments & post acquisition integration expenses and listing expenses | | 32,990 | 15,637 | 8,336 |
| - Acquisition break fee | | - | 6,609 | - |
| - Share of profits from associates | | (14) | - | - |
| | | <u>53,280</u> | <u>39,096</u> | <u>25,786</u> |
| Change in working capital: | | | | |
| - Trade and other receivables | | (22,666) | (5,467) | (4,836) |
| - Other current assets | | (1,954) | (2,639) | (2,930) |
| - Inventories | | (184) | (374) | (305) |
| - Trade and other payables | | 22,953 | 6,656 | (1,539) |
| Cash generated from operations | | <u>51,429</u> | <u>37,272</u> | <u>16,176</u> |
| Income tax paid | | <u>(5,188)</u> | <u>(6,297)</u> | <u>(2,304)</u> |
| Net cash provided by operating activities | | <u>46,241</u> | <u>30,975</u> | <u>13,872</u> |
| Cash flows from investing activities | | | | |
| Additions to property, plant and equipment (Note B) | | (35,647) | (11,531) | (10,873) |
| Investment in associate | | - | - | (110) |
| Pledged deposits received (paid) | | 6,392 | (577) | (6,622) |
| Interest received | | 223 | 230 | 63 |
| Deposit refunded (paid) for acquisition deals not completed | | 14,697 | (22,519) | - |
| Acquisition of subsidiaries, net of cash acquired (Note A) | | (29,180) | (161,037) | (22,268) |
| Transaction costs arising from acquisition of investments & certain post acquisition integration expenses and listing expenses | | <u>(31,708)</u> | <u>(14,412)</u> | <u>(8,336)</u> |
| Net cash used in investing activities | | <u>(75,223)</u> | <u>(209,846)</u> | <u>(48,146)</u> |
| Cash flows from financing activities | | | | |
| Interest paid | | (3,372) | (3,261) | (524) |
| Dividends paid to non-controlling interests | | (732) | (112) | (427) |
| Repayments of finance lease liabilities | | (8,128) | (268) | (402) |
| Proceeds from finance lease liabilities | | - | 8,050 | - |
| Repayment of bank borrowings | | (106,332) | (9,721) | (5,967) |
| Proceeds from bank borrowings | | 38,000 | 123,316 | 11,237 |
| Proceed from issue of shares | | - | 70,711 | 28,140 |
| Proceeds from employees co-investment plan | | - | 5,319 | - |
| Proceeds from issue of bond | | 100,000 | - | - |
| Cost of issuance of bond | | <u>(2,315)</u> | <u>-</u> | <u>-</u> |
| Net cash provided by financing activities | | <u>17,121</u> | <u>194,034</u> | <u>32,057</u> |
| Net (decrease) increase in cash and cash equivalents | | (11,861) | 15,163 | (2,217) |
| Cash and cash equivalents at beginning of the financial year | | 30,882 | 15,719 | 17,936 |
| Cash and cash equivalents at end of the financial year | 9 | <u>19,021</u> | <u>30,882</u> | <u>15,719</u> |

**FULLERTON HEALTHCARE CORPORATION LIMITED
AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS (cont'd)
For the financial years ended 31 December 2014, 2015 and 2016**

Note A

During the year, the Group paid a total of \$26,845,000 (2015: \$161,037,000, 2014: \$22,268,000) for the acquisition of subsidiaries of which \$15,412,000 (2015: \$161,037,000, 2014: \$22,268,000) relates to payment for current period acquisition of subsidiaries, and \$13,768,000 (2015 & 2014: \$Nil) relates to payment of payables due to vendors for acquisition of subsidiaries in prior years.

Note B

During the year, the Group acquired property, plant and equipment with an aggregate cost of \$32,721,000 (2015: \$14,568,000, 2014: \$10,873,000) of which \$111,000 (2015: \$3,037,000, 2014: \$Nil) remains accrued at year end.

The accompanying notes form an integral part of these financial statements.

**FULLERTON HEALTHCARE CORPORATION LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS
As at 31 December 2014, 2015 and 2016**

1. GENERAL INFORMATION

The Company is incorporated and domiciled in the Cayman Islands. Its principal place of business is at Finexis Building, 108 Robinson Rd, Singapore 068900. The address of its registered office is Grand Pavilion, Hibiscus Way, 802 West Bay Road, P.O. Box 31119, KY1-1205, Cayman Islands.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are the provision of enterprise healthcare services and specialty service. Enterprise healthcare services comprise primary care operations, executive health screening, occupational health services, medical benefits management services, a healthcare administrative toolkit that supplements other service offerings, and call centre services. Speciality services comprise medical diagnostic imaging services, medical specialist services, which currently includes cardiology and general surgery services, physiotherapy services, dental services and medical assistance and evacuation services.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

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 Group 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 consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are within the scope of IAS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

The preparation of financial statements in conformity with IFRS requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2016

On 1 January 2016, the Group adopted the new or amended IFRS that are mandatory for application from that date. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRS.

**FULLERTON HEALTHCARE CORPORATION LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS
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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.1 Basis of preparation (cont'd)

The adoption of these new or amended IFRS did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities.

In determining whether the Group is acting as a principal or agent in each of its contractual arrangements the Group considers the requirements of IAS 18 Revenue and the accompanying guidance to the Standard.

Under the majority of the Group's service agreements, the Group recognises revenue on a gross basis as:

- (a) the Group acts as the primary obligor in providing healthcare services; and
- (b) it has significant exposure to the risks and rewards associated with the rendering of these services.

In other service agreements whereby the Group operates as an agent, the Group recognises revenue on a net basis, being the net fee accruing to the Group.

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

Revenue from the sale of products is recognised when the Group has delivered the products to the customers, the customers have accepted the products and the collectability of the related receivables are reasonably assured.

Revenue is presented net of goods and services tax, rebates and discounts.

Interest income is recognised using the effective interest method.

2.3 Group accounting

(a) *Subsidiaries*

(i) *Consolidation*

The consolidated financial statements incorporate the financial statements of the company and entities (including structured entities) controlled by the company and its subsidiaries. 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.

**FULLERTON HEALTHCARE CORPORATION LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS
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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Group accounting (cont'd)

(a) *Subsidiaries (cont'd)*

(i) *Consolidation (cont'd)*

The company reassesses whether or not it controls an investee if facts and circumstances indicate that 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.

Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the company gains control until the date when the company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the group's accounting policies.

**FULLERTON HEALTHCARE CORPORATION LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS
As at 31 December 2014, 2015 and 2016**

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Group accounting (cont'd)

(a) *Subsidiaries (cont'd)*

(ii) *Acquisition*

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets—Goodwill" for the subsequent accounting policy on goodwill.

(iii) *Disposals*

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in profit or loss.

**FULLERTON HEALTHCARE CORPORATION LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS
As at 31 December 2014, 2015 and 2016**

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Group accounting (cont'd)

(b) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

2.4 Employee compensation

(a) *Defined contribution plans*

The Group's contributions to defined contribution plans are recognised as employee compensation expense when the contributions are due, unless they can be capitalised as an asset.

(b) *Employee leave entitlement*

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

(c) *Share-based compensation*

The Group operates a share-based compensation plan. For equity-settled share-based compensation plan, the fair values of the employee services received in exchange for the grant of share options, performance shares and share appreciation rights on the ordinary shares are recognised as an expense with a corresponding increase in the share option reserve over the vesting period.

The total amount to be recognised over the vesting period is determined by reference to the fair values of the options, performance shares and share appreciation rights granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options and performance shares that are expected to become exercisable on the vesting date. At the end of each reporting period, the Group revises its estimates of the number of shares under options and performance shares that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

Share options are granted to directors and to employees with more than one year of service. When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to share capital account when new ordinary shares are issued, or to the "treasury shares" account when treasury shares are re-issued to the employees.

**FULLERTON HEALTHCARE CORPORATION LIMITED
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**NOTES TO FINANCIAL STATEMENTS
As at 31 December 2014, 2015 and 2016**

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Employee compensation (cont'd)

(c) *Share-based compensation* (cont'd)

Performance shares are granted to certain directors and employees. When the performance shares are released, the related balance previously recognised in the share option reserve is credited to share capital account, when new ordinary shares are issued, or to the treasury shares account, when treasury shares are re-issued to the employees.

For cash-settled share-based payments, the fair value of the employee services received in exchange for the grant of share options, performance shares and share appreciation rights is recognised as an expense in the income statement with a corresponding increase in the liability over the vesting period. Until the liability is settled, it is re-measured at each reporting date with changes in fair value recognised in profit or loss.

2.5 Leases

When the Group is the lessee

(a) *Finance leases*

Leases where the Group assumes substantially all the risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as plant and equipment and finance lease liabilities respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

(b) *Operating leases*

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

(c) *Sales and leaseback transactions*

For sale and leaseback transactions which result in a finance lease, the excess of sales proceeds over the carrying amount of property, plant and equipment is deferred and amortised over the lease term to profit or loss. If the fair value at the time of a sale and leaseback transaction is less than the carrying amount of the asset, a loss equal to the amount of the difference between the carrying amount and fair value shall be recognised immediately.

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**NOTES TO FINANCIAL STATEMENTS
As at 31 December 2014, 2015 and 2016**

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.5 Leases (cont'd)

(c) *Sales and leaseback transactions (cont'd)*

Gains and losses on sale and leaseback transactions established at fair value which resulted in operating leases are recognised immediately in the profit or loss.

2.6 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

2.7 Income taxes

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated 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 group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the company and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on the 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.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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 rates 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 group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

**FULLERTON HEALTHCARE CORPORATION LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS
As at 31 December 2014, 2015 and 2016**

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.7 Income taxes (cont'd)

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 group 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, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in-first-out basis and includes all costs in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of the business, less applicable variable selling price.

2.9 Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

| | <u>Useful lives</u> |
|--|---------------------|
| Office furniture, fittings and equipment | 1 to 20 years |
| Shop premises | 40 to 66.67 years |
| Renovation | 3 to 40 years |
| In-house software | 4 to 8 years |
| Motor vehicles | 4 to 5 years |

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

**FULLERTON HEALTHCARE CORPORATION LIMITED
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**NOTES TO FINANCIAL STATEMENTS
As at 31 December 2014, 2015 and 2016**

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.9 Property, plant and equipment (cont'd)

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life. During the financial period, the useful life of several medical equipment was revised, based on current market trend.

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

2.10 Intangible assets

(a) *Goodwill on acquisitions*

Goodwill on acquisitions of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired.

Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Gains and losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the entity sold.

(b) *Customer relationships, branding and book order*

Customer relationships, branding and book order acquired as part of business combinations are initially recognised at their fair values at the acquisition date and are subsequently carried at cost (i.e. the fair values at initial recognition) less accumulated amortisation and accumulated impairment losses.

These costs are amortised to profit or loss using the straight-line method over their estimated useful lives as follows:

| | <u>Useful lives</u> |
|------------------------|---------------------|
| Customer relationships | 3 to 5 years |
| Branding | 10 years |
| Book order | 3 years |

The amortisation period and amortisation method of intangible assets other than goodwill will be reviewed at least at the end of each reporting period. The effects of any revision of the amortisation period or amortisation method are included in profit or loss for the financial period in which the changes arise.

**FULLERTON HEALTHCARE CORPORATION LIMITED
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**NOTES TO FINANCIAL STATEMENTS
As at 31 December 2014, 2015 and 2016**

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Impairment of non-financial assets

(a) *Goodwill*

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) *Intangible assets*

Property, plant and equipment

Investments in subsidiaries and associates

Intangible assets, property, plant and equipment and investments in subsidiaries and associates are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed if, and 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. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

**FULLERTON HEALTHCARE CORPORATION LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS
As at 31 December 2014, 2015 and 2016**

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.12 Loans and receivables

Bank deposits

Trade and other receivables

Bank balances and trade and other receivables are initially recognised at their fair values plus transaction costs and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

The Group assesses at the end of each reporting period whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

These assets are presented as current assets except for those that are expected to be realised later than 12 months after the balance sheet which are presented as non-current assets.

2.13 Trade and other payables

Trade and other payables represent unpaid liabilities for goods and services provided to the Company prior to the end of financial year. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). If not, they are presented as noncurrent liabilities.

Trade and other payables are initially recognised at their fair values, and subsequently carried at amortised cost, using the effective interest method.

2.14 Contingent consideration

Consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement are measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity.

Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

**FULLERTON HEALTHCARE CORPORATION LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS
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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.15 Borrowings

Borrowings are initially recognised at 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 profit or loss over the period of the borrowing using the effective interest method.

Borrowing is presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the end of each reporting period.

2.16 Cash and cash equivalents

For the purpose of presentation in the cash flow statement, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts.

2.17 Currency translation

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

Transactions in currencies other than the entity’s functional currency are translated into Singapore Dollar using the exchange rates prevailing at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of each reporting period are recognised in profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.18 Fair value estimation of financial assets and liabilities

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts, due to their relatively short term maturities or that they bear market based interest rates.

2.19 Share capital

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

**FULLERTON HEALTHCARE CORPORATION LIMITED
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**NOTES TO FINANCIAL STATEMENTS
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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.20 Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group 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.

2.21 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”.

2.22 Segment Reporting

For management purposes, the Group is organised into operating segments based on their services and geographical regions which are managed by respective segment managers responsible for the performance of the respective segment under their charge. The segment or department managers report directly to the management of the Group who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates, assumptions and judgement concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions 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.

**FULLERTON HEALTHCARE CORPORATION LIMITED
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3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (cont'd)

(i) *Impairment of goodwill*

Goodwill is tested for impairment annually in accordance with the accounting policy stated in Note 2.11(a). The recoverable amount of the cash-generating unit is determined based on value-in-use calculation. The value-in-use calculation requires the Group to make an estimate of the expected future cash flows from the cash-generating units, taking into account of market evidence to support the key assumptions, where appropriate and also to use an appropriate discount rate to determine the present value of those cash flows. Details of the management's judgement and assumptions are disclosed in Note 14(a). Management expects that any reasonable change in the key assumptions on which the recoverable amounts are based would not cause the carrying amounts of goodwill to exceed their recoverable amounts.

(ii) *Customer relationships, branding and book order*

The valuation of the customer relationships, branding and book order are arrived at using the Income Approach. This approach requires an estimation of the expected future cash flows that will be generated and the appropriate discount rates applied to determine the present value of those cash flows. Details of the estimates used are disclosed in Note 14(b).

4. REVENUE AND OTHER INCOME

| | 2016 \$'000 | <u>Group</u> 2015 \$'000 | 2014 \$'000 |
|---|----------------|--------------------------------|----------------|
| Revenue from rendering of: | | | |
| - medical services | 158,869 | 123,900 | 77,200 |
| - medical benefits management schemes | 120,226 | 96,889 | 73,906 |
| - other services | 8,369 | 6,356 | 969 |
| Sale of goods | 14,875 | 13,444 | 11,700 |
| | <u>302,339</u> | <u>240,589</u> | <u>163,775</u> |
| Other income | | | |
| - Interest income on bank balances | 223 | 230 | 63 |
| - Rental income | 178 | - | 263 |
| - Gain on disposal of property, plant and equipment | 973 | - | - |
| - Gain on sale and leaseback of property, plant and equipment (Note 17) | 1,175 | 2,667 | - |
| - Others | 2,022 | 362 | 521 |
| | <u>4,571</u> | <u>3,259</u> | <u>847</u> |
| | <u>306,910</u> | <u>243,848</u> | <u>164,622</u> |

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5. EMPLOYEE COMPENSATION

| | 2016 \$'000 | <u>Group</u> 2015 \$'000 | 2014 \$'000 |
|---|----------------|--------------------------------|----------------|
| Wages and salaries | 66,184 | 58,929 | 38,591 |
| Employer's contribution to defined contribution plan including Central Provident Fund | 6,149 | 4,578 | 3,037 |
| Other staff benefits | 3,962 | 1,177 | 1,399 |
| | <u>76,295</u> | <u>64,684</u> | <u>43,027</u> |
| Share-based compensation (Note A) | 14,291 | 5,823 | 2,842 |
| Performance stock grant to the co-founders | 1,260 | 2,773 | - |
| | <u>91,846</u> | <u>73,280</u> | <u>45,869</u> |

Note A: In 2016, includes \$8,257,000 (2015: Nil, 2014: Nil) of accelerated share-based compensation expense due to the early vesting of employee share options and restricted shares (Note 21(b)(i) & (ii)).

6. FINANCE COSTS

| | 2016 \$'000 | <u>Group</u> 2015 \$'000 | 2014 \$'000 |
|---|----------------|--------------------------------|----------------|
| Interest expense: | | | |
| - Bank loans | 3,156 | 3,195 | 482 |
| - Bond (including amortisation of deferred financing charges) | 1,846 | - | - |
| - Finance lease liabilities | 216 | 66 | 42 |
| | <u>5,218</u> | <u>3,261</u> | <u>524</u> |

7. INCOME TAX

(a) Income tax expense

| | 2016 \$'000 | <u>Group</u> 2015 \$'000 | 2014 \$'000 |
|--|----------------|--------------------------------|----------------|
| Tax expense attributable to profit is made up of: | | | |
| Profit for current financial year | | | |
| - Current income tax | 5,406 | 4,327 | 2,696 |
| - Deferred income tax | (1,312) | (644) | (746) |
| | <u>4,094</u> | <u>3,683</u> | <u>1,950</u> |
| (Over) Under provision in the preceding financial years: | | | |
| - Current income tax | 1,366 | 425 | - |
| - Deferred income tax | (1,650) | - | 719 |
| | <u>3,810</u> | <u>4,108</u> | <u>2,669</u> |

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7. INCOME TAX (cont'd)

(a) Income tax expense (cont'd)

The tax on the results before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax, being the tax jurisdiction where the majority of the operations are residing, as follows:

| | 2016 | Group | 2014 |
|---|---------------|---------------|---------------|
| | \$'000 | 2015 | \$'000 |
| | | \$'000 | |
| (Loss) Profit before income tax | (18,354) | (7,312) | 3,824 |
| Tax credit (expense) calculated at a tax rate of 17% (2015 : 17%) | 3,120 | 1,244 | (650) |
| Effects of: | | | |
| - Different tax rates in other countries | (403) | 792 | (252) |
| - Income not subject to tax | 335 | 44 | 205 |
| - Statutory stepped income exemption | 472 | 160 | 156 |
| - Expenses not deductible for tax purposes | (8,311) | (5,950) | (2,710) |
| - Productivity and innovation credit | - | - | 92 |
| - Utilisation of previously unrecognised tax losses and utilisation of tax losses acquired on acquisition | 656 | 46 | 1,049 |
| - Corporate tax rebate | 397 | 88 | 180 |
| - Over (Under) provision of income taxes | 283 | (425) | (719) |
| - Others | (359) | (107) | (20) |
| Tax charge | (3,810) | (4,108) | (2,669) |

(b) Deferred income tax assets and liabilities

| | Group | | | |
|--|-------------------------------------|---|-------------------------------------|---------------------------------------|
| | <u>Accelerated tax depreciation</u> | <u>Unutilised capital allowances & tax losses</u> | <u>Accelerated tax amortisation</u> | <u>Total deferred tax liabilities</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| 2016 | | | | |
| Deferred tax liabilities | | | | |
| Beginning of financial year | 3,028 | 187 | 5,951 | 9,166 |
| Over provision in preceding financial year | (1,650) | - | - | (1,650) |
| Credit to profit or loss | (1,097) | - | (636) | (1,733) |
| End of financial year | 281 | 187 | 5,315 | 5,783 |

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7. INCOME TAX (cont'd)

(b) Deferred income tax assets and liabilities (cont'd)

| | Group | | | |
|--|---|---|---|---|
| | Accelerated tax depreciation \$'000 | Unutilised capital allowances & tax losses \$'000 | Accelerated tax amortisation \$'000 | Total deferred tax liabilities \$'000 |
| 2016 | | | | |
| Deferred tax assets | | | | |
| Beginning of financial year | - | - | - | - |
| Acquisition of subsidiaries (Note 27) | (695) | (601) | - | (1,296) |
| Deferred tax asset recognised from previous years unrecognised tax losses | - | (235) | - | (235) |
| Utilised during the year | - | 656 | - | 656 |
| End of financial year | (695) | (180) | - | (875) |
| 2015 | | | | |
| Deferred tax liabilities | | | | |
| Balance of financial year | 889 | 187 | 3,861 | 4,937 |
| Acquisition of subsidiaries (Note 27) | 1,297 | - | 3,576 | 4,873 |
| Charged (Credited) to profit or loss | 185 | - | (829) | (644) |
| End of financial year | 2,371 | 187 | 6,608 | 9,166 |
| 2014 | | | | |
| Balance of financial year | 836 | (404) | 5,804 | 6,236 |
| Acquisition of subsidiaries (Note 27) | - | - | 166 | 166 |
| Charged (Credited) to profit or loss | 53 | 591 | (1,390) | (746) |
| Under provision in prior year | - | - | (719) | (719) |
| End of financial year | 889 | 187 | 3,861 | 4,937 |

No liability has been recognised in respect of temporary differences associated with undistributed earnings of subsidiaries amounting to \$8,413,000 (2015: \$5,225,000, 2014: \$3,636,000) because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

As at the end of the financial year, the Group has the following tax losses carry forward which are available for offsetting against future taxable income:

| | 2016 \$'000 | 2015 \$'000 | 2014 \$'000 |
|---|------------------------|------------------------|------------------------|
| At beginning of the year/period | 1380 | 270 | 6,440 |
| Acquisition of subsidiaries | 5,184 | 1,380 | - |
| Amount (utilised) arising in current year | (3,064) | (270) | (6,170) |
| Amount at end of year | 3,500 | 1,380 | 270 |
| Deferred tax on above (2016: 25%, 2015 & 2014: 17%) | 875 | 235 | 270 |

Deferred tax asset of \$875,000 (2015 & 2014: Nil) has been recognised in the financial statements as it is probable that there will be future profit streams (2015 & 2014: due to unpredictability of future profit stream) to offset against taxable income.

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8. SEGMENT INFORMATION

8.1 Services from which reportable segments derive their revenues

Information reported to the chief operating decision maker for the purposes of the resource allocation and assessment of segment performance focuses on the types of services provided, and in respect of the ‘enterprise health services’ and ‘speciality services’ operations. The directors of the Company, who are the chief operating decision makers, have chosen to organise the Group around differences in services.

- Enterprise healthcare services segment comprises primary care operations, executive health screening, occupational health services, medical benefits management services (“MBMS”), a healthcare administrative toolkit that supplements and other service offerings, and call centre services.
- Speciality services segment comprises medical diagnostic imaging services, medical specialist services, which currently included cardiology and general surgery services, physiotherapy services, dental services and medical assistance and evacuation services.

The financial performance of the segments are principally evaluated with reference to earnings before finance cost, taxes, depreciation, amortisation, share option expense, transaction costs from acquisition of investments & post-acquisition integration expenses and listing expenses, acquisition break fee and performance stock grant to the co-founders (“EBITDA”) which is the net results of revenue less cost of goods sold and selling and administrative expenses plus share of income from associates.

Segment EBITDA represents earnings by each segment without the allocation of central costs like interest, depreciation, amortisation, share option expense, transaction costs from acquisition of investments & post-acquisition integration expenses and listing expenses. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment. No operating segments have been aggregated in arriving at the reportable segments of the Group.

The accounting policies of the reportable segments are the same as the Group’s accounting policies described in Note 2.

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8. SEGMENT INFORMATION (cont'd)

8.2 Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments.

| | Revenue | | | EBITDA | | |
|--|---------|---------|---------|-------------|-------------|-------------|
| | 2016 | 2015 | 2014 | 2016 | 2015 | 2014 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Enterprise Health Services | 238,684 | 193,315 | 148,338 | 33,578 | 26,940 | 22,361 |
| Speciality services | 65,688 | 48,421 | 15,437 | 21,649 | 14,872 | 3,067 |
| Inter-segment | (2,033) | (1,147) | - | - | - | - |
| Total from continuing operations | 302,339 | 240,589 | 163,775 | 55,227 | 41,812 | 25,428 |
| Depreciation of property, plant and equipment | | | | (12,537) | (8,709) | (4,633) |
| Amortisation of intangible assets | | | | (7,285) | (6,312) | (5,269) |
| Finance costs | | | | (5,218) | (3,261) | (524) |
| Share-based compensation | | | | (14,291) | (5,823) | (2,842) |
| Transaction cost from acquisition of investments & post acquisition integration expenses and listing expenses[1] | | | | (32,990) | (15,637) | (8,336) |
| Performance stock grant to the co-founders[2] | | | | (1,260) | (2,773) | - |
| Acquisition break fee[3] | | | | - | (6,609) | - |
| (Loss) Profit before income tax | | | | (18,354) | (7,312) | 3,824 |
| Income tax expense | | | | (3,810) | (4,108) | (2,669) |
| (Loss) Profit for the year | | | | (22,164) | (11,420) | 1,155 |
| [1] Consist primarily of: | | | | 2016 | 2015 | 2014 |
| Legal, due diligence expenses for acquisition of new investments of the group | | | | 20,943 | 7,036 | 6,609 |
| Fees paid relating to raising financing from institutional investors | | | | 13 | 1,967 | - |
| Legal, due diligence expenses for the preparation of listing of company on the exchange | | | | 9,164 | 321 | - |
| Post-merger integration expenses after the new subsidiaries that joined the group | | | | 2,870 | 5,088 | 1,727 |
| Write-off of amounts no longer recoverable from Non-controlling interest who joined the group in 2014 | | | | - | 1,225 | - |
| Total | | | | 32,990 | 15,637 | 8,336 |
| [2] This comprises a one time share issuance to the co-founders of the Company, as approved by the Board in 2015, charged over the vesting period. | | | | | | |
| [3] Consist of break fee for uncompleted acquisitions | | | | | | |

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8. SEGMENT INFORMATION (cont'd)

| | Depreciation & amortisation | | | Addition to non-current assets | | |
|----------------------------|-----------------------------|--------|--------|--------------------------------|--------|--------|
| | 2016 | 2015 | 2014 | 2016 | 2015 | 2014 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Enterprise Health Services | 14,373 | 10,778 | 9,140 | 17,871 | 10,468 | 10,786 |
| Speciality services | 5,449 | 4,243 | 762 | 14,850 | 4,100 | 87 |
| Total | 19,822 | 15,021 | 9,902 | 32,721 | 14,568 | 10,873 |

8.3 Other segment information

Secondary information reported to the chief operating decision maker for the purposes of the resource allocation and assessment of segment performance focuses on the regions where services are provided.

The following is the secondary analysis of the Group's revenue, and non-current assets by geographical segments.

| | Revenue | | | Non-current assets | | |
|--------------------|---------|---------|---------|--------------------|---------|---------|
| | 2016 | 2015 | 2014 | 2016 | 2015 | 2014 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Singapore | 192,958 | 156,767 | 105,095 | 272,646 | 245,081 | 62,956 |
| China | 27,840 | 23,897 | 1,690 | 17,981 | 4,037 | 4,992 |
| Indonesia | 19,113 | 15,146 | 3,822 | 2,307 | 2,126 | 1,574 |
| Australia | 62,428 | 44,779 | 53,168 | 58,180 | 56,059 | 55,188 |
| Consolidated Total | 302,339 | 240,589 | 163,775 | 351,114 | 307,303 | 124,710 |

8.4 Major Customer

Included in revenue arising from Enterprise Health Services are revenues of approximately \$55 million (2015: \$54 million; 2014: \$47 million) which arose from sales to one customer.

9. CASH AND BANK DEPOSITS

| | 2016 | Group | 2014 |
|--------------------------|---------------|---------------|---------------|
| | \$'000 | 2015 | \$'000 |
| | | \$'000 | \$'000 |
| Cash at bank and on hand | 17,756 | 29,935 | 15,719 |
| Fixed deposits | 2,073 | 8,147 | 6,622 |
| | <u>19,829</u> | <u>38,082</u> | <u>22,341</u> |

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9. CASH AND BANK DEPOSITS (cont'd)

For the purpose of presentation in the consolidated statements of cash flows, cash and cash equivalents comprise the following:

| | 2016 | Group | |
|---|---------------|---------------|---------------|
| | \$'000 | 2015 | 2014 |
| | | \$'000 | \$'000 |
| Cash and bank deposits | 19,829 | 38,082 | 22,341 |
| Less: Fixed deposits pledged with a bank | (808) | (7,200) | (6,622) |
| Cash and cash equivalents per statement of cash flows | <u>19,021</u> | <u>30,882</u> | <u>15,719</u> |

As at 31 December 2016, fixed deposits are pledged in relation to performance guarantee of contract customers of a subsidiary of the company.

As at 31 December 2015, fixed deposits are pledged in relation to the security granted for bank facilities to the Group, including the bank borrowings (Note 18) and performance guarantee of non-trade payable to predecessor shareholders of a subsidiary of the Company (Note 16).

No fixed deposits were pledged in 2014.

10. TRADE AND OTHER RECEIVABLES

| | 2016 | Group | |
|-----------------------------------|---------------|---------------|---------------|
| | \$'000 | 2015 | 2014 |
| | | \$'000 | \$'000 |
| Trade receivables | | | |
| - Third parties | 94,514 | 62,890 | 25,446 |
| - Associates | 92 | 91 | - |
| Less: Impairment allowance | (1,047) | (609) | (428) |
| Trade receivables- net | <u>93,559</u> | <u>62,372</u> | <u>25,018</u> |
| Amounts due from shareholders | - | 1,200 | 1,751 |
| Loan to non-controlling interests | - | - | 1,225 |
| Other receivables | 4,195 | 5,832 | 6,920 |
| | <u>97,754</u> | <u>69,404</u> | <u>34,914</u> |

The loan to non-controlling interests was unsecured, bore no interest and was written off during 2015.

In 2015 and 2014, the amounts due from shareholders were unsecured, bore no interest and were repayable on demand.

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11. INVENTORIES

| | 2016 | Group | 2014 |
|---|---------------|---------------|---------------|
| | \$'000 | 2015 | \$'000 |
| | | \$'000 | \$'000 |
| Pharmaceutical products and medical supplies held for resale, at cost | 2,623 | 2,003 | 1,629 |

12. OTHER CURRENT ASSETS

| | 2016 | Group | 2014 |
|---|---------------|---------------|---------------|
| | \$'000 | 2015 | \$'000 |
| | | \$'000 | \$'000 |
| Deposits for uncompleted acquisition (Note A) | - | 15,910 | - |
| Deposits | 5,630 | 3,312 | 1,947 |
| Prepayments | 2,487 | 1,501 | 2,939 |
| Others | 3,576 | 4,825 | - |
| | <u>11,693</u> | <u>25,548</u> | <u>4,886</u> |

At the end of each reporting period, the carrying amounts of deposits approximate their fair values.

Note A: In 2015, this was related to the refundable deposit made for an intended acquisition of a target in accordance with milestone payments as defined in the sales and purchase agreement. As required by the sales and purchase agreement, a deposit of \$13,521,000 out of the total deposit of \$22,519,000 was placed in an escrow account. Subsequently, both parties mutually agreed not to complete the transaction, for which a deposit amount equal to \$6,609,000 was not returned and expensed into the statement of comprehensive income.

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13. **PROPERTY, PLANT AND EQUIPMENT**

| Group | Office furniture, fittings and equipment \$'000 | Motor vehicles \$'000 | Shop premises \$'000 | Renovation \$'000 | In-house Software \$'000 | Total \$'000 |
|---------------------------------------|--|--------------------------------------|-------------------------------------|------------------------------|---|-------------------------|
| 2016 | | | | | | |
| <u>Cost</u> | | | | | | |
| Beginning of financial year | 38,444 | 791 | 317 | 13,481 | 2,764 | 55,797 |
| Currency translation differences | 942 | 48 | 66 | 338 | 107 | 1,501 |
| Additions | 25,499 | 436 | 87 | 5,026 | 1,673 | 32,721 |
| Acquisition of subsidiaries (Note 27) | 115 | 116 | 244 | 135 | - | 610 |
| Write-offs | (379) | - | - | - | - | (379) |
| Disposals | (66) | (76) | (2) | (4) | - | (148) |
| End of financial year | 64,555 | 1,315 | 712 | 18,976 | 4,544 | 90,102 |
| <u>Accumulated depreciation</u> | | | | | | |
| Beginning of financial year | 8,717 | 301 | 69 | 4,222 | 1,048 | 14,357 |
| Currency translation differences | 303 | 34 | 44 | 144 | 58 | 583 |
| Depreciation charge | 9,036 | 216 | 181 | 2,440 | 664 | 12,537 |
| Write-offs | (379) | - | - | - | - | (379) |
| Disposals | (22) | (70) | - | - | - | (92) |
| End of financial year | 17,655 | 481 | 294 | 6,806 | 1,770 | 27,006 |
| Net book value | | | | | | |
| End of financial year | 46,900 | 834 | 418 | 12,170 | 2,774 | 63,096 |

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13. PROPERTY, PLANT AND EQUIPMENT (cont'd)

| Group | Office furniture, fittings and equipment \$'000 | Motor vehicle \$'000 | Shop premises \$'000 | Renovation \$'000 | In-house Software \$'000 | Total \$'000 |
|---------------------------------------|--|-------------------------------------|-------------------------------------|------------------------------|---|-------------------------|
| 2015 | | | | | | |
| Cost | | | | | | |
| Beginning of financial year | 16,741 | 251 | 271 | 8,603 | 2,040 | 27,906 |
| Currency translation differences | (30) | (9) | - | 110 | (43) | 28 |
| Additions | 10,739 | 249 | - | 2,815 | 765 | 14,568 |
| Acquisition of subsidiaries (Note 27) | 12,271 | 300 | 46 | 1,114 | 2 | 13,733 |
| Write-offs | (438) | - | - | - | - | (438) |
| Reclassification | (839) | - | - | 839 | - | - |
| End of financial year | 38,444 | 791 | 317 | 13,481 | 2,764 | 55,797 |
| Accumulated depreciation | | | | | | |
| Beginning of financial year | 3,389 | 85 | 10 | 1,723 | 580 | 5,787 |
| Currency translation differences | (61) | (3) | - | 25 | (14) | (53) |
| Depreciation charge | 5,712 | 219 | 59 | 2,237 | 482 | 8,709 |
| Write-offs | (86) | - | - | - | - | (86) |
| Reclassification | (237) | - | - | 237 | - | - |
| End of financial year | 8,717 | 301 | 69 | 4,222 | 1,048 | 14,357 |
| Net book value | | | | | | |
| End of financial year | 29,727 | 490 | 248 | 9,259 | 1,716 | 41,440 |

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13. PROPERTY, PLANT AND EQUIPMENT (cont'd)

| Group | Office furniture, fittings and equipment | Motor vehicle | Shop premises | Renovation | In-house software | Total |
|---------------------------------------|---|--------------------------|--------------------------|-------------------|------------------------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 2014 | | | | | | |
| Cost | | | | | | |
| Beginning of financial period | 8,692 | 48 | 271 | 5,050 | 1,416 | 15,477 |
| Currency translation differences | 56 | 1 | - | 94 | - | 151 |
| Addition | 6,765 | 67 | - | 3,510 | 531 | 10,873 |
| Acquisition of subsidiaries (Note 27) | 1,389 | 135 | - | 50 | 93 | 1,667 |
| Disposals | (161) | - | - | (101) | - | (262) |
| End of financial year | 16,741 | 251 | 271 | 8,603 | 2,040 | 27,906 |
| Accumulated depreciation | | | | | | |
| Beginning of financial year | 744 | 12 | 5 | 434 | 170 | 1,365 |
| Currency translation differences | (21) | - | - | 16 | (7) | (12) |
| Depreciation charge | 2,791 | 73 | 5 | 1,347 | 417 | 4,633 |
| Disposals | (125) | - | - | (74) | - | (199) |
| End of financial year | 3,389 | 85 | 10 | 1,723 | 580 | 5,787 |
| Net book value | | | | | | |
| End of financial year | 13,352 | 166 | 261 | 6,880 | 1,460 | 22,119 |

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13. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Group's obligation under finance leases (see Note 17) are secured by the lessor's title to the leased assets, which have a carrying value of \$128,000 (2015: \$11,092,000; 2014: \$Nil).

14. GOODWILL AND INTANGIBLE ASSETS

(a) Goodwill arising on consolidation

| | 2016 \$'000 | <u>Group</u> 2015 \$'000 | 2014 \$'000 |
|--|----------------|--------------------------------|----------------|
| <u>Cost and net book value</u> | | | |
| Beginning of financial year | 232,731 | 82,547 | 64,148 |
| Goodwill from the acquisition of subsidiaries (Note 27) | 25,654 | 149,189 | 20,535 |
| Currency translation differences | 3,857 | 995 | (2,136) |
| End of financial year | <u>262,242</u> | <u>232,731</u> | <u>82,547</u> |

Impairment tests for goodwill

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

Goodwill is allocated to the Group's subsidiaries which are also the cash-generating-units ("CGU"). The recoverable amount of the CGU was determined based on value-in-use calculations. These calculations require the use of estimates.

Inherent to the value-in-use calculations of goodwill are certain estimates and judgements, including management's plans and projections with regard to the Group's operations. Where additional information becomes available or where changes to management's strategies arise, the conclusion from impairment assessment of goodwill could change.

Cash flow projections used in the value-in-use calculations were determined by management covering a five-year period.

Key assumptions used for value-in-use calculations:

| | 2016 | 2015 | 2014 |
|--|----------------------|----------------------|----------------------|
| Annual growth rate for next five years | 1% to 28% | 4% to 26% | 3% to 36% |
| Terminal growth rate | 2% to 4% | 2% to 5% | 2% to 5% |
| Discount rates | <u>9.2% to 13.6%</u> | <u>9.6% to 14.9%</u> | <u>9.6% to 17.3%</u> |

The cash flow projections and gross margin were determined by management based on past performance, its expectations of the market development and planned operating strategies.

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14. GOODWILL AND INTANGIBLE ASSETS (cont'd)

(a) Goodwill arising on consolidation (cont'd)

The terminal growth rate is used to extrapolate cash flows beyond the budget period and does not exceed the long-term average growth rate for the country in which the respective CGU's operate. The discount rate used reflects specific risks relating to the CGUs.

Based on the impairment test performed by management, no impairment loss has been recognised as the recoverable amounts of the CGUs are higher than its carrying amount. Any reasonable change in the assumptions used in the cash flow projections will not result in an impairment of the goodwill.

(b) Customer relationship, branding and book order

| | <u>Group</u> | | | |
|----------------------------------|-------------------------------|-----------------|-------------------|---------------|
| | <u>Customer Relationships</u> | <u>Branding</u> | <u>Book Order</u> | <u>Total</u> |
| <u>2016</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> |
| <u>Cost</u> | | | | |
| Beginning of year | 38,399 | 6,797 | 489 | 45,685 |
| Currency translation differences | (85) | - | - | (85) |
| End of the financial year | <u>38,314</u> | <u>6,797</u> | <u>489</u> | <u>45,600</u> |
| <u>Accumulated amortisation</u> | | | | |
| Beginning of the financial year | 12,808 | 453 | 149 | 13,410 |
| Amortisation charge | 6,442 | 680 | 163 | 7,285 |
| End of financial year | <u>19,250</u> | <u>1,133</u> | <u>312</u> | <u>20,695</u> |
| Net book value | <u>19,064</u> | <u>5,664</u> | <u>177</u> | <u>24,905</u> |

| | <u>Group</u> | | | |
|---|-------------------------------|-----------------|-------------------|---------------|
| | <u>Customer Relationships</u> | <u>Branding</u> | <u>Book Order</u> | <u>Total</u> |
| <u>2015</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> |
| <u>Cost</u> | | | | |
| Beginning of year | 26,707 | - | - | 26,707 |
| Intangibles acquired on acquisition of subsidiaries (Note 27) | 11,358 | 6,797 | 489 | 18,644 |
| Currency translation differences | 334 | - | - | 334 |
| End of the financial year | <u>38,399</u> | <u>6,797</u> | <u>489</u> | <u>45,685</u> |
| <u>Accumulated amortisation</u> | | | | |
| Beginning of the financial year | 7,098 | - | - | 7,098 |
| Amortisation charge | 5,710 | 453 | 149 | 6,312 |
| End of financial year | <u>12,808</u> | <u>453</u> | <u>149</u> | <u>13,410</u> |
| Net book value | <u>25,591</u> | <u>6,344</u> | <u>340</u> | <u>32,275</u> |

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14. GOODWILL AND INTANGIBLE ASSETS (cont'd)
- (b) Customer relationship, branding and book order (cont'd)

| | <u>Group</u> |
|---|------------------------------|
| | <u>Customer Relationship</u> |
| | <u>\$'000</u> |
| 2014 | |
| <u>Cost</u> | |
| Beginning of year | 25,387 |
| Intangibles acquired on acquisition of subsidiaries (Note 27) | 1,538 |
| Currency translation differences | (218) |
| End of the financial year | <u>26,707</u> |
| <u>Accumulated amortisation</u> | |
| Beginning of the financial year | 1,829 |
| Amortisation charge | 5,269 |
| End of financial year | <u>7,098</u> |
| Net book value | <u>19,609</u> |

The valuations of the customer relationships, branding and book orders are arrived at using the Income Approach.

In determining their values under this approach, cash flow projections over the estimated useful lives of 3 to 5 years (2015: 3 to 5 years 2014: 3 to 5 years), prepared by management, are used and a discount rate applied to the projections. The discount rate used is post-tax and ranges from 9.2% to 13.6% (2015: 9.6% to 14.9% 2014: 9.6% to 17.3%) per annum and reflects specific risks relating to the relevant business operations.

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15. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

(a) Details of subsidiaries are as follows:

| <u>Name of subsidiary</u> | <u>Principal activities</u> | <u>Country of incorporation/ operation</u> | <u>Effective equity holding</u> | | |
|---|---|--|-------------------------------------|------------------|------------------|
| | | | <u>2016</u> % | <u>2015</u> % | <u>2014</u> % |
| Navitas | Holding company | Cayman | 100 | 100 | 100 |
| Primus Vista Holdings | Holding company | Cayman | 100 | 100 | - |
| Fullerton Health China Corporation Limited ⁽¹⁾ | Holding company | Cayman | 100 | - | - |
| Fullerton Healthcare Group Pte. Limited | Operating clinics and the provision of other general medical services | Singapore | 100 | 100 | 100 |
| Fullerton Assistance Pte. Ltd. | Holding company | Singapore | 100 | 100 | 100 |
| Fullerton Healthcare Australia Pty Ltd | Holding company | Australia | 93.6 | 93.6 | 93.6 |
| FHC (Greater China) Private Limited | Holding company | Hong Kong | 100 | 100 | - |
| FHI Holdings Limited | Holding company | Hong Kong | 100 | 100 | 100 |
| <u>Significant subsidiaries held by subsidiaries within the Group</u> | | | | | |
| SC Primus Holdings | Holding Company | Cayman | 100 | 100 | - |
| Aurum Holdings | Holding company | Cayman | 100 | 100 | 100 |
| Fullerton Aetas Limited ⁽¹⁾ | Dormant | Cayman | 100 | - | - |
| A.M. Pharmacy Pte Ltd | Trading and retailing in pharmaceutical products and medical supplies | Singapore | 100 | 100 | 100 |
| Gethin-Jones Medical Practice Pte Ltd | Operating clinics and the provision of other general medical services | Singapore | 100 | 100 | 100 |
| Drs Trythall Hoy Davies (Pte) Ltd | Operating clinics and the provision of other general medical services | Singapore | 100 | 100 | 100 |
| Fullerton Physio Pte. Ltd. | Holding company | Singapore | 100 | 100 | 100 |
| Fullerton Dental Group Pte. Ltd. | Dormant | Singapore | 100 | 100 | 100 |
| Drs Horne & Chin Pte Ltd | Operating clinics and provision of other general medical services | Singapore | 100 | 100 | 100 |
| HCP Pte Ltd | Trading and retailing in pharmaceutical products and medical supplies | Singapore | 100 | 100 | 100 |
| Radlink-Asia Pte Ltd | Holding Company | Singapore | 100 | 100 | - |

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15. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES (cont'd)

| <u>Name of subsidiary</u> | <u>Principal activities</u> | <u>Country of incorporation/ operation</u> | <u>Effective equity holding</u> | | |
|---|--|--|---------------------------------|-------------|-------------|
| | | | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| | | | <u>%</u> | <u>%</u> | <u>%</u> |
| Radlink Diagnostic Imaging (S) Pte Ltd | Diagnostic imaging services for health screening | Singapore | 100 | 100 | - |
| Radlink Medicare Pte. Ltd. | Investment holding | Singapore | 100 | 100 | - |
| Drs Lim Hoe & Wong Radiology Pte. Ltd. | Diagnostic imaging services for health screening | Singapore | 100 | 100 | - |
| Radlink Women & Fetal Imaging Pte. Ltd | Diagnostic imaging services for health screening | Singapore | 100 | 100 | - |
| Radlink PET and Cardiac Imaging Centre Pte. Ltd | Diagnostic imaging services for health screening | Singapore | 100 | 100 | - |
| Healthcare Diagnostic Services Pte. Ltd. | Dormant | Singapore | 100 | 100 | - |
| Radlink Medicare (Jurong East) Pte. Ltd. | Dormant | Singapore | 100 | 100 | - |
| Radlink Medicare (Bishan) Pte. Ltd. | Operating clinics and the provision of other general medical services | Singapore | 70 | 70 | - |
| Radlink Medicare (Woodlands) Pte. Ltd. | Dormant | Singapore | 70 | 70 | - |
| Radlink Medicare (Tampines) Pte. Ltd. | Operating clinics and the provision of other general medical services | Singapore | 100 | 100 | - |
| Drs Thompson & Thomson (Radlink Medicare Pte. Ltd.) | Operating clinics and the provision of other general medical services | Singapore | 85 | 85 | - |
| Clinic 1886 Pte. Ltd. | Dormant | Singapore | 100 | 100 | - |
| Singapore Radiopharmaceuticals Pte. Ltd. | Own and operate cyclotron equipment and sell radiopharmaceutical isotopes and other medical activities pharmaceutical isotopes and other medical activities isotopes and other medical activities | Singapore | 100 | 100 | - |
| The Vascular & General Surgery Centre Pte. Ltd | Surgical and other general medical services | Singapore | 60 | 60 | - |
| Integrated Health Plans Pte. Ltd | Establish, develop, promote, manage & provide healthcare plans | Singapore | 100 | 100 | - |
| Advantage Health Benefits Pte Ltd | Administrative services to clinics/ corporations in healthcare plans | Singapore | 100 | 100 | - |
| Corporate Health Services Pte Ltd | Provision of administrative services to clinics | Singapore | 100 | 100 | - |

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15. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES (cont'd)

| <u>Name of subsidiary</u> | <u>Principal activities</u> | <u>Country of incorporation/ operation</u> | <u>Effective equity holding</u> | | |
|--|--|--|-------------------------------------|-------------|-------------|
| | | | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| | | | <u>%</u> | <u>%</u> | <u>%</u> |
| Comfort Ambulance & Services Pte Ltd | Medical evacuation/ travel medicine services | Singapore | 70 | 70 | - |
| Citizens Ambulance & Services Pte Ltd | Medical evacuation/ travel medicine services | Singapore | 70 | 70 | - |
| Urban Rehab Pte Ltd | Provision of physiotherapy services | Singapore | 60 | 60 | - |
| Global Assistance & Healthcare (Singapore) Pte Ltd | Clinics and other general medical services | Singapore | 100 | 100 | - |
| Global Assistance & Healthcare Holdings Pte Ltd | Investment Holding | Singapore | 100 | 100 | - |
| Singapore Molecular Therapy Centre Pte Ltd | Dormant | Singapore | 100 | 100 | - |
| Orchard Heart Specialist Pte Ltd ⁽²⁾ | Clinical and other general medical services | Singapore | 60 | - | - |
| Epione Group Private Limited ⁽¹⁾ | Other health services | Singapore | 80 | - | - |
| AME Ambulance Services Pte Ltd ⁽²⁾ | Medical evacuation/travel medicine services | Singapore | 100 | - | - |
| Corporate Services Network Pty Ltd | Third party administrator | Australia | 93.6 | 93.6 | 93.6 |
| Fullerton-JF Primary Care Pty Ltd | Operating clinics and the provision of other general medical services | Australia | 93.6 | 93.6 | 93.6 |
| Jobfit Medical Services Pty Ltd | Holding company | Australia | 93.6 | 93.6 | 93.6 |
| International Services Network Pty Ltd | Third party administrator | Australia | 93.6 | 93.6 | 93.6 |
| Jobfit Health Group Pty Ltd | Operating clinics and the provision of other general medical services | Australia | 93.6 | 93.6 | 93.6 |
| Jobfit Occupational Medicine Pty Ltd | Holding company | Australia | 93.6 | 93.6 | 93.6 |
| Queensland Vocational Health Services Pty Ltd | Dormant | Australia | 93.6 | 93.6 | 93.6 |
| Medicheck Pty Ltd | Operating clinics and the provision of other general medical services | Australia | 74.9 | 74.9 | 74.9 |
| Emerald Medical Pty Ltd | Operating clinics and the provisions of other general medical services | Australia | 93.6 | 93.6 | 93.6 |
| Fullerton Allied Health Pty Ltd | Operating clinics and the provision of other general medical services | Australia | 93.6 | 93.6 | - |

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15. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES (cont'd)

| <u>Name of subsidiary</u> | <u>Principal activities</u> | <u>Country of incorporation/ operation</u> | <u>Effective equity holding</u> | | |
|---|--|--|-------------------------------------|------------------|------------------|
| | | | <u>2016</u> % | <u>2015</u> % | <u>2014</u> % |
| FHA Primary Care Pty Ltd | Operating clinics and the provision of other general medical services | Australia | 93.6 | 93.6 | - |
| Baseline Group (Personnel) Pty Ltd | Operating clinics and the provision of other general medical services | Australia | 84.2 | 84.2 | - |
| Fullerton Health Medical Centres Pty Ltd ⁽¹⁾ | Operating clinics and the provision of other general medical services | Australia | 93.6 | - | - |
| Fullerton Healthcare (Hong Kong) Private Limited | Holding company | Hong Kong | 100 | 100 | 100 |
| S.C. Fullerton Healthcare Group Limited | Operating clinics and the provision of other general medical services | Hong Kong | 60 | 60 | 60 |
| T.H.E. Fullerton Healthcare Group Ltd | Operating clinics and the provision of other general medical services | Hong Kong | 60 | 60 | 60 |
| FHHK Aurum Limited | Investment holding | Hong Kong | 100 | 100 | - |
| Health Maintenance Medical Practice Limited | Provision of medical check-up and consultancy services | Hong Kong | 80 | 80 | - |
| Health Maintenance Management Services Limited | Provision of technical support for dental business | Hong Kong | 80 | 80 | - |
| HMMP (Dental) Limited | Dental agent, sales of dental products | Hong Kong | 80 | 80 | - |
| HM Investment Holding Limited | Investment Holding | Hong Kong | 80 | 80 | - |
| Fullerton Health Clinic (HK) Holdings Limited ⁽¹⁾ | Holding company | Hong Kong | 100 | - | - |
| Dr Tony Chun Kit Lee Medical Practice Ltd ⁽²⁾ | General medical services | Hong Kong | 100 | - | - |
| Fullerton Health China (Hong Kong) Private Limited ⁽¹⁾ | Dormant | Hong Kong | 100 | - | - |
| Health Maintenance Dental Care Limited | Dental agent, sales of dental products | Hong Kong | 80 | 80 | - |
| PT E-Tirta Medical Centre | Operating clinics and the provisions of other general medical services | Indonesia | 60 | 60 | 60 |
| PT Global Assistance & Healthcare | Medical evacuation, assistance services and medical supplies | Indonesia | 90 | 90 | - |
| PT Global Assistansi Medika | Operating clinics and the provision of other general medical services | Indonesia | 66.7 | 66.7 | - |

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15. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES (cont'd)

| Name of subsidiary | Principal activities | Country of incorporation/ operation | Effective equity holding | | |
|---|---|--|--------------------------|------|------|
| | | | 2016 | 2015 | 2014 |
| | | | % | % | % |
| PT JLT Gesa ⁽²⁾ | Healthcare management consultancy services | Indonesia | 100 | - | - |
| Corporate Outsource Services Sdn. Bhd. | Administrative services to clinics and companies relating to healthcare plans | Malaysia | 100 | 100 | - |
| Smart Health Investment and Consultancy Limited | Dormant | China | 80 | 80 | - |
| HMMP Medical (Macau) Limited ⁽¹⁾ | Provision of technical support for dental business | Macau | 79.2 | - | - |

(1) Newly incorporated subsidiaries during the financial year ended 2016

(2) Subsidiaries acquired during the financial year end 2016

Details of non-wholly owned subsidiaries that have material non-controlling interests

Fullerton Healthcare Australia Pty Ltd and its subsidiaries are the only subsidiary with material non-controlling interests. As at the end of the reporting period, the profit of the Group allocated to the non-controlling interest is \$7,000 (2015: loss of \$94,000, 2014: loss of \$44,000) and the accumulated non-controlling interest is \$3,189,000 (2015: \$3,182,000, 2014: \$3,079,000).

Summarised financial information in respect of Fullerton Healthcare Australia Pty Ltd and its subsidiaries is set out below. The summarised financial information below represents amounts before intragroup eliminations.

| | 2016 | 2015 | 2014 |
|--|----------|----------|----------|
| | \$'000 | \$'000 | \$'000 |
| Current assets | 15,796 | 13,862 | 13,874 |
| Non-current assets | 58,843 | 56,806 | 55,188 |
| Current liabilities | (8,425) | (10,217) | (4,861) |
| Non-current liabilities | (16,770) | (13,644) | (15,439) |
| Equity attributable to owners of the Company | (48,342) | (45,890) | (48,169) |
| Non-controlling interests | (1,105) | (917) | (593) |

At the end of the financial year, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised is \$921,000 (2015: \$890,000, 2014: \$406,000). No liability has been recognised in respect of these differences because the group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

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15. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES (cont'd)

Details of Fullerton Healthcare Australia Pty Ltd and its subsidiaries are as follows:

| | 2016 | 2015 | 2014 |
|--|-----------------|-----------------|-----------------|
| | \$'000 | \$'000 | \$'000 |
| Revenue | 62,428 | 44,779 | 54,136 |
| Expenses | <u>(62,325)</u> | <u>(43,166)</u> | <u>(52,805)</u> |
| Profit and total comprehensive income for the year | 103 | 1,613 | 1,331 |
| Profit attributable to owners of the Company | 96 | 1,707 | 1,375 |
| Non-controlling interests | 7 | (94) | (44) |
| Profit for the year | <u>103</u> | <u>1,613</u> | <u>1,331</u> |

(b) Details of associates with cost of investment of \$483,000 (2015: \$469,000, 2014: \$110,000) is as follows:

| <u>Name of subsidiary</u> | <u>Principal activities</u> | <u>Country of incorporation/ operation</u> | <u>Equity holding</u> | | |
|---------------------------|--|--|-----------------------|-------------|-------------|
| | | | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| | | | <u>%</u> | <u>%</u> | <u>%</u> |
| FC Dental Pte Ltd | Operating dental clinics | Singapore | 20 | 20 | 20 |
| Town Hall Clinic Pte Ltd | Operating clinics and the provision of other general medical services | Singapore | 30 | 30 | - |

The share of profit (loss) of the associates amounting to \$14,000 (2015: (\$35,000), 2014: \$50,000) are recognised in the Consolidated Statement of Comprehensive Income.

16. TRADE AND OTHER PAYABLES

| | 2016 | Group | 2014 |
|---|---------------|---------------|---------------|
| | \$'000 | 2015 | \$'000 |
| | | \$'000 | |
| Trade payables to: | | | |
| - Third parties | 52,221 | 32,176 | 10,036 |
| - Associates | <u>972</u> | <u>6,710</u> | <u>-</u> |
| | 53,193 | 38,886 | 10,036 |
| Non-trade payables to: | | | |
| - Non-controlling interests | 847 | 847 | 606 |
| - Vendors of subsidiaries shares (Contingent consideration) | 18,559 | 28,440 | 8,100 |
| Bond interest payable | 1,688 | - | - |
| Accruals and other payables | <u>22,705</u> | <u>10,601</u> | <u>8,425</u> |
| | <u>96,992</u> | <u>78,774</u> | <u>27,167</u> |

The non-trade payables due to the vendors of the subsidiaries shares are unsecured and interest-free. These amounts are payable on subsidiaries achieving certain profit targets in 2016 to 2017 as defined in the respective sale and purchase agreements.

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16. TRADE AND OTHER PAYABLES (cont'd)

Included in the non-trade payable due to non-controlling interests is payable amounting to \$130,000 (2015: \$130,000, 2014: \$130,000) bearing interest at 10% (2015: 10%, 2014: 10%) per annum, is unsecured and repayable on demand.

17. FINANCE LEASE LIABILITIES

The Group leases medical equipment from non-related parties under finance leases.

In 2015, the group entered into a sale and leaseback arrangement which involved medical equipment resulting in a gain of \$1,175,000 (2015: \$2,667,000, 2014: Nil).

| | 2016 | Group | 2014 |
|--|---------------|---------------|---------------|
| | \$'000 | 2015 | \$'000 |
| | | \$'000 | \$'000 |
| Minimum lease payments due: | | | |
| - Not later than one year | 22 | 8,223 | 43 |
| - Between one and five years | 47 | 8 | 33 |
| | <u>69</u> | <u>8,231</u> | <u>76</u> |
| Less: Future finance charges | (12) | (68) | (8) |
| Present value of finance lease liabilities | <u>57</u> | <u>8,163</u> | <u>68</u> |

The present values of finance lease liabilities are analysed as follows:

| | 2016 | Group | 2014 |
|----------------------------|---------------|---------------|---------------|
| | \$'000 | 2015 | \$'000 |
| | | \$'000 | \$'000 |
| Not later than one year | 21 | 8,155 | 37 |
| Between one and five years | 36 | 8 | 31 |
| | <u>57</u> | <u>8,163</u> | <u>68</u> |

18. BANK BORROWINGS

| | 2016 | Group | 2014 |
|--|---------------|----------------|---------------|
| | \$'000 | 2015 | \$'000 |
| | | \$'000 | \$'000 |
| Secured bank borrowings | - | 94,832 | 11,237 |
| Unsecured bank borrowings | 56,500 | 30,000 | - |
| | <u>56,500</u> | <u>124,832</u> | <u>11,237</u> |
| Less: Amount due for settlement within 12 months (shown under current liabilities) | (43,813) | (98,331) | (5,750) |
| Amount due for settlement after 12 months | <u>12,687</u> | <u>26,501</u> | <u>5,487</u> |

The Group has four outstanding bank loans as at the end of 2016 comprising loans with maximum available committed facilities of combined \$89.5 million. The loans are repayable over one to five years, by bullet and quarterly instalments and bear interest ranging from 1.64% to 3.45%. The borrowings are secured by a charge on the fixed deposit and corporate guarantees by the subsidiaries of the Group.

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18. BANK BORROWINGS (cont'd)

The Group had five outstanding bank loans as at the end of 2015, comprising loans with maximum available committed facilities of combined \$139.3 million. The loans are repayable over one to five years, by bullet and quarterly instalments and bear interest ranging from 2.37% to 3.44%. The borrowings are secured by a charge on the fixed deposit and corporate guarantees by the subsidiaries of the Group.

As at the end of 2014, the Group had two outstanding secured bank loans, comprising loans with maximum available committed facilities of combined \$25 million. The loans were both repayable over five years, by quarterly instalments and bear interest ranging from 2.18% to 2.67%. The borrowings are secured by a charge on the fixed deposit and corporate guarantees by the subsidiaries of the Group.

At the end of each reporting period, the carrying amounts of bank borrowings approximate their fair values.

19. OTHER LONG TERM LIABILITIES

| | 2016 | Group | 2014 |
|---|---------------|---------------|---------------|
| | \$'000 | 2015 | \$'000 |
| | | \$'000 | \$'000 |
| Non-trade long term payables to: | | | |
| Restoration cost | 1,467 | 1,993 | 61 |
| Vendors of subsidiaries shares (contingent consideration) | 7,739 | - | - |
| Others | 360 | - | - |
| | <u>9,566</u> | <u>1,993</u> | <u>61</u> |

A provision for restoration cost is recognised when the Group enters into lease agreements for premises. It includes the estimated cost of demolishing and removing all the leasehold improvements made by the Group to the premises.

The non-trade payables due to the vendors of the subsidiaries shares are unsecured and interest-free. These amounts are payable on subsidiaries achieving certain profit targets in 2018 to 2019 as defined in the respective sale and purchase agreements.

20. SENIOR UNSECURED GUARANTEED BONDS

| | 2016 |
|---|---------------|
| | \$'000 |
| At the beginning of the year | - |
| Issued during the year | 100,000 |
| Deferred financing cost | (2,315) |
| Amortisation of issuance cost charged to profit or loss | <u>158</u> |
| At end of the year | <u>97,843</u> |

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20. SENIOR UNSECURED GUARANTEED BONDS (cont'd)

On 7 July 2016, the Company issued senior unsecured guaranteed bonds totalling \$100 million in the Singapore Exchange Securities Trading Limited (“SGX-ST”), comprising \$50 million due in July 2021 and \$50 million due in July 2023 (interest payable semi-annually in arrear). The effective interest rates of these bonds approximate 3.73% (maturing 2021) and 4.04% (maturing 2023) per annum. The bonds are unconditionally and irrevocably guaranteed by Credit Guarantee & Investment Facility, a trust fund of the Asian Development Bank.

21. (a) SHARE CAPITAL

| | <u>Group</u> | | | | | | | | |
|---|--------------------|----------------|----------------|-------------------------|-------------|-------------|-------------------------|----------------|----------------|
| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| | Number of shares | | | Share Capital \$'000 | | | Share Premium \$'000 | | |
| Issued and paid up: | | | | | | | | | |
| At the beginning of the year | 162,077 | 111,544 | 34,288 | 215 | 144 | 42 | 210,658 | 140,018 | 111,980 |
| Issued for cash | - | 50,533 | 77,256 | - | 71 | 102 | - | 70,640 | 28,038 |
| Share split | 486,068,923 | - | - | - | - | - | - | - | - |
| Conversion of redeemable convertible preference shares from non-controlling interests | 16,381,577 | - | - | - | - | - | 24,900 | - | - |
| Issue of restricted share plans | 59,677,281 | - | - | - | - | - | 18,748 | - | - |
| Distribution to shareholders | - | - | - | - | - | - | (1,200) | - | - |
| At the end of the year | <u>562,289,858</u> | <u>162,077</u> | <u>111,544</u> | <u>215</u> | <u>215</u> | <u>144</u> | <u>253,106</u> | <u>210,658</u> | <u>140,018</u> |

Fully paid ordinary shares have US\$0.000333 par value (2015 & 2014: US\$1 par value) and a right to dividends as and when declared by the company.

- (i) On 30 March 2016, the Directors of the Company approved a distribution to the shareholders amounting to \$1.2 million from share premium account. In lieu of a cash payment of the distribution, the amount was applied to discharge the amounts due from shareholders of the same amount.
- (ii) On 7 July 2016, the Company completed a share split exercise. Each ordinary share of the Company was split into 3,000 shares resulting in an increase in the number of issued and paid up shares of the Company from 162,077 shares to 486,231,000 shares. In addition, the par value of ordinary shares was changed to US\$0.00033.
- (iii) In September 2016, 59,677,281 shares of the Company were issued as part of the Restricted Share Plan (Note 21(b)(ii)). During this period, there was also a conversion of the redeemable convertible preference shares (“RCPS”) in FHG to 16,381,577 ordinary shares in FHC (Note 21(c)).

21. (b) SHARE-BASED COMPENSATION PLANS

The Group operates the following share-based compensation plans:

- (i) Fullerton Healthcare Group Pte Limited (“FHG”) Option Plan (“SOP”)

The SOP in respect of unissued ordinary shares in the capital of FHG is administered by the Remuneration Committee (the “RC”). Share options are granted to directors and

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21. (b) SHARE-BASED COMPENSATION PLANS (cont'd)

employees within the Group and affiliates of the Group under the SOP. The FHG share options are convertible into the Company's ("FHC") share options or if they are vested, the FHG ordinary shares are convertible into FHC ordinary shares.

No options granted by FHG under the SOP were exercised during the financial period.

Under the SOP, share options are granted to full-time confirmed employees of FHG or its subsidiaries who are employed as at the date of grant of options (the "Date of Grant") and who have attained the age of 18 years on or before the Date of Grant.

The options are vested approximately three years after the Date of Grant upon the occurrence of an "Exit Event", and are exercisable over a period of 8 years from Date of Grant. An Exit Event occurs when there is a change in control, lodgement of the Prospectus with Monetary Authority of Singapore or voluntary winding up.

On 3 February 2016 (2015 : 11 February 2015), options to subscribe 5,103,800 (2015: 5,254,164) ordinary shares in FHG at an exercise price of \$3.40 (2015: \$2.81) per ordinary share were granted pursuant to the SOP. The SOP are exercisable from date of vesting of the option and expire on 8th anniversary of the Date of Grant of the SOP. No options were issued during the financial year ended 31 December 2014.

On 28 September, 2016, the Company lodged its Prospectus with the Monetary Authority of Singapore in relation to the proposed Listing of the Company on the Singapore Exchange Securities Trading Ltd ("SGX-ST") which under the terms of the Company's employee stock awards and options plans, is considered an exit event, which results in the accelerated vesting of all awards and options.

The fair value of the options granted on 3 February 2016 (2015: 11 February 2015) determined using the Black Scholes model was \$1,735,292 (2015: \$1,483,498). The significant inputs into the model were share price of \$3.40 (2015: \$2.81) at the grant date, exercise price shown as above, standard deviation of expected share price returns of 17% (2015: 18%), the option life shown above and 3 years annual risk free rate of 1.26%(2015: 0.994%), based on the Singapore Sovereign Bond Yield. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share price of a comparable peer company over the last three years from the date of grant.

None of the options were forfeited or exercised during the current or previous financial years.

(ii) Fullerton Healthcare Group Pte Limited Restricted Share Plan ("RSP")

The RSP awards fully paid-up ordinary shares in FHG, free of payment, to selected directors and senior management of FHG and its subsidiaries.

The selection of a participant and the number of shares granted, pursuant to the RSP, shall be determined at the discretion of the Remuneration Committee. The RSP units have a vesting period of approximately three years, upon the occurrence of the Exit

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21. (b) SHARE-BASED COMPENSATION PLANS (cont'd)

Event referred to in 21(b)(i). The FHG RSP units are convertible into FHC RSP units or if they are vested, the FHG ordinary shares are convertible into FHC ordinary shares.

The Remuneration Committee is authorised to grant RSP units and to allot and issue from time to time such number of fully paid-up shares as may be required to be allotted and issued pursuant to the vesting of Awards under the respective plans. The aggregate number of awards granted under the RSP, which may be issued pursuant to Awards, shall not exceed 30% of the total number of issued shares of the Company from time to time on the day preceding that date.

On 3 February 2016 (2015: 11 February 2015), 1,190,400 (2015: 2,871,700) RSP units were granted. All of the RSP units have vested on the date of lodgement of the Company Prospectus as noted under Note 21(b)(i) which results in the accelerated vesting of all RSP.

No RSP units were granted during the financial year ended 31 December 2014.

The fair value of the RSP granted on 3 February 2016 (2015: 11 February 2015) was \$3,809,280 (2015: \$7,610,867), determined using the Monte Carlo Simulation model. The significant inputs into the model were share price of \$3.40 (2015: \$2.81) per share at the date of grant, vesting period over three years, standard deviation of expected share price returns of 17% (2015: 18%), dividend yield of 2% (2015: 2%), and three-year risk free interest rate of 1.26% (2015: 0.994%) based on the Singapore Sovereign Bond Yield. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share price of a comparable peer company over the last three years from the date of grant.

(iii) Fullerton Healthcare Corporation Limited Performance Stock Grant to Founders ("PSG")

The PSG awards ordinary shares in the company, free of payment, to founders of the company, and are subjected to clawback unless specific performance targets are achieved over a 3 year period. The fair value of the PSG granted on 23 April 2015 was \$4,537,000 determined based on the share price of \$1,936. No PSG awards were granted in 2016 and 2014.

The expense recognised for the year ended 31 December 2016 with respect to the SOP and RSP is \$14,291,000 (31 December 2015: \$5,823,000, 2014: \$2,842,000). The expense recognised for the year with respect to the PSG is \$1,260,000 (31 December 2015: \$2,773,000, 2014: \$Nil).

21. (c) PROCEEDS FROM EMPLOYEE'S CO-INVESTMENT PLAN

In 2015, certain employees of FHG subscribed to redeemable convertible preference shares ("RCPS") in FHG for a cash consideration of \$5,328,000 (2014: \$NIL). \$5,328,000 of the RCPS were issued in the year ended 31 December 2015.

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21. (c) PROCEEDS FROM EMPLOYEE'S CO-INVESTMENT PLAN (cont'd)

The RCPS were convertible to ordinary shares in FHG upon the occurrence of the Exit Event referred to in 21(b)(i). The Group (not the employee) had the right to redeem the RCPS upon the cessation of the employees' employment with the Group. The Group had a right to convert the RCPS to ordinary shares in FHC and converted all the RCPS units to FHC shares in September 2016.

No RCPS were subscribed to in 2014.

In 2016, no employees subscribed to RCPS in FHG. During 2016, all the outstanding RCPS were converted by the Company in exchange for 16,381,577 ordinary shares in the Company itself. This resulted in a change in fair value of \$19,572,000 which is accounted for as an equity transaction with owners.

22. OPERATING LEASE COMMITMENTS

The Group leases its office premises and clinics under non-cancellable operating lease agreements. The leases have varying terms and renewal rights.

The future aggregate minimum lease payments under non-cancellable operating leases contracted for the end of each reporting period but not recognised as liabilities, were as follows:

| | 2016 | Group | 2014 |
|----------------------------|---------------|---------------|---------------|
| | \$'000 | 2015 | \$'000 |
| | | \$'000 | \$'000 |
| Not later than one year | 9,222 | 8,829 | 7,076 |
| Between one and five years | 11,302 | 11,552 | 7,707 |
| More than five years | 2,988 | 1,995 | 132 |
| | <u>23,512</u> | <u>22,376</u> | <u>14,915</u> |

23. COMMITMENTS

| | 2016 | Group | 2014 |
|---|---------------|---------------|---------------|
| | \$'000 | 2015 | \$'000 |
| | | \$'000 | \$'000 |
| COMMITMENTS FOR EXPENDITURE | | | |
| Purchase of property, plant & equipment | <u>14</u> | <u>9,908</u> | <u>-</u> |

24. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

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24. FINANCIAL RISK MANAGEMENT (cont'd)

(a) Market risk

(i) *Currency risk*

At the end of the reporting period, the carrying amounts of significant monetary assets and monetary liabilities denominated in currencies other than the respective group entities' functional currencies are as follows:

| | <u>Liabilities</u> | | | <u>Assets</u> | | |
|----------------------|--------------------|---------------|---------------|---------------|---------------|---------------|
| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> |
| Group | | | | | | |
| United State dollars | 2,141 | 8,921 | - | 5,517 | - | - |

The Company has a number of investments in foreign subsidiaries, whose net assets are exposed to currency translation risk. The Group does not currently designate its foreign currency denominated debt as a hedging instrument for the purpose of hedging the translation of its foreign operations.

Foreign currency sensitivity

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the functional currency of each group entity. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans where they gave rise to an impact on the group's profit or loss and/or equity.

If the relevant foreign currency changes by 10% against the functional currency of each group entity, profit or loss and other equity will change by:

| | <u>United States dollars impact</u> | | |
|----------------|-------------------------------------|---------------|---------------|
| | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> |
| Group | | | |
| Profit or loss | 338 | 892 | - |

(ii) *Interest rate risk*

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

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24. FINANCIAL RISK MANAGEMENT (cont'd)

(a) Market risk (cont'd)

(ii) *Interest rate risk (cont'd)*

As at 31 December 2016, 2015 and 2014, the Group's interest rate risk mainly arises from bank borrowings, which are at floating rates of interest pegged to Singapore Swap Offer Rate ("SOR") and Singapore Interbank Offered Rate ("SIBOR") plus margin.

The Group has not entered into any interest rate hedging for its bank borrowings.

Interest rate sensitivity analysis - Group

If interest rates increase/decrease by 0.5% (2015 and 2014: 0.50%) with all other variables including tax rate being held constant, the profit or loss for the Group will be lower/higher by \$283,000 (2015: \$624,000, 2014: \$56,000) as a result of higher/lower interest expense on these borrowings.

(b) Credit risk

The Group adopts the policy of dealing only with customers of appropriate credit history. For other financial assets, the Group adopts the policy of dealing with financial institutions and other counterparties with high credit ratings.

Credit exposure to an individual customer is restricted by the credit limit approved by the credit controller. Customers' payment profile and credit exposure are continuously monitored by the credit controller and reported to the management.

The Group does not have any significant exposures to an individual customer or related group of customers as at the end of the reporting period.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the balance sheet. The Group's major classes of financial assets are bank deposits and trade and other receivables.

(i) *Financial assets that are neither past due nor impaired*

Bank balances that are neither past due nor impaired are mainly deposits with banks which have high credit-ratings as determined by international credit-rating agencies. Trade receivables that are neither past due or impaired are substantially companies with good collection track records with the Group.

The Group's trade receivables not past due included trade receivables amounting to \$56,785,000 (2015: \$27,386,000, 2014: \$8,031,000).

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24. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Credit risk (cont'd)

(ii) *Financial assets that are past due and/or impaired*

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

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

| | 2016 | Group | 2014 |
|------------------------|---------------|---------------|---------------|
| | \$'000 | 2015 | \$'000 |
| | | \$'000 | \$'000 |
| Past due 1 to 3 months | 22,323 | 16,080 | 9,937 |
| Past due over 3 months | 14,451 | 18,906 | 7,050 |
| | <u>36,774</u> | <u>34,986</u> | <u>16,987</u> |

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

| | 2016 | Group | 2014 |
|-------------------------------------|---------------|---------------|---------------|
| | \$'000 | 2015 | \$'000 |
| | | \$'000 | \$'000 |
| Gross amount | 1,047 | 609 | 428 |
| Less: Allowance for impairment | (1,047) | (609) | (428) |
| | <u>-</u> | <u>-</u> | <u>-</u> |
| Beginning of financial year | 609 | 428 | 70 |
| Additional allowance for impairment | 465 | 471 | 358 |
| Allowance written back | (27) | (290) | - |
| End of financial year | <u>1,047</u> | <u>609</u> | <u>428</u> |

The impaired trade receivables arise mainly from sales to customers which are long outstanding and deemed uncollectible as at the end of the reporting period.

Allowance for impairment is included within 'Expenses – Other' in the consolidated statement of comprehensive income.

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24. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Liquidity risk

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

| | <u>Group</u> | | | | <u>Total</u> |
|--------------------------------------|-----------------------------|---|------------------------------|-------------------|----------------|
| | <u>Less than 1 year</u> | <u>More than 1 year and less than 5 years</u> | <u>More than 5 years</u> | <u>Adjustment</u> | |
| At 31 December 2016 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Trade and other payables | 96,992 | - | - | - | 96,992 |
| Bank borrowings | 44,946 | 13,016 | - | (1,462) | 56,500 |
| Senior unsecured guaranteed bonds | 3,375 | 63,500 | 53,600 | (22,632) | 97,843 |
| Finance lease liabilities | 22 | 47 | - | (12) | 57 |
| Other long term liabilities | - | 9,566 | - | - | 9,566 |
| | <u>145,335</u> | <u>86,129</u> | <u>53,600</u> | <u>(24,106)</u> | <u>260,958</u> |

| | <u>Group</u> | | | | <u>Total</u> |
|-----------------------------|-----------------------------|---|-------------------|---------------|----------------|
| | <u>Less than 1 year</u> | <u>More than 1 year and less than 5 years</u> | <u>Adjustment</u> | <u>\$'000</u> | |
| At 31 December 2015 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Trade and other payables | 78,774 | - | - | - | 78,774 |
| Bank borrowings | 100,213 | 27,530 | (2,912) | - | 124,831 |
| Finance lease liabilities | 8,465 | 8 | (310) | - | 8,163 |
| Other long term liabilities | - | 1,993 | - | - | 1,993 |
| | <u>187,452</u> | <u>29,531</u> | <u>(3,222)</u> | <u>-</u> | <u>213,761</u> |

| | <u>Group</u> | | | <u>Total</u> |
|-----------------------------|-----------------------------|---|---------------|---------------|
| | <u>Less than 1 year</u> | <u>More than 1 year and less than 5 years</u> | <u>\$'000</u> | |
| At 31 December 2014 | \$'000 | \$'000 | \$'000 | \$'000 |
| Trade and other payables | 27,167 | - | - | 27,167 |
| Bank borrowings | 5,750 | 5,487 | - | 11,237 |
| Finance lease liabilities | 37 | 31 | - | 68 |
| Other long term liabilities | - | 61 | - | 61 |
| | <u>32,954</u> | <u>5,579</u> | <u>-</u> | <u>38,533</u> |

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24. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Liquidity risk (cont'd)

The group maintains sufficient cash and cash equivalents, and internally generated cash flows to finance their activities. The treasury department finances their liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

At 31 December 2016, the Group had available \$30 million (2015: \$14.5 million, 2014: \$13.8 million) of undrawn committed borrowing facilities in respect of which all condition precedents had been met.

The Group is in the process of raising funds through the proposed issue of senior perpetual securities of US\$150 million.

(d) Capital risk

The Group's objectives when managing capital are to ensure that the Group is adequately capitalised and to maintain an optimal capital structure by issuing additional equity when necessary.

The Group is in compliance with all externally imposed capital requirements.

(e) Financial instruments by category

The aggregate carrying amounts of loans and receivables and financial liabilities are as follows:

| | 2016 | Group | 2014 |
|--|---------------|---------------|---------------|
| | \$'000 | 2015 | \$'000 |
| | | \$'000 | \$'000 |
| Loan and receivables | 106,960 | 93,451 | 36,861 |
| Financial liabilities at amortised cost | 232,325 | 185,321 | 30,372 |
| Financial liabilities at fair value through profit or loss – contingent consideration from a business combinations | 28,633 | 28,440 | 8,100 |

- (f) The fair value of contingent consideration in a business combination is estimated based on a discounted cash flow method used to capture the present value of expected payments that would be required if the subsidiaries' profit targets are met in 2017 to 2019 (Notes 16 & 19).

25. HOLDING CORPORATION

The Company's holding corporation and ultimate holding corporation is SC Sanitas Holdings Limited, incorporated in the Cayman Islands.

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26. RELATED PARTY TRANSACTIONS

- (a) In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related party at terms agreed between the parties:

| | 2016 | Group | 2014 |
|--|-------------------|-------------------|-------------------|
| | \$'000 | 2015 | \$'000 |
| | | \$'000 | \$'000 |
| <u>Transactions with related parties</u> | | | |
| Management fees expense | 2,176 | 1,000 | 1,509 |
| Rental expense | 429 | 379 | 162 |
| Capital expenditure | 1,840 | - | 10 |
| Revenue | (13) | (10) | (62) |
| | <u> </u> | <u> </u> | <u> </u> |

Related party refers to a company with common directors.

- (b) Key management personnel compensation

Key management personnel compensation is as follows:

| | 2016 | Group | 2014 |
|---|---------------|---------------|---------------|
| | \$'000 | 2015 | \$'000 |
| | | \$'000 | \$'000 |
| Wages and salaries (including post-employment benefits) | 3,893 | 3,248 | 2,235 |
| Performance stock grant to the co-founders | 1,260 | 2,773 | - |
| Share-based compensation (Note A) | 13,352 | 2,460 | 1,632 |
| | <u>18,505</u> | <u>8,481</u> | <u>3,867</u> |

Key management personnel includes the Company's directors and senior management of its head office and respective subsidiaries.

Note A: In 2016, includes \$7,827,000 (2015: Nil, 2014: Nil) of accelerated share-based compensation expense due to the early vesting of employee share options and restricted shares (Note 21(b)(i) & (ii)).

27. BUSINESS COMBINATIONS

Acquisitions in 2016

- (a) On 14 March 2016, the Group, through its 100% owned subsidiary Fullerton Healthcare Group Pte Ltd, acquired 100% of the equity interests of AME Ambulance Services Pte. Ltd. The principal activity is that of medical evacuation and travel medicine services.

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27. BUSINESS COMBINATIONS (cont'd)

Details of the consideration paid, the assets acquired and liabilities assumed and the effects on the cash flows of the Group, at the acquisition date, are as follows:

(i) *Purchase consideration*

| | |
|--|------------|
| | \$'000 |
| Cash paid | 180 |
| Contingent consideration | 120 |
| Consideration transferred for the business | <u>300</u> |

(ii) *Effect on cash flows of the Group*

| | |
|--|-------------|
| | \$'000 |
| Total cash paid (as above) | 180 |
| Less: cash and cash equivalents in subsidiary acquired | <u>(10)</u> |
| Cash outflow on acquisition | <u>170</u> |

(iii) *Identifiable assets acquired and liabilities assumed*

| | |
|---|----------------------------|
| | At fair value \$'000 |
| Cash and cash equivalents | 10 |
| Property, plant and equipment | <u>133</u> |
| Total assets | <u>143</u> |
| Total identifiable net assets | 143 |
| Add: Goodwill recognised on acquisition | <u>157</u> |
| Consideration transferred for the business | <u>300</u> |

(iv) *Revenue and profit contribution*

The acquired business contributed revenue of \$41,150 and net loss of \$1,305 to the Group for the period of 14 March 2016 to 31 December 2016.

(v) *Goodwill arising on acquisition*

Goodwill arose in the acquisition of AME Ambulance Services Pte. Ltd. because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth and future market development of AME Ambulance Service Pte. Ltd. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

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27. BUSINESS COMBINATIONS (cont'd)

- (b) On 18 March 2016, the Group, through its 100% owned subsidiary Navitas, acquired 60% of the equity interests of Orchard Heart Specialist Pte. Ltd. The principal activity is that of general medical services.

Details of the consideration paid, the assets acquired and liabilities assumed and the effects on the cash flows of the Group, at the acquisition date, are as follows:

(i) *Purchase consideration*

| | \$'000 |
|---|---------------|
| Cash paid | 6,840 |
| Equity interest transferred to non-controlling interest | 84 |
| Contingent consideration | 4,560 |
| Consideration transferred for the business | <u>11,484</u> |

(ii) *Effect on cash flows of the Group*

| | \$'000 |
|--|--------------|
| Total cash paid (as above) | 6,840 |
| Less: cash and cash equivalents in subsidiary acquired | <u>(1)</u> |
| Cash outflow on acquisition | <u>6,839</u> |

(iii) *Identifiable assets acquired and liabilities assumed*

| | At fair value \$'000 |
|---|----------------------------|
| Cash and cash equivalents | 1 |
| Property, plant and equipment | 13 |
| Inventory | 248 |
| Total assets | <u>262</u> |
| Total identifiable net assets | 262 |
| Add: Goodwill recognised on acquisition | <u>11,222</u> |
| Consideration transferred for the business | <u>11,484</u> |

(iv) *Revenue and profit contribution*

The acquired business contributed revenue of \$3,154,000 and net profit of \$1,005,000 to the Group for the period of 18 March 2016 to 31 December 2016.

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27. BUSINESS COMBINATIONS (cont'd)

(v) *Goodwill arising on acquisition*

Goodwill arose in the acquisition of Orchard Heart Specialist Pte. Ltd. because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected revenue growth and future market development of Orchard Heart Specialist Pte. Ltd. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

- (c) On 17 May 2016, the Group, through its 100% owned subsidiary Fullerton Health Clinic (HK) Holdings Limited, acquired 100% of the equity interests of Dr Tony Chun Kit Lee Medical Practice Ltd. The principal activity is that of general medical services

Details of the consideration paid, the assets acquired and liabilities assumed and the effects on the cash flows of the Group, at the acquisition date, are as follows:

(i) *Purchase consideration*

| | |
|--|---------------|
| | \$'000 |
| Cash paid | 7,007 |
| Contingent consideration | 6,946 |
| Consideration transferred for the business | <u>13,953</u> |

(ii) *Effect on cash flows of the Group*

| | |
|--|--------------|
| | \$'000 |
| Total cash paid (as above) | 7,007 |
| Less: cash and cash equivalents in subsidiary acquired | <u>(159)</u> |
| Cash outflow on acquisition | <u>6,848</u> |

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27. BUSINESS COMBINATIONS (cont'd)

(iii) *Identifiable assets acquired and liabilities assumed*

| | At fair value \$'000 |
|---|----------------------------|
| Cash and cash equivalents | 159 |
| Property, plant and equipment | 51 |
| Trade and other receivables | 322 |
| Inventory | 161 |
| Total assets | <u>693</u> |
| Trade and other payables | 94 |
| Finance lease liabilities | 22 |
| Current tax liabilities | 127 |
| Total liabilities | <u>243</u> |
| Total identifiable net assets | 450 |
| Add: Goodwill recognised on acquisition | <u>13,503</u> |
| Consideration transferred for the business | <u>13,953</u> |

(iv) *Revenue and profit contribution*

The acquired business contributed revenue of \$3,179,000 and net profit of \$1,056,000 to the Group for the period of 17 May 2016 to 31 December 2016.

(v) *Goodwill arising on acquisition*

Goodwill arose in the acquisition because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected revenue growth and future market development. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

- (d) On 18 May 2016, the Group, through its 100% owned subsidiaries, Global Assistance & Healthcare (Singapore) Pte Ltd and Global Assistance & Healthcare Holdings Pte Ltd, acquired 100% of the equity interests of PT JLT Gesa. The principal activity is that of healthcare management consultancy services.

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27. BUSINESS COMBINATIONS (cont'd)

Details of the consideration paid, the assets acquired and liabilities assumed and the effects on the cash flows of the Group, at the acquisition date, are as follows:

(i) *Purchase consideration*

| | |
|--|--------------|
| | \$'000 |
| Cash paid | 1,961 |
| Contingent consideration | - |
| Consideration transferred for the business | <u>1,961</u> |

(ii) *Effect on cash flows of the Group*

| | |
|--|--------------|
| | \$'000 |
| Total cash paid (as above) | 1,961 |
| Less: cash and cash equivalents in subsidiary acquired | <u>(406)</u> |
| Cash outflow on acquisition | <u>1,555</u> |

(iii) *Identifiable assets acquired and liabilities assumed*

| | |
|---|----------------------------|
| | At fair value \$'000 |
| Cash and cash equivalents | 406 |
| Property, plant and equipment | 413 |
| Deferred tax asset | 1,296 |
| Trade and other receivables | 6,616 |
| Other current assets | <u>169</u> |
| Total assets | <u>8,900</u> |
| Trade and other payables | <u>7,711</u> |
| Total liabilities | <u>7,711</u> |
| Total identifiable net liabilities | 1,189 |
| Add: Goodwill recognised on acquisition | <u>772</u> |
| Consideration transferred for the business | <u>1,961</u> |

(iv) *Revenue and profit contribution*

The acquired business contributed revenue of \$2,352,000 and net profit of \$536,000 to the Group for the period of 18 May 2016 to 31 December 2016.

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27. BUSINESS COMBINATIONS (cont'd)

(v) *Goodwill arising on acquisition*

Goodwill arose in the acquisition of PT JLT Gesa. because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected revenue growth and future market development of PT JLT Gesa. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Acquisitions in 2015

- (a) On 11 May 2015, the Group, through its 100% owned subsidiary Fullerton Healthcare Group Pte Ltd, acquired 100% of the equity interests of Radlink-Asia Pte Ltd. The principal activity is that of diagnostic imaging services for health screening and medical practitioner.

Details of the consideration paid, the assets acquired and liabilities assumed and the effects on the cash flows of the Group, at the acquisition date, are as follows:

(i) *Purchase consideration*

| | \$'000 |
|---|----------------|
| Cash paid | 111,120 |
| Equity interest transferred to non-controlling interest | 103 |
| Consideration transferred for the business | <u>111,223</u> |

(ii) *Effect on cash flows of the Group*

| | \$'000 |
|--|-----------------|
| Total cash paid (as above) | 111,120 |
| Less: cash and cash equivalents in subsidiary acquired | <u>(10,388)</u> |
| Cash outflow on acquisition | <u>100,732</u> |

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27. BUSINESS COMBINATIONS (cont'd)

(iii) *Identifiable assets acquired and liabilities assumed*

| | At fair value \$'000 |
|---|----------------------------|
| Cash and cash equivalents | 10,388 |
| Property, plant and equipment | 12,250 |
| Trade and other receivables | 12,302 |
| Other current assets | 625 |
| Total assets | <u>35,565</u> |
| Finance lease | (266) |
| Current tax liabilities | (3,004) |
| Deferred tax liability | (1,297) |
| Trade and other payables | (9,682) |
| Total liabilities | <u>(14,249)</u> |
| Total identifiable net assets | 21,316 |
| Add: Goodwill recognised on acquisition | 84,266 |
| Add: Intangible asset recognised on acquisition | 6,797 |
| Add: Deferred tax liability recognised on acquisition | (1,156) |
| Consideration transferred for the business | <u>111,223</u> |

(iv) *Revenue and profit contribution*

The acquired business contributed revenue of S\$17,953,000 and net profit of S\$5,127,000 to the Group from the period of 11 May 2015 to 31 December 2015.

(v) *Goodwill arising on acquisition*

Goodwill arose in the acquisition of Radlink-Asia Pte Ltd because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth and future market development of Radlink-Asia Pte Ltd. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

- (b) On 15 January 2015, the Group, through its 100% owned subsidiary Navitas, acquired 100% of the equity interests of Integrated Health Plans Pte Ltd, Advantage Health Benefits Pte Ltd, Corporate Health Services Pte Ltd and Corporate Outsource Services Sdn Bhd. The principal activity is that of administrative services to clinics and companies relating to healthcare plans.

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27. BUSINESS COMBINATIONS (cont'd)

Details of the consideration paid, the assets acquired and liabilities assumed and the effects on the cash flows of the Group, at the acquisition date, are as follows:

(i) *Purchase consideration*

| | |
|--|---------------|
| | \$'000 |
| Consideration transferred for the business | <u>21,090</u> |

(ii) *Effect on cash flows of the Group*

| | |
|--|----------------|
| | \$'000 |
| Total cash paid (as above) | 21,090 |
| Less: cash and cash equivalents in subsidiary acquired | <u>(2,168)</u> |
| Cash outflow on acquisition | <u>18,922</u> |

(iii) *Identifiable assets acquired and liabilities assumed*

| | |
|---|----------------------------|
| | At fair value \$'000 |
| Cash and cash equivalents | 2,168 |
| Property, plant and equipment | 121 |
| Trade and other receivables | 5,398 |
| Other current assets | <u>16</u> |
| Total assets | <u>7,703</u> |
| Trade and other payables | <u>(6,595)</u> |
| Total liabilities | <u>(6,595)</u> |
| Total identifiable net assets | 1,108 |
| Add: Goodwill recognised on acquisition | 18,662 |
| Add: Intangible asset recognised on acquisition | 1,590 |
| Add: Deferred tax liability recognised on acquisition | <u>(270)</u> |
| Consideration transferred for the business | <u>21,090</u> |

(iv) *Revenue and profit contribution*

The acquired business contributed revenue of S\$7,483,000 and net profit of S\$2,171,000 to the Group from the period of 15 January 2015 to 31 December 2015.

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27. BUSINESS COMBINATIONS (cont'd)

(v) *Goodwill arising on acquisition*

Goodwill arose in the acquisition of these subsidiaries because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth and future market development of these subsidiaries. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

- (c) On 9 January 2015, the Group, through its 100% owned subsidiary Aurum Holdings, acquired 100% of the equity interests of FHHK Aurum Limited. The principal activity is that of operating clinics and the provision of general medical services.

Details of the consideration paid, the assets acquired and liabilities assumed and the effects on the cash flows of the Group, at the acquisition date, are as follows:

(i) *Purchase consideration*

| | \$'000 |
|---|---------------|
| Cash paid | 17,566 |
| Equity interest transferred to non-controlling interest | 38 |
| Contingent consideration (Note 17) | 15,370 |
| Consideration transferred for the business | <u>32,974</u> |

(ii) *Effect on cash flows of the Group*

| | \$'000 |
|--|---------------|
| Total cash paid (as above) | 17,566 |
| Less: cash and cash equivalents in subsidiary acquired | (597) |
| Cash outflow on acquisition | <u>16,969</u> |

(iii) *Identifiable assets acquired and liabilities assumed*

| | At fair value \$'000 |
|---|----------------------------|
| Cash and cash equivalents | 597 |
| Property, plant and equipment | 296 |
| Trade and other receivables | 5,360 |
| Total assets | <u>6,253</u> |
| Trade and other payables | (4,428) |
| Total liabilities | <u>(4,428)</u> |
| Total identifiable net assets | 1,825 |
| Add: Goodwill recognised on acquisition | 27,079 |
| Add: Intangible asset recognised on acquisition | 4,874 |
| Add: Deferred tax liability recognised on acquisition | (804) |
| Consideration transferred for the business | <u>32,974</u> |

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27. BUSINESS COMBINATIONS (cont'd)

(iv) *Revenue and profit contribution*

The acquired business contributed revenue of S\$22,084,000 and net profit of S\$2,592,000 to the Group from the period of 9 January 2015 to 31 December 2015.

(v) *Goodwill arising on acquisition*

Goodwill arose in the acquisition of FHHK Aurum Limited because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth and future market development of Aurum Holdings. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

- (d) On 2 February 2015, the Group, through its 100% owned subsidiary Fullerton Assistance Pte Ltd, acquired 100% of the equity interests of Global Assistance & Healthcare (Singapore) Pte Ltd and Global Assistance & Healthcare Holdings Pte Ltd. The principal activity is that of medical evacuation, assistance service and medical supplies.

Details of the consideration paid, the assets acquired and liabilities assumed and the effects on the cash flows of the Group, at the acquisition date, are as follows:

(i) *Purchase consideration*

| | \$'000 |
|---|---------------|
| Cash paid | 19,096 |
| Equity interest transferred to non-controlling interest | 583 |
| Contingent consideration (Note 17) | 2,590 |
| Consideration transferred for the business | <u>22,269</u> |

(ii) *Effect on cash flows of the Group*

| | \$'000 |
|--|---------------|
| Total cash paid (as above) | 19,096 |
| Less: cash and cash equivalents in subsidiary acquired | <u>(709)</u> |
| Cash outflow on acquisition | <u>18,387</u> |

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27. BUSINESS COMBINATIONS (cont'd)

(iii) *Identifiable assets acquired and liabilities assumed*

| | At fair value \$'000 |
|---|----------------------------|
| Cash and cash equivalents | 709 |
| Property, plant and equipment | 732 |
| Trade and other receivables | 7,300 |
| Other current assets | 159 |
| Total assets | <u>8,900</u> |
| Tax liabilities | (279) |
| Trade and other payables | (1,798) |
| Total liabilities | <u>(2,077)</u> |
| Total identifiable net assets | 6,823 |
| Add: Goodwill recognised on acquisition | 11,409 |
| Add: Intangible asset recognised on acquisition | 5,383 |
| Add: Deferred tax liability recognised on acquisition | (1,346) |
| Consideration transferred for the business | <u>22,269</u> |

(iv) *Revenue and profit contribution*

The acquired business contributed revenue of S\$10,955,000 and net profit of S\$2,725,000 to the Group from the period of 2 February 2015 to 31 December 2015.

(v) *Goodwill arising on acquisition*

Goodwill arose in the acquisition of Global Assistance & Healthcare (Singapore) Pte Ltd and Global Assistance & Healthcare Holdings Pte Ltd because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth and future market development of Global Assistance & Healthcare (Singapore) Pte Ltd and Global Assistance & Healthcare Holdings Pte Ltd. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

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27. BUSINESS COMBINATIONS (cont'd)

- (e) In 2015, the Group acquired eight further subsidiaries. Details of the aggregate consideration paid, the assets acquired and liabilities assumed and the effects on the cash flows of the Group, at the acquisition date, are as follows:

(i) *Purchase consideration*

| | \$'000 |
|---|--------------|
| Cash paid | 6,517 |
| Equity interest transferred to non-controlling interest | 257 |
| Contingent consideration (Note 17) | 2,185 |
| Consideration transferred for the business | <u>8,959</u> |

(ii) *Effect on cash flows of the Group*

| | \$'000 |
|--|--------------|
| Total cash paid (as above) | 6,517 |
| Less: cash and cash equivalents in subsidiary acquired | (490) |
| Cash outflow on acquisition | <u>6,027</u> |

(iii) *Identifiable assets acquired and liabilities assumed*

| | At fair value \$'000 |
|---|----------------------------|
| Cash and cash equivalent | 490 |
| Property, plant and equipment | 433 |
| Trade and other receivables | 1,199 |
| Other current assets | 111 |
| Total assets | <u>2,233</u> |
| Trade and other payables | (1,000) |
| Finance lease | (47) |
| Total liabilities | <u>(1,047)</u> |
| Total identifiable net assets | 1,186 |
| Add: Goodwill recognised on acquisition | 7,773 |
| Consideration transferred for the business | <u>8,959</u> |

(iv) *Revenue and profit contribution*

The acquired businesses contributed revenue of S\$6,387,000 and net profit of S\$1,647,000 to the Group for the period ended 31 December 2015.

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27. BUSINESS COMBINATIONS (cont'd)

(v) *Goodwill arising on acquisition*

Goodwill arose in the acquisition of these subsidiaries because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth and future market development of these subsidiaries. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Had each of the above new subsidiaries been consolidated from 1 January 2015, consolidated revenue and consolidated loss for the year ended 31 December 2015 would have been \$261,049,000 and \$10,410,000, respectively.

Acquisitions in 2014

- (a) On 31 January 2014, the Group, through its 80% owned subsidiary, Jobfit Medical Services Pty Ltd, acquired 100% of the equity interests of Emerald Medical Pty Ltd. The principal activity is that of operating clinics and the provision of general medical services.

Details of the consideration paid, the assets acquired and liabilities assumed and the effects on the cash flows of the Group, at the acquisition date, are as follows:

(i) *Purchase consideration*

| | |
|--|--------------|
| | \$'000 |
| Consideration transferred for the business | <u>1,412</u> |

(ii) *Effect on cash flows of the Group*

| | |
|--|--------------|
| | \$'000 |
| Total cash paid (as above) | 1,412 |
| Less: cash and cash equivalents in subsidiary acquired | <u>(4)</u> |
| Cash outflow on acquisition | <u>1,408</u> |

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27. BUSINESS COMBINATIONS (cont'd)

(iii) *Identifiable assets acquired and liabilities assumed*

| | At fair value \$'000 |
|---|----------------------------|
| Cash and cash equivalents | 4 |
| Property, plant and equipment | 41 |
| Trade and other receivables | 72 |
| Other current assets | 1 |
| Total assets | <u>118</u> |
| Trade and other payables | <u>(73)</u> |
| Total liabilities | <u>(73)</u> |
| Total identifiable net assets | 45 |
| Add: Goodwill recognised on acquisition | <u>1,367</u> |
| Consideration transferred for the business | <u>1,412</u> |

(iv) *Revenue and profit contribution*

The acquired business contributed revenue of \$640,000 and net profit of \$224,000 to the Group from the period of 1 February 2014 to 31 December 2014.

- (b) On 27 January 2014, the Group, acquired 100% of the equity interests of Excel Strong Ltd, a Hong Kong holding company, which held a 60% equity interest in PT E-Tirta Medical Centre, incorporated in Indonesia. The principal activity is that of operating clinics and the provision of general medical services.

Details of the consideration paid, the assets acquired and liabilities assumed and the effects on the cash flows of the Group, at the acquisition date, are as follows:

(i) *Purchase consideration*

| | \$'000 |
|---|--------------|
| Cash paid | 7,200 |
| Equity interest transferred to non-controlling interest | 20 |
| Consideration transferred for the business | <u>7,220</u> |

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27. BUSINESS COMBINATIONS (cont'd)

(ii) *Effect on cash flows of the Group*

| | \$'000 |
|--|--------------|
| Total cash paid (as above) | 7,200 |
| Less: cash and cash equivalents in subsidiary acquired | (148) |
| Cash outflow on acquisition | <u>7,052</u> |

(iii) *Identifiable assets acquired and liabilities assumed*

| | At fair value \$'000 |
|---|----------------------------|
| Cash and cash equivalents | 148 |
| Property, plant and equipment | 784 |
| Trade and other receivables | 2,135 |
| Inventories | 85 |
| Other current assets | 2 |
| Total assets | <u>3,154</u> |
| Trade and other payables | (2,806) |
| Current tax liabilities | (65) |
| Total liabilities | <u>(2,871)</u> |
| Total identifiable net assets | 283 |
| Add: Identified intangible assets | 203 |
| Add: Goodwill recognised on acquisition | 6,734 |
| Consideration transferred for the business | <u>7,220</u> |

(iv) *Revenue and profit contribution*

The acquired business contributed revenue of \$3,931,000 and net loss of \$130,000 to the Group from the period of 1 February 2014 to 31 December 2014.

- (c) On 28 February 2014, the Group, through its 80% owned subsidiary, Jobfit Medical Services Pty Ltd, acquired 80% of the equity interests of Mediceck Australia Pty Ltd. The principal activity is that of operating clinics and the provision of general medical services.

Details of the consideration paid, the assets acquired and liabilities assumed and the effects on the cash flows of the Group, at the acquisition date, are as follows:

(i) *Purchase consideration*

| | \$'000 |
|---|--------------|
| Cash paid | 2,207 |
| Equity interest transferred to non-controlling interest | 551 |
| Consideration transferred for the business | <u>2,758</u> |

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27. BUSINESS COMBINATIONS (cont'd)

(ii) *Effect on cash flows of the Group*

| | \$'000 |
|--|--------------|
| Total cash paid (as above) | 2,207 |
| Less: cash and cash equivalents in subsidiary acquired | <u>(60)</u> |
| Cash outflow on acquisition | <u>2,147</u> |

(iii) *Identifiable assets acquired and liabilities assumed*

| | At fair value \$'000 |
|---|----------------------------|
| Cash and cash equivalents | 60 |
| Property, plant and equipment | 774 |
| Trade and other receivables | <u>152</u> |
| Total assets | <u>986</u> |
| Trade and other payables | <u>(142)</u> |
| Total liabilities | <u>(142)</u> |
| Total identifiable net assets | 844 |
| Add: Goodwill recognised on acquisition | <u>1,915</u> |
| Consideration transferred for the business | <u>2,759</u> |

(iv) *Revenue and profit contribution*

The acquired business contributed revenue of \$5,522,000 and net profit of \$176,000 to the Group from the period of 1 March 2014 to 31 December 2014.

- (d) On 7 March 2014, the Group acquired 100% of the equity interests of Drs Horne & Chin Pte Ltd and HCP Pte Ltd. The principal activity is that of operating clinics, the provision of general medical and pharmacy services.

Details of the consideration paid, the assets acquired and liabilities assumed and the effects on the cash flows of the Group, at the acquisition date, are as follows:

(i) *Purchase consideration*

| | \$'000 |
|--|---------------|
| Consideration transferred for the business | <u>12,579</u> |

(ii) *Effect on cash flows of the Group*

| | \$'000 |
|--|---------------|
| Total cash paid (as above) | 12,579 |
| Less: cash and cash equivalents in subsidiary acquired | <u>(918)</u> |
| Cash outflow on acquisition | <u>11,661</u> |

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27. BUSINESS COMBINATIONS (cont'd)

(iii) *Identifiable assets acquired and liabilities assumed*

| | At fair value \$'000 |
|---|----------------------------|
| Cash and cash equivalents | 918 |
| Property, plant and equipment | 68 |
| Trade and other receivables | 1,716 |
| Inventories | 205 |
| Other current assets | 86 |
| Total assets | <u>2,993</u> |
| Trade and other payables | (1,930) |
| Current tax liabilities | (172) |
| Total liabilities | <u>(2,102)</u> |
| Total identifiable net assets | 891 |
| Add: Identified intangible assets | 1,335 |
| Less: Deferred tax liability | (166) |
| Add: Goodwill recognised on acquisition | 10,519 |
| Consideration transferred for the business | <u>12,579</u> |

(iv) *Revenue and profit contribution*

The acquired business contributed revenue of \$10,609,000 and net profit of \$1,392,000 to the Group from the period of 1 March 2014 to 31 December 2014.

28. NEW ACCOUNTING STANDARDS AND FRS INTERPRETATIONS

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for the Group accounting periods beginning after 1 January 2016 or later periods and which the Group has not early adopted. The Group does not expect that adoption of these accounting standards or interpretation will have a material impact on the Group's financial statements, except for the following, for which management is currently still considering the potential impact on the Group:

IFRS 15 Revenue from Contracts with Customers (with clarification issued)

In November 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related interpretations when it becomes effective. Further clarifications to IFRS 15 were also issued in June 2016.

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28. NEW ACCOUNTING STANDARDS AND FRS INTERPRETATIONS (cont'd)

The core principle of IFRS 15 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 IFRS 15, 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 IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

IFRS 15 applies to annual periods beginning on or after 1 January 2018, with early application permitted. Additional disclosures will be made with respect of trade receivables and revenue, including any significant judgement and estimation made. Management has commenced an assessment of the possible impact of implementing IFRS 15. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group’s financial statements in the period of initial application as the management has yet to complete its detailed assessment. Management does not plan to early adopt the new IFRS 15.

IFRS 9 *Financial Instruments*

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a ‘fair value through other comprehensive income’ (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

All recognised financial assets that are within the scope of IAS 39 are now required to be subsequently measured at amortised cost or fair value through profit or loss (FVTPL). 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.

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28. NEW ACCOUNTING STANDARDS AND FRS INTERPRETATIONS (cont'd)

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 FVTPL at the end of subsequent accounting periods. In addition, under IFRS 9, 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, IFRS 9 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. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL is presented in profit or loss.

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 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 IAS 39. Under IFRS 9, 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.

IFRS 9 applies to annual periods beginning on or after 1 January 2018, with early application permitted. Additional disclosures may be made with respect of financial assets and financial liabilities, including any significant judgement and estimation made. Management has commenced an assessment of the possible impact of implementing IFRS 9. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as the management has yet to complete its detailed assessment. Management does not plan to early adopt the new IFRS 9.

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28. NEW ACCOUNTING STANDARDS AND FRS INTERPRETATIONS (cont'd)

IFRS 16 Leases

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 Leases and the related interpretations when it becomes effective.

IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under IAS 17 are presented as operating cash flows; whereas under the IFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019 with earlier application permitted for entities that have also adopted IFRS 15 *Revenue from Contracts with Customers*. Management anticipates that the initial application of the new IFRS 16 will result in changes to the accounting policies relating to operating leases, where the group is a lessee. A lease asset will be recognised on balance sheet, representing the Group's right to use the leased asset over the lease term and, recognise a corresponding liability to make lease payments. Additional disclosures may be made with respect of lease assets and liabilities. Management has commenced an assessment of the possible impact of implementing IFRS 16. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as the management has yet to complete its detailed assessment. Management does not plan to early adopt the new IFRS 16.

Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions

The amendments clarify the following:

In estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payments.

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28. NEW ACCOUNTING STANDARDS AND FRS INTERPRETATIONS (cont'd)

Where tax law or regulation requires an entity to withhold a specified number of equity instruments equal to the monetary value of the employee's tax obligation to meet the employee's tax liability which is then remitted to the tax authority, i.e. the share-based payment arrangement has a 'net settlement feature', such an arrangement should be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature.

A modification of a share-based payment that changes the transaction from cash-settled to equity-settled should be accounted for as follows:

- i) the original liability is derecognised;
- ii) the equity-settled share-based payment is recognised at the modification date fair value of the equity instrument granted to the extent that services have been rendered up to the modification date; and
- iii) any difference between the carrying amount of the liability at the modification date and the amount recognised in equity should be recognised in profit or loss immediately.

The amendments are effective for annual reporting periods beginning on or after 1 January 2018 with earlier application permitted. Specific transition provisions apply. Management anticipates that the initial application of the new IFRS 2 will not result in material changes to the accounting policies relating to share-based payments and has commenced an assessment of the possible impact of implementing IFRS 2. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as the management has yet to complete its detailed assessment. Management does not plan to early adopt the new IFRS 2.

Amendments to IAS 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.

The amendments apply prospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. Management anticipated that the initial application of Amendments to IAS 7 will result in additional disclosures to be made with respect to statement of cash flows. Management has commenced an assessment of the possible impact of implementing Amendments to IAS 7. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as the management has yet to complete its detailed assessment. The management does not plan to early adopt the Amendments to IAS 7.

Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify the following:

1. Decreases below cost in the carrying amount of a fixed-rate debt instrument measured at fair value for which the tax base remains at cost give rise to a deductible temporary

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28. NEW ACCOUNTING STANDARDS AND FRS INTERPRETATIONS (cont'd)

difference, irrespective of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use, or whether it is probable that the issuer will pay all the contractual cash flows;

2. When an entity assesses whether taxable profits will be available against which it can utilise a deductible temporary difference, and the tax law restricts the utilisation of losses to deduction against income of a specific type (e.g. capital losses can only be set off against capital gains), an entity assesses a deductible temporary difference in combination with other deductible temporary differences of that type, but separately from other types of deductible temporary differences;
3. The estimate of probable future taxable profit may include the recovery of some of an entity's assets for more than their carrying amount if there is sufficient evidence that it is probable that the entity will achieve this; and
4. In evaluating whether sufficient future taxable profits are available, an entity should compare the deductible temporary differences with future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences.

The amendments apply retrospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. Management anticipates that the initial application of the new IAS 12 will not result in material changes to the accounting policies relating to deferred tax for unrealised losses and has commenced an assessment of the possible impact of implementing IAS 2. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as the management has yet to complete its detailed assessment. Management does not plan to early adopt the new IAS 12

Improvements to IFRS 12 *Disclosure of interest in Other Entities*

The amendments clarify the scope of IFRS 12 by specifying that disclosure requirements in the Standard, except for those in paragraphs B10-B16 (on summarised financial information), apply to any interests that are classified as held for sale, held for distribution to owners or discontinued operations in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

29. SUBSEQUENT EVENTS

- (i) On 18 January 2017, the Group completed the acquisition of 60% of the issued share capital of Alpha Joints & Orthopaedics Pte. Ltd. located in Singapore for a purchase consideration of \$5 million. The principal activities are operating clinic and provision of other general medical services. The initial accounting for the business combination has not been finalised at the date of authorisation of the financial statements.
- (ii) On 8 March 2017, the Company entered into a subscription agreement, along with two other parties, including one related party, to subscribe for a 40% share in Fullerton

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29. SUBSEQUENT EVENTS (cont'd)

Health China Limited (“Fullerton China”), a Cayman Island company, for a consideration of US\$20 million. This consideration and subscription for Class B shares in Fullerton China is payable within one month of the completion of the listing of shares in the Company or the completion of a sale of at least 15% of the voting shares in the Company. The Company has granted a put option to one of the other parties, whereby if an initial public offering or sale of all or substantially all of the shares or assets of Fullerton China has not occurred by the fifth anniversary of the completion date of the put option agreement, the Company will be required to purchase the Fullerton China shares held by the other party. The calculation of the fair value of the put option has not been finalised at the date of authorisation of the financial statements.

30. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Fullerton Healthcare Corporation Limited on 24 March 2017.

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