

CIRCULAR DATED 8 JULY 2016

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If you have sold or transferred all your Units in Religare Health Trust (“RHT”), you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form in this Circular, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.



(Religare Health Trust, a business trust constituted on 29 July 2011 and registered on 25 September 2012 under the laws of the Republic of Singapore)

MANAGED BY  
**RELIGARE HEALTH TRUST TRUSTEE MANAGER PTE. LTD.**

(Registration Number 201117555K)

**CIRCULAR TO UNITHOLDERS  
IN RELATION TO:**

- (1) **THE PROPOSED DISPOSAL OF 51.0% OF THE COMPULSORILY CONVERTIBLE DEBENTURES HELD IN FORTIS HOSPOTEL LIMITED AND 100.0% OF THE COMPULSORILY CONVERTIBLE PREFERENCE SHARES HELD IN ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED TO, AND RELATED ARRANGEMENTS WITH, INTERESTED PERSONS; AND**
- (2) **THE WHITEWASH RESOLUTION IN RELATION TO THE WAIVER OF THE RIGHTS OF INDEPENDENT UNITHOLDERS TO RECEIVE A MANDATORY OFFER FROM THE TRUSTEE-MANAGER AND PARTIES ACTING IN CONCERT WITH IT FOR THE REMAINING UNITS NOT OWNED OR CONTROLLED BY THEM PURSUANT TO THE ISSUANCE OF THE PERFORMANCE FEE UNITS (AS DEFINED HEREIN).**

**Independent Financial Adviser to the Independent Directors of  
Religare Health Trust Trustee Manager Pte. Ltd.**



**IMPORTANT DATES AND TIMES**

Determination of entitlement to attend, speak and vote at the Extraordinary General Meeting/Last date and time for lodgment of Proxy Forms	:	27 July 2016 at 10.30 a.m.
Date and time of Extraordinary General Meeting	:	29 July 2016 at 10.30 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the Annual General Meeting of RHT to be held at 10.00 a.m. on the same day and at the same venue)
Venue of Extraordinary General Meeting	:	Suntec Singapore International Convention & Exhibition Centre Room MR 330 1 Raffles Boulevard Singapore 039593



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## CORPORATE INFORMATION

**Board of Directors of Religare Health Trust Trustee Manager Pte. Ltd. (the trustee manager of RHT) (the “Trustee-Manager”)**

Mr Ravi Mehrotra (Executive Chairman)  
Mr Gurpreet Singh Dhillon (Executive Director and Chief Executive Officer)  
Mr Pawanpreet Singh (Executive Director and Chief Financial Officer)  
Dr Yogendra Nath Mathur (Lead Independent Director)  
Mr Sydney Michael Hwang (Independent Director)  
Mr Peter Joseph Seymour Rowe (Independent Director)  
Mr Eng Meng Leong (Independent Director)

**Registered Office of the Trustee-Manager**

9 Battery Road  
#15-01 Straits Trading Building  
Singapore 049910

**Principal Place of Business of the Trustee-Manager**

302 Orchard Road  
#18-02 Tong Building  
Singapore 238862

**Legal Adviser to the Trustee-Manager as to Singapore Law**

**Rajah & Tann Singapore LLP**  
9 Battery Road  
#25-01 Straits Trading Building  
Singapore 049910

**Legal Advisers to the Trustee-Manager in relation to the Proposed Disposal and the Related Arrangements as to Indian Law**

**AZB & Partners**  
AZB House  
Peninsula Corporate Park  
Ganpatrao Kadam Marg  
Lower Parel, Mumbai 400 013  
India

**Cyril Amarchand Mangaldas**  
Peninsula Chambers  
Peninsula Corporate Park  
Ganpatrao Kadam Marg  
Lower Parel, Mumbai 400 013  
India

**Independent Financial Adviser to the Independent Directors of the Trustee-Manager (the “IFA”)**

**KPMG Corporate Finance Pte Ltd**  
16 Raffles Quay  
#22-00 Hong Leong Building  
Singapore 048581

**Independent Valuer**

**Duff & Phelps India Pvt Ltd**  
404, Windfall, Sahara Plaza Complex  
Andheri-Kurla Road, J.B.Nagar, Andheri (East)  
Mumbai 400 059  
India

**Unit Registrar and Unit Transfer Office**

**Boardroom Corporate & Advisory Services Pte. Ltd.**  
50 Raffles Place  
#32-01 Singapore Land Tower  
Singapore 048623

## OVERVIEW

*This overview section is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Meanings of defined terms may be found in the Glossary on pages 42 to 49 of this Circular.*

*Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.*

### Summary of Approvals Sought

The Trustee-Manager is seeking the approval of Unitholders for the following resolutions:

- (1) **Resolution 1:** The Proposed Disposal of 51.0% of the compulsorily convertible debentures (“**CCDs**”) held by Fortis Global Healthcare Infrastructure Pte. Ltd. (“**FGHIPL**”), a wholly-owned subsidiary of RHT, in Fortis Hospotel Limited (“**FHTL**”)<sup>1</sup> and 100.0% of the compulsorily convertible preference shares (“**CCPS**”) held by International Hospitals Ltd (“**IHL**”), a wholly-owned subsidiary of RHT, in Escorts Heart Institute and Research Centre Limited (“**EHIRCL**”)<sup>2</sup>, a wholly-owned subsidiary of Fortis Healthcare Limited (“**FHL**”) to, and the Related Arrangements with, interested persons; and
- (2) **Resolution 2:** The whitewash resolution in relation to the waiver of the rights of Independent Unitholders to receive a Mandatory Offer as defined herein from the Trustee-Manager and parties acting in concert with it for the remaining Units not owned or controlled by them in the event that they incur a mandatory bid obligation pursuant to Rule 14 of the Code as a result of the receipt of the Performance Fee Units (as defined in the herein).

### Background to the Approvals Sought in relation to the Proposed Disposal and the Related Arrangements

Due to regulatory restrictions imposed on the equity shareholding of FHL in FHTL at the time of the initial public offering of RHT on the SGX-ST (“**IPO**”), RHT, through Fortis Health Management Limited (“**FHML**”), acquired a 49.0% equity interest in FHTL. Through: (a) the issuance of the CCDs in FHTL to FGHIPL and (b) pursuant to the shareholders’ agreement dated 17 September 2012 among the shareholders of FHTL (“**FHTL Shareholders’ Agreement**”), under which RHT is entitled to, amongst others, (i) acquire the remaining 51.0% equity shares of FHTL from FHL pursuant to a call option, upon receipt of approval from the relevant authorities, (ii) appoint half of the board of directors of FHTL, and (iii) receive the benefit of the assignment by FHL of its right to all dividends and other distributions made by FHTL to FHML, RHT is able to consolidate FHTL. Accordingly, the full economic value of the aforesaid benefits and rights in FHTL (obtained pursuant to the FHTL Shareholders’ Agreement) was taken into account at the time of the IPO for valuing FHTL.

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1 FHL holds a 51.0% equity interest in FHTL, while RHT holds the remaining 49.0% equity interest in FHTL. In addition, RHT holds 100.0% of the CCDs in FHTL and FHTL is accounted for as a subsidiary of RHT.

2 EHIRCL owns and operates the hospital operations of a healthcare facility situated at Okhla Road, New Delhi.

At or around the time of the IPO, CCDs, CCPS and OCDs were issued by entities in the RHT Group and the Fortis group, and which are relevant in the context of the Proposed Disposal and Related Arrangements. Specifically:

- (a) CCDs were issued by entities in the RHT Group, including by FHTL to FGHIPL for the infusion of funds to complete the acquisition of the initial portfolio by RHT and the subscription of CCPS referred to in (b) below;
- (b) CCPS were issued by EHIRCL (a subsidiary of FHL) to Kanishka Healthcare Limited (“KHL”)<sup>1</sup> pursuant to a subscription agreement with FHL and EHIRCL dated 17 September 2012 under which KHL (and consequentially IHL<sup>1</sup>) has the right to put the CCPS to FHL if the call option under the FHTL Shareholders’ Agreement was exercised; and
- (c) optionally convertible debentures (“OCDs”) were issued by Escorts Heart and Super Specialty Institute Limited (“EHSSIL”)<sup>1</sup> and KHL to FHTL to meet the RHT Group’s internal funding requirements.

As at the Latest Practicable Date, regulatory approval to acquire the remaining 51.0% equity interest in FHTL has not been received. The Trustee-Manager has accordingly decided to unwind the transaction structure put in place at the time of the IPO. As the Trustee-Manager intends to continue participating in FHTL, the Trustee-Manager proposes to dispose of 51.0% of its economic interest in FHTL and unwind the transaction structure by disposing of 51.0% of the CCDs in FHTL. As the CCPS were intended to be put to EHIRCL at the time of the exercise of the call option under the FHTL Shareholders’ Agreement and such call option will no longer be available to RHT following the disposal of 51.0% of the CCDs in FHTL and the amendment of the FHTL Shareholders’ Agreement, the Trustee-Manager additionally proposes to dispose of 100.0% of the CCPS in EHIRCL.

In addition, certain ancillary agreements are required to be entered into to ensure that RHT’s minority Unitholders are not unfairly prejudiced, as follows:

- (a) Upon completion of the Proposed Disposal, as RHT will no longer have the full economic interest of FHTL, it is proposed that the FHTL Shareholders’ Agreement be amended to reflect each of FHML’s and FHL’s economic interest in FHTL by:
  - (i) removing FHML’s right (A) to nominate 50% of the directors of FHTL and the chairman of FHTL’s board of directors and (B) to receive dividends or other distributions on the equity share capital of FHTL held by FHL; and
  - (ii) conferring certain additional rights on FHML, including (A) a tag along right in favour of FHML, (B) affirmative vote matters for which the prior written approval of FHML is required in respect of certain corporate matters, such as the issuance of securities, the winding up or liquidation of FHTL and any change or cessation of business of FHTL and (C) the right to appoint two out of five non-independent directors on the board of FHTL.
- (b) In addition, FHTL holds interest-bearing OCDs in IHL. Considering that FHTL will be 51% controlled by FHL and RHT will cease to have some of the rights in FHTL conferred on it under the FHTL Shareholders’ Agreement, it is in the interest of RHT to realign FHTL’s exposure to the OCDs in IHL. It is therefore proposed that a number of the OCDs in IHL held

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<sup>1</sup> EHSSIL and KHL were wholly-owned subsidiaries of RHT. EHSSIL, KHL and certain other entities were amalgamated with IHL pursuant to a scheme of amalgamation which took effect on 17 January 2014. Consequently, the entire business and undertakings of each of EHSSIL, KHL and the other entities were transferred to IHL with effect from the appointed date, being 1 January 2013.

by FHTL be redeemed and all outstanding interest accrued paid. Such OCDs are further proposed to be converted into non-convertible debentures (“**NCDs**”) to safeguard against FHTL diluting RHT’s interest in IHL. The amounts received by FHTL pursuant to the redemption of OCDs and repayment of interest is proposed to be invested in Fortis Hospitals Limited<sup>1</sup> (“**FHsL**”) by way of issuance of NCDs of FHsL to FHTL, and will result in IHL and FHsL’s interests and obligations in and to FHTL mirroring the proportion of their respective shareholding in FHTL. Further, in connection with the foregoing arrangements, FHL has provided a guarantee in respect of FHsL’s payment and other obligations to FHTL (as lender) in relation to the NCDs in FHsL for the benefit of RHT. FGHIPL was requested by FHL to provide a similar guarantee in respect of the payment and other obligations of IHL to FHTL (as lender) in relation to the OCDs in IHL.

- (c) All remaining outstanding OCDs in IHL held by FHTL will be converted to non-convertible debentures (“**Lender NCDs**”). This conversion will ensure that FHTL will not be able to convert its outstanding debentures into equity of IHL (a wholly-owned subsidiary of RHT) and dilute RHT’s shareholding in IHL.
- (d) As the proposed disposal of the CCDs would result in there being more than one holder of CCDs, the terms of the investment agreement dated 17 September 2012 (as amended by the amendment to the investment agreement, dated 15 October 2012) pursuant to which FGHIPL subscribed for 8,704,000 CCDs in FHTL (the “**FHTL CCDs Investment Agreement**”) would need to be amended to provide for more than one holder of CCDs.

Additional details on the above agreements and transactions are set out below.

### **Details of the Proposed Disposal and the Related Arrangements**

The Proposed Disposal and Related Arrangements (as defined below) are proposed to be effected by way of the following transactions and arrangements:

- (a) the disposal of the following securities (the “**Relevant Securities**”):
  - (i) the disposal by FGHIPL of 51.0% of the CCDs in FHTL to FHL, an interested person (the “**CCDs Disposal**”) for a consideration of ₹10,848.9 million (S\$216.6 million) (the “**CCDs Consideration**”) pursuant to an agreement dated 8 July 2016 between FGHIPL, FHL and FHTL (the “**CCDs Disposal Agreement**”). The CCDs Consideration payable on completion of the Proposed Disposal will be adjusted as follows:
    - (A) if the net current assets of FHTL as at completion exceeds the net current assets of FHTL as at 31 March 2016 by more than ₹85.1 million (S\$1.7 million)<sup>2</sup>, the CCDs Consideration will be increased by an amount equal to a portion of the difference between the two, such portion being equal to the total number of equity shares of FHTL to be issued upon conversion of the CCDs to be sold to FHL pursuant to the CCDs Disposal Agreement, expressed as a percentage of the total equity shares of FHTL computed on a fully diluted basis (the “**Pro Rata portion**”); and
    - (B) if the net current assets of FHTL as at completion is less than the net current assets of FHTL as at 31 March 2016 by more than ₹85.1 million (S\$1.7 million), the CCDs Consideration will be reduced by an amount equal to the Pro Rata portion of the difference between the two<sup>3</sup>; and

1 FHsL is a wholly-owned operating subsidiary of FHL and operates 14 healthcare facilities across India. FHsL has net assets of approximately ₹3,984 million and contributes to approximately 50.0% of the revenue and 40.0% of the EBITDA of the FHL group of companies, based on the financial statements of the FHL group for the 9-month period ended 31 December 2015.

2 This is equal to 5.0% of the net current assets of FHTL at completion.

3 Please refer to paragraph 1.1 of Appendix A to this Circular for further information.

- (ii) the disposal by IHL of all of the CCPS in EHIRCL to FHsL (the “**CCPS Disposal**”) for a consideration of ₹3,566.9 million (S\$71.2 million) (the “**CCPS Consideration**”) pursuant to an agreement dated 8 July 2016 between IHL, FHsL and EHIRCL (the “**CCPS Disposal Agreement**”),

(collectively, the “**Proposed Disposal**”); and

- (b) the following arrangements entered into in connection with the Proposed Disposal:

- (i) the amendments to the terms of the FHTL CCDs Investment Agreement on the terms of the amendment agreement dated 8 July 2016 between FHTL, FGHIPL and FHL (the “**CCDs Amendment Agreement**”);
- (ii) the amendments to the FHTL Shareholders’ Agreement on the terms of the amended and restated shareholders’ agreement dated 8 July 2016 between FHML, a wholly-owned subsidiary of RHT, FHL and FHTL (the “**Amended and Restated FHTL Shareholders’ Agreement**”);
- (iii) the redemption of a number of OCDs to be determined at completion of the Proposed Disposal and payment of accrued interest under all the OCDs in IHL held by FHTL using part of the proceeds from the CCPS Disposal (the “**OCDs Redemption and Payment**”)<sup>1 2</sup>. For illustrative purposes, assuming the OCDs Redemption and Payment was completed on 31 March 2016, the total of the interest repayment and redemption of 2,622,542 OCDs would have amounted to ₹4,713.8 million (S\$94.2 million);
- (iv) the amendments to the investment agreements dated 17 September 2012 pursuant to which FHTL subscribed for 3,262,500 OCDs issued by KHL and 3,989,000 OCDs issued by EHSSIL<sup>3</sup> (collectively, the “**IHL OCD Investment Agreements**”), including the amendment to provide for the waiver by FHTL of its right to convert the OCDs in IHL held by FHTL into equity shares of IHL, as a result of which all remaining outstanding OCDs in IHL after the OCDs Redemption and Payment will be deemed to be Lender NCDs, pursuant to an amendment agreement dated 8 July 2016 between FHTL, IHL and FGHIPL (the “**OCD Amendment Agreement**”);
- (v) a corporate guarantee provided by FGHIPL in favour of FHTL as security for the obligations of IHL in respect of the Lender NCDs (the “**FGHIPL Guarantee**”);

1 The amount to be paid for the OCDs Redemption and Payment is equivalent to 51.0% of the total outstanding liability on all the OCDs in IHL held by FHTL (comprising the principal amount outstanding and all accrued interest thereon, excluding interest between completion of the CCDs Disposal and the OCDs Redemption and Payment, which amount will be waived) (“**Outstanding OCDs Liability**”), which shall be applied first, in payment of all the interest accrued on the OCDs in IHL held by FHTL and any balance shall then be applied to redeem such number of OCDs.

2 The total principal and interest outstanding on the OCDs was ₹9,242.8 million (S\$184.6 million) as at 31 March 2016. For illustrative purposes only, as at 31 March 2016, the total of the interest repayment and redemption of 2,622,542 OCDs would have amounted to ₹4,713.8 million (S\$94.2 million), which represents 51.0% of the total principal and interest outstanding on the OCDs as at 31 March 2016. The NCDs Subscription would have been for a similar amount of ₹4,713.8 million (S\$94.2 million). Following the completion of the OCDs Redemption and Payment and the NCDs Subscription, the principal amount of OCDs held by FHTL in IHL (a wholly-owned subsidiary of RHT) and the principal amount of NCDs held by FHTL in FHsL (a wholly-owned subsidiary of FHL) will be proportionate to RHT and FHL’s interest in FHTL. Accordingly, as each of IHL and FHsL currently have gross earnings before interest and tax (EBIT) of less than ₹30,000 million (S\$599.0 million), then FHTL will receive interest of 9.3% per annum from each of IHL and FHsL in proportion to FHML and FHL’s interest in FHTL. FHsL and/or IHL (as the case may be) will be required to pay a higher rate of interest (on a continuing basis) if it achieves EBIT equivalent or in excess of ₹30,000 million (S\$599.0 million). Please see paragraphs 1.5 and 1.7 of Appendix A for more information.

3 Please refer to footnote 1 on page 4 of this Circular. 100,000 OCDs were cancelled immediately after the IPO.



(vi) the subscription by FHTL for NCDs in FHsL (the “**NCDs Subscription**”)<sup>1</sup> for a consideration equivalent to the amount paid for the OCDs Redemption and Payment<sup>2</sup> (the “**OCDs Redemption and Payment Amount**”) pursuant to a subscription agreement dated 8 July 2016 between FHsL, FHTL and FHL (the “**NCDs Subscription Agreement**”). Assuming the NCD Subscription was completed as at 31 March 2016, FHTL would have subscribed for a principal amount of NCDs of ₹4,713.8 million (S\$94.2 million), being equivalent to the illustrative total interest payment and redemption of OCDs by IHL as at 31 March 2016; and

(vii) a corporate guarantee provided by FHL in favour of FHTL as security for the obligations of FHsL in respect of the NCDs in FHsL (the “**FHL Guarantee**”),

(collectively, the “**Related Arrangements**”).

The Proposed Disposal and the Related Arrangements were negotiated on a willing buyer-willing seller basis, having taken into account the independent valuation undertaken on the CCPS and the CCDs by Duff & Phelps India Pvt Ltd<sup>3</sup> (the “**Independent Valuer**”). The Independent Valuer is of the opinion that the fair market value of (i) the CCPS is ₹3,566.9 million (S\$71.2 million) and (ii) 51.0% of the CCDs is ₹10,848.9 million (S\$216.6 million), as at the valuation date of 31 March 2016.

The Valuation Summary Letter (which includes the valuation approach and basis) is set out in **Appendix C** to this Circular.

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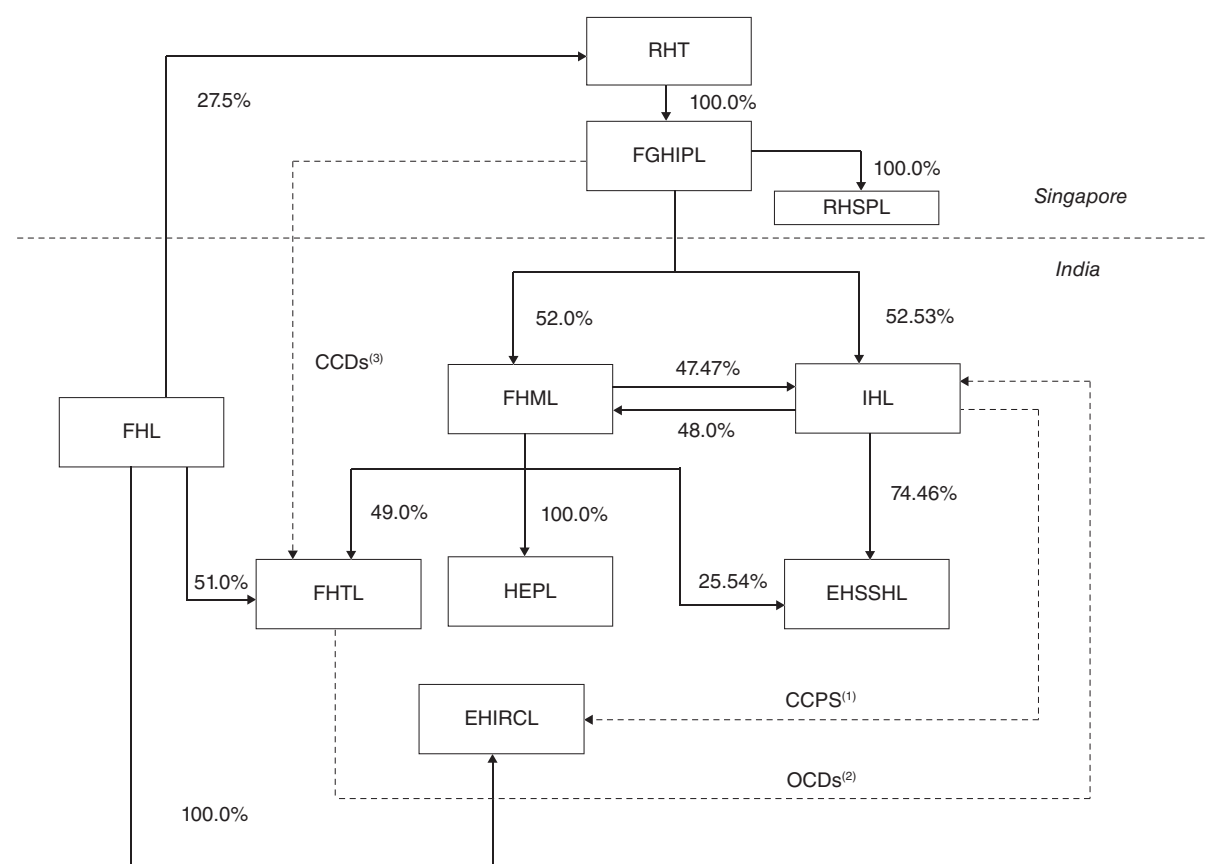
1 The total principal and interest outstanding on the OCDs was ₹9,242.8 million (S\$184.6 million) as at 31 March 2016. For illustrative purposes only, as at 31 March 2016, the total of the interest repayment and redemption of 2,622,542 OCDs would have amounted to ₹4,713.8 million (S\$94.2 million), which represents 51.0% of the total principal and interest outstanding on the OCDs as at 31 March 2016. The NCDs Subscription would have been for a similar amount of ₹4,713.8 million (S\$94.2 million). Following the completion of the OCDs Redemption and Payment and the NCDs Subscription, the principal amount of OCDs held by FHTL in IHL (a wholly-owned subsidiary of RHT) and the principal amount of NCDs held by FHTL in FHsL (a wholly-owned subsidiary of FHL) will be proportionate to RHT and FHL’s interest in FHTL. Accordingly, as each of IHL and FHsL currently have gross earnings before interest and tax (EBIT) of less than ₹30,000 million (S\$599.0 million), then FHTL will receive interest of 9.3% per annum from each of IHL and FHsL in proportion to FHTL and FHL’s interest in FHTL. FHsL and/or IHL (as the case may be) will be required to pay a higher rate of interest (on a continuing basis) if it achieves EBIT equivalent or in excess of ₹30,000 million (S\$599.0 million). Please see paragraphs 1.5 and 1.7 of Appendix A for more information.

2 See footnote 1 on page 6.

3 The Independent Valuation was commissioned by FGHPL.

## Structure of the RHT Group

### Structure Before the Proposed Disposal and Related Arrangements



#### Notes:

- (1) As at the Latest Practicable Date, IHL holds 401,769 CCPS in EHIRCL, aggregating to ₹3,566.9 million (S\$71.2 million) and with a cumulative dividend rate of 0.01% per annum on the face value of the CCPS.
- (2) As at the Latest Practicable Date, FHTL holds 7,151,500 OCDs in IHL aggregating to ₹7,151.5 million (S\$142.8 million), with each OCD carrying a variable interest dependent on the gross earnings before interest and tax of IHL.
- (3) As at the Latest Practicable Date, FGHIPL Holds 8,704,000 CCDs in FHTL aggregating to ₹8,704.0 million (S\$173.8 million) and carrying an interest of 17.5% per annum.

**Singapore**

**India**

**FHL** (27.5%) → **RHT** (100.0%) → **FGH IPL** (100.0%) → **RHSPL**

**FGH IPL** (52.0%) → **FHML** → **FHTL** (49.0%) → **FHTL** (51.0%)

**FGH IPL** (52.53%) → **IHL** → **FHML** (47.47%) → **IHL** (48.0%) → **IHL** (74.46%) → **EHSSL**

**FHL** (100.0%) → **FHLs** and **EHIRCL**

**Subscription of NCDs of ₹4,713.8m principal value<sup>(2)(4)(5)</sup>**

**CCDs Redemption and Payment Amount: ₹4,713.8m (including interest)**  
**Balance principal value of NCDs: ₹4,529.0m<sup>(2)(3)(5)</sup>**

**IHL will cease to hold CCPS following CCPS Disposal**

- (1) Following the completion of the CCDs Disposal, FGHPL and FHL will hold 4,264,960 CCDs and 4,439,040 CCDs in FHTL, being 49.0% and 51.0% of the CCDs in FHTL, respectively.
- (2) The OCDs Redemption and Payment and the NCDs Subscription is intended to mirror the shareholding of FHML and FHL in FHTL. Following the completion of the OCDs Redemption and Payment and the NCDs Subscription, the principal amount of OCDs held by FHTL in IHL (a wholly-owned subsidiary of RHT) and the principal amount of NCDs held by FHTL in FHsL (a wholly-owned subsidiary of FHL) will be proportionate to RHT and FHL's interest in FHTL. Accordingly, as each of IHL and FHsL currently have gross earnings before interest and tax (EBIT) of less than ₹30,000 million (S\$599.0 million), then FHTL will receive interest from each of IHL and FHsL of 9.3% per annum in proportion to FHML and FHL's interest in FHTL. FHsL and/or IHL (as the case may be) will be required to pay a higher rate of interest (on a continuing basis) if it achieves EBIT equivalent or in excess of ₹30,000 million (S\$599.0 million). Please see paragraphs 1.5 and 1.7 of Appendix A for more information.
- (3) Following the completion of the OCDs Redemption and Payment and the OCD Amendment Agreement, FHTL will hold 4,528,958 NCDs in IHL, aggregating to ₹4,529.0 million (S\$90.4 million).
- (4) Following the completion of the NCDs Subscription, FHTL will hold 4,713,813 NCDs in FHsL aggregating to ₹4,713.8 million (S\$94.2 million) and with a variable interest on the NCDs depending on the gross earnings before interest and tax of FHsL.
- (5) The total amount to be utilised as at completion of the OCDs Redemption and Payment will be based on 51.0% of the Outstanding OCDs Liability as at the date of completion, with all of the accrued interest to be paid and the remaining amount used to partially redeem the principal amount of the OCDs. The figures used are for illustrative purposes only based on the Outstanding OCDs Liability as at 31 March 2016, and will be subject to adjustment for any additional accrued interest thereon between 31 March 2016 and the completion of the Proposed Disposal and Related Arrangements.

## Rationale for the Proposed Disposal and the Related Arrangements

Due to conditions imposed by the Haryana Urban Development Authority (the “**Relevant Land Authority**”), including the condition that FHL would be required to retain at least 51.0% of the issued and paid-up equity share capital of FHTL or the site on which the Gurgaon Clinical Establishment is situated (the “**Gurgaon Plot**”) and that no change of land use is permitted, at the time of listing of RHT on the Singapore Exchange Ltd (“**SGX-ST**”), FHML, a wholly-owned subsidiary of RHT, could only acquire 49.0% of the issued and paid-up share capital of FHTL, with the remaining 51.0% of the issued and paid-up share capital of FHTL being held by FHL. The FHTL Shareholders’ Agreement was entered into to govern the relationship of the shareholders of FHTL at the time of the IPO, being (i) FHML, a wholly-owned subsidiary of RHT and (ii) FHL, including to provide for, amongst others, the right of shareholders to appoint directors to the FHTL board and the entitlement of shareholders to dividends and other distributions. FHML is entitled under the FHTL Shareholders’ Agreement, to nominate 50.0% of the directors of FHTL and the chairman of FHTL’s board of directors. Additionally, FHL has irrevocably assigned, in favour of FHML, the right to receive any dividends or other distributions on the equity share capital of FHTL held by FHL.

Additionally, in accordance with the FHTL Shareholders’ Agreement, FHML has a call option on the remaining 51.0% of the issued equity shares in FHTL, which are held by FHL (“**FHTL Call Option**”). The FHTL Call Option is exercisable at any time after FHL becomes entitled to transfer its 51.0% shareholding interest in FHTL after having obtained all necessary consents and approvals (which includes approval from the Relevant Land Authority). However, if this event does not occur within five years from 17 September 2012, FHML would be entitled to exercise a put option granted to it under the FHTL Shareholders’ Agreement to require FHL to purchase all its securities in FHTL including its 49.0% shareholding in FHTL (the “**FHTL Put Option**”).

Under the CCPS Investment Agreement dated 17 September 2012 between KHL<sup>1</sup>, EHIRCL and FHL, IHL has the right to exercise a put option on the CCPS held by it in EHIRCL in the event that the FHTL Call Option or the FHTL Put Option is exercised.

As disclosed in the Prospectus, there is no assurance that the local regulatory authorities would not consider the abovementioned contractual arrangements as being contrary to applicable laws (including state laws, regulations and bye-laws pertaining to immovable property applicable in the State of Haryana) or unenforceable. If the local regulatory authorities consider such transactions to be against applicable laws or unenforceable, they may, amongst others, impose financial and other penalties in accordance with the provisions of applicable laws and regulations. In case of any governmental or regulatory action with respect to the Gurgaon Plot as indicated above, the business, financial condition, results of operations and prospects of RHT would be materially and adversely affected.

Whilst FHL had submitted an application on 12 June 2013 to the Relevant Land Authority for approval to transfer the 51.0% equity interest in FHTL to FHML, no approval had been received as at the Latest Practicable Date. The Trustee-Manager therefore deemed it timely to evaluate RHT’s options with respect to its interests in FHTL. In view of the uncertainty of obtaining the requisite approvals, the Trustee-Manager and FHL commenced discussions with respect to the proposed unwinding of the transaction structure which had been put in place at the time of the IPO and it was agreed that the transaction structure would be unwound.

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<sup>1</sup> KHL was a wholly-owned subsidiary of RHT. KHL and certain other entities were amalgamated with IHL pursuant to a scheme of amalgamation which took effect on 17 January 2014. Consequently, the entire business and undertakings of each of KHL and the other entities were transferred to IHL with effect from the appointed date, being 1 January 2013.

FHTL holds the Gurgaon Clinical Establishment and the Shalimar Bagh Clinical Establishment. The enterprise value of the Gurgaon Clinical Establishment and the Shalimar Bagh Clinical Establishment disclosed in the Prospectus were ₹8,401.0 million (S\$187.1 million)<sup>1</sup> and ₹5,343.0 million (S\$119.0 million)<sup>1</sup>, respectively. From the Listing Date to 31 March 2016, the Gurgaon Clinical Establishment and the Shalimar Bagh Clinical Establishment have contributed approximately S\$36.7 million to the distributable income of RHT. Taken together with the net proceeds of the Proposed Disposal of ₹9,610.2 million (S\$191.8 million), the internal rate of return<sup>2</sup> ("IRR") on these assets is approximately 14.5% in Singapore dollar terms.

Following the completion of the Proposed Disposal and the Related Arrangements, RHT will continue to have an interest in FHTL through its holding of 49.0% of the CCDs in FHTL and 49.0% of the equity share capital of FHTL, and FHTL will no longer be accounted for by RHT on a consolidated basis.

### **Estimated Proceeds from the Proposed Disposal and the Related Arrangements**

The gross proceeds in respect of the Proposed Disposal and the Related Arrangements are currently estimated to be ₹14,415.8 million (S\$287.8 million), comprising the following:

- (a) the CCPS Consideration of ₹3,566.9 million (S\$71.2 million) receivable from FHL pursuant to the disposal of CCPS in EHIRCL held by IHL to FHL; and
- (b) the CCDs Consideration of ₹10,848.9 million (S\$216.6 million) receivable from FHL pursuant to the disposal of CCDs in FHTL held by FGHIPL to FHL. The CCDs Consideration payable on completion of the Proposed Disposal will be adjusted as follows:
  - (i) if the net current assets of FHTL as at completion exceeds the net current assets of FHTL as at 31 March 2016 by more than ₹85.1 million (S\$1.7 million)<sup>3</sup>, the CCDs Consideration will be increased by an amount equal to the Pro Rata portion of the difference between the two; and
  - (ii) if the net current assets of FHTL as at completion is less than the net current assets of FHTL as at 31 March 2016 by more than ₹85.1 million (S\$1.7 million), the CCDs Consideration will be reduced by an amount equal to the Pro Rata portion of the difference between the two.<sup>4</sup>

The net proceeds in respect of the Proposed Disposal and the Related Arrangements after completion of the OCDs Redemption and Payment and the NCDs Subscription is estimated to be ₹9,610.2 million (S\$191.8 million), having taken into account:

- (A) based on the Outstanding OCDs Liability as at 31 March 2016 (for illustrative purposes), the redemption of OCDs in IHL held by FHTL of ₹2,622.5 million (S\$52.4 million) and the interest thereon of ₹2,091.3 million (S\$41.8 million) payable to FHTL of which ₹4,713.8 million (S\$94.2 million) will be used by FHTL to subscribe for NCDs in FHL pursuant to the NCDs Subscription Agreement; and

1 Based on the foreign exchange rate of S\$1.00 = ₹44.9 as at 19 October 2012.

2 IRR is the discount rate that sets the net present value of an investment equal to zero, or a rate of return (interest rate received) for an investment consisting of payments (negative values) and income (positive values).

3 This is equal to 5.0% of the net current assets of FHTL at completion.

4 Please refer to paragraph 1.1 of Appendix A to this Circular for further information.

- (B) the total costs to be incurred in respect of the Proposed Disposal and the Related Arrangements, estimated to be ₹91.8 million (S\$1.8 million), which comprises professional fees and other transaction expenses, including costs expected to be incurred for the consent solicitation exercise in respect of the Noteholders.

The amount used by FHTL to subscribe for NCDs in FHsL pursuant to the NCDs Subscription Agreement does not have any impact on the net proceeds of the Proposed Disposal and the Related Arrangements, as FHTL will use the OCDs Redemption and Payment Amount received from the OCDs Redemption and Payment to subscribe for the NCDs in FHsL, a wholly-owned subsidiary of FHL, under the NCDs Subscription. Accordingly, it is not taken into account in calculating the net proceeds.

In addition, the fees to be paid to the Trustee-Manager in respect of the Proposed Disposal and the Related Arrangements is S\$4.3 million, which represents 50.0% of the Performance Fee (as defined herein), all of which will be paid to the Trustee-Manager in the form of Units.

### **Use of Net Proceeds from the Proposed Disposal and the Related Arrangements**

100.0% of the net proceeds from the Proposed Disposal and the Related Arrangements are proposed to be distributed to Unitholders after deducting expenses incurred in undertaking the Proposed Disposal and the Related Arrangements and, if applicable, 50.0% of the Performance Fee payable to the Trustee-Manager in cash if the Whitewash Resolution is not approved by Independent Unitholders.

### **Interested Person Transaction**

To the best of the Trustee-Manager's knowledge, as at 1 July 2016, being the latest practicable date prior to the printing of this Circular (the "**Latest Practicable Date**"), Fortis Healthcare International Limited ("**FHIL**"), a wholly-owned subsidiary of FHL, holds 220,676,944 Units in RHT, which is equivalent to approximately 27.6% of the total number of Units in issue in RHT (the "**FHIL Units**"). FHL is deemed to be interested in the FHIL Units. FHL is therefore regarded as a "Controlling Unitholder" and an "interested person" of RHT under Chapter 9 of the Listing Manual. In addition, FHsL and EHIRCL are wholly-owned subsidiaries of FHL. FHsL and EHIRCL are therefore regarded as associates of a "Controlling Unitholder" and "interested persons" under Chapter 9 of the Listing Manual. Further, FHTL is a subsidiary of FHL and is regarded as an associate of a "Controlling Unitholder" and an "interested person". FHTL is also an unlisted associated company of RHT over which the RHT Group and FHL, an "interested person" of RHT, have control. Accordingly, FHTL is also an "entity at risk" under Chapter 9 of the Listing Manual.

The transactions contemplated pursuant to the Proposed Disposal and the Related Arrangements will constitute "interested person transactions" under Chapter 9 of the Listing Manual.

The Aggregate Interested Person Transactions Amount is approximately 87.8% of the RHT Group's latest audited NTA<sup>1</sup>. Accordingly, the approval of Unitholders is required for the Proposed Disposal and the Related Arrangements as interested person transactions.

(See Paragraph 2.9 of the Letter to Unitholders for further details.)

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<sup>1</sup> The NTA is derived by lessing off intangible assets and corresponding deferred tax liabilities from the NAV.

## Major Transaction

The Proposed Disposal and the Related Arrangements together constitute a “major transaction” by RHT under Chapter 10 of the Listing Manual.

(See Paragraph 2.10 of the Letter to Unitholders for further details)

## Background to the Approvals Sought in Respect of the Whitewash Resolution

Pursuant to Clause 12.9 of the Trust Deed, the Trustee-Manager may elect to receive fees payable to it, including the management fee, comprising a base fee of 0.4% of the value of the trust property of RHT at the relevant time and a performance fee of 4.5% of distributable income determined by the Trustee-Manager to be distributable for the relevant distribution period (the “**Management Fee**”), and the trustee fee, calculated at the rate of 0.03% per annum of the value of the trust property of RHT (the “**Trustee Fee**”), in the form of cash and/or Units.

Subject to and after completion of the Proposed Disposal and the Related Arrangements, the Trustee-Manager proposes to pay a special cash distribution (the “**Special Distribution**”) to Unitholders of 100.0% of the net proceeds of the Proposed Disposal and the Related Arrangements after deducting expenses incurred in undertaking the Proposed Disposal and the Related Arrangements and, if applicable, 50.0% of the Performance Fee payable to the Trustee-Manager in cash if the Whitewash Resolution is not approved by Independent Unitholders, as at a record date following completion of the Proposed Disposal and the Related Arrangements. As a result of the Special Distribution of approximately S\$191.8 million, the Trustee-Manager will be entitled to receive a performance fee of S\$8.6 million (the “**Performance Fee**”). The Trustee-Manager proposes to elect to receive 50.0% of the Performance Fee in the form of Units (the “**Performance Fee Units**”), and proposes to waive the remaining 50.0% of the Performance Fee it is entitled to receive.

The issuance of the Performance Fee Units to the Trustee-Manager is expected to cause the aggregated unitholding of the Trustee-Manager and parties presumed to be acting in concert with the Trustee-Manager to exceed the threshold under Rule 14.1(a) of the Singapore Code on Takeovers and Mergers (the “**Code**”). Pursuant to Rule 14.1(a) of the Code, the Trustee-Manager and parties acting in concert with it would then be required to make a mandatory general offer (“**Mandatory Offer**”) for all of the Units in RHT other than those already owned, controlled or agreed to be acquired by the Trustee-Manager and parties acting in concert with it.

The Trustee-Manager thus proposes to seek approval from Unitholders other than the Trustee-Manager, parties acting in concert with the Trustee-Manager (as defined in the Code) and parties who are not independent of them (the “**Independent Unitholders**”) for a waiver of their right to receive a Mandatory Offer from the Trustee-Manager and parties acting in concert with the Trustee-Manager, in the event that the Trustee-Manager and its concert parties incur an obligation to make a Mandatory Offer as a result of the receipt of the Performance Fee Units by the Trustee-Manager in its personal capacity.

(See Paragraph 4 of the Letter to Unitholders for further details.)

## INDICATIVE TIMETABLE

Event	Date and Time
Determination of entitlement to attend, speak and vote at the Extraordinary General Meeting (“EGM”)/Last date and time for lodgment of Proxy Forms	27 July 2016 at 10.30 a.m.
Date and time of the EGM	29 July 2016 at 10.30 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the Annual General Meeting of RHT to be held at 10.00 a.m. on the same day and at the same venue)
<b>If approval for the Resolutions is obtained at the EGM:</b>	
Completion of the Proposed Disposal and the Related Arrangements	By 31 August 2016

The timetable for the events scheduled to take place after the EGM is indicative only and is subject to change at the Trustee-Manager’s absolute discretion. Any changes to the timetable above (including any determination of the relevant dates) will be announced.



## LETTER TO UNITHOLDERS

### RELIGARE HEALTH TRUST TRUSTEE MANAGER PTE. LTD.

(as trustee-manager of Religare Health Trust)

#### Directors of the Trustee-Manager

Mr Ravi Mehrotra (Executive Chairman)  
Mr Gurpreet Singh Dhillon  
(Executive Director and Chief Executive Officer)  
Mr Pawanpreet Singh  
(Executive Director and Chief Financial Officer)  
Dr Yogendra Nath Mathur (Lead Independent Director)  
Mr Sydney Michael Hwang (Independent Director)  
Mr Peter Joseph Seymour Rowe (Independent Director)  
Mr Eng Meng Leong (Independent Director)

#### Registered Office

9 Battery Road  
#15-01 Straits Trading Building  
Singapore 049910

8 July 2016

To: Unitholders of Religare Health Trust

Dear Sir/Madam

#### 1. SUMMARY OF APPROVALS SOUGHT

The Trustee-Manager is convening the EGM to seek the approval of the Unitholders for the following resolutions ("**Resolutions**"):

- (1) **Resolution 1:** The Proposed Disposal of Relevant Securities to, and Related Arrangements with, interested persons; and
- (2) **Resolution 2:** The whitewash resolution in relation to the waiver of the rights of Independent Unitholders to receive a Mandatory Offer from FHL and parties acting in concert with it for the remaining Units not owned or controlled by them pursuant to the issuance of the Performance Fee Units.

**Unitholders should note that completion of the Proposed Disposal and the Related Arrangements is conditional upon, *inter alia*, Unitholders' approval of Resolution (1). The CCDs Disposal Agreement will, subject to the approval of unitholders being obtained and to the terms and conditions of the CCDs Disposal Agreement, be completed first. The Amended and Restated FHTL Shareholders' Agreement will take effect upon completion of the CCDs Disposal Agreement. Further, upon completion of the CCDs Disposal Agreement, the CCPS Disposal Agreement, the NCDs Subscription Agreement, the CCDs Amendment Agreement, the OCD Amendment Agreement, the FGHIPL Guarantee and the FHL Guarantee will, subject to their respective terms and conditions, be completed within five (5) days from the CCDs Disposal Agreement being completed.**

**The Proposed Disposal and the Related Arrangements are conditional upon the approval of the Noteholders, and, where applicable, the consents of the lenders of the RHT Group.**

**The Proposed Disposal and the Related Arrangements are also subject to the approval of the shareholders of FHL.**

## 2. THE PROPOSED DISPOSAL OF THE RELEVANT SECURITIES AND THE RELATED ARRANGEMENTS

### 2.1 Background to the Proposed Disposal and the Related Arrangements

FHML, a wholly-owned subsidiary of RHT, holds a 49.0% equity interest in FHTL. FHTL holds the Shalimar Bagh Clinical Establishment and the Gurgaon Clinical Establishment. The Gurgaon Plot is subject to, *inter alia*, a condition that FHL shall hold at least 51.0% of the issued and paid-up equity share capital of FHTL or of the land site. As a result of this requirement, the RHT Group may only hold 49.0% of the issued and paid-up equity share capital of FHTL, through FHML. The remaining 51.0% of the issued and paid-up equity share capital of FHTL is owned by FHL. RHT is however entitled to receive additional benefits pursuant to various contractual arrangements entered into by its subsidiaries.

To govern the relationship of FHL and FHML as shareholders of FHTL, FHL, FHML and FHTL entered into the FHTL Shareholders' Agreement. Under the FHTL Shareholders' Agreement, FHML has the FHTL Call Option. Additionally, under the FHTL Shareholders' Agreement, FHML has the right to appoint 50.0% of the directors of FHTL and the chairman of the board of directors who will have the casting vote in case of deadlock on any matter brought to the board of directors for its approval. FHL has also assigned its right to receive dividends in favour of FHML.

The FHTL Call Option is exercisable at any time after FHL becomes entitled to transfer its 51.0% shareholding interest in FHTL after having obtained all necessary consents and approvals (which includes approval from the Relevant Land Authority). Whilst the FHTL Shareholders' Agreement provides that FHML may acquire all of FHL's 51.0% shareholding interest in FHTL at the minimum price permissible under the applicable law, the parties had agreed that, subject to applicable law, the consideration for the FHTL Call Option will be ₹3,000.0 million (\$59.9 million). However, if this event does not occur within five years from 17 September 2012, FHML would be entitled to exercise the FHTL Put Option granted to it under the FHTL Shareholders' Agreement.

Under the subscription agreement pursuant to which KHL subscribed for CCPS aggregating ₹3,000.0 million (\$59.9 million) (the "**CCPS Subscription Amount**") issued by EHIRCL, IHL<sup>1</sup> has the right to exercise a put option (the "**CCPS Put Option**") on the CCPS held by it in EHIRCL in the event that the FHTL Call Option or the FHTL Put Option is exercised. If the CCPS Put Option is triggered by the FHTL Call Option, the consideration payable under the CCPS Put Option is a sum equal to the fair valuation of the equity shares of EHIRCL, determined in accordance with the discounted free cash flow method, as determined by a chartered accountant or a Category I merchant banker registered with the Securities and Exchange Board of India and mutually acceptable to the parties, but which such sum shall not exceed the amount payable for the exercise of the FHTL Call Option. If for any reason, the consideration receivable under the CCPS Put Option is lower than the amount agreed as payable under the FHTL Call Option, RHT will have to make an additional payment.

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<sup>1</sup> KHL and certain other entities were amalgamated with IHL pursuant to a scheme of amalgamation which took effect on 17 January 2014. Consequently, the entire business and undertakings of each of KHL and the other entities were transferred to IHL with effect from the appointed date, being 1 January 2013.

If the exercise of the CCPS Put Option is triggered by exercise of the FHTL Put Option, the consideration payable on exercise of the CCPS Put Option will be an amount that provides FHML an IRR on the CCPS Subscription Amount, which is equal to the IRR receivable by FHML on the exercise of the FHTL Put Option<sup>1</sup>.

## **2.2 Rationale for the Proposed Disposal and the Related Arrangements**

As disclosed in the Prospectus, there is no assurance that the local regulatory authorities would not consider the abovementioned contractual arrangements as being contrary to applicable laws (including state laws, regulations and bye-laws pertaining to immovable property applicable in the State of Haryana) or unenforceable. In the event that the local regulatory authorities consider such transactions to be against applicable laws or unenforceable, they may, amongst others, impose financial and other penalties in accordance with the provisions of applicable laws and regulations. In case of any governmental or regulatory action with respect to the Gurgaon Plot as indicated above, the business, financial condition, results of operations and prospects of RHT would be materially and adversely affected.

Whilst FHL had submitted an application on 12 June 2013 to the Relevant Land Authority for approval to transfer the 51.0% equity interest in FHTL to FHML, no approval had been received as at the Latest Practicable Date. As it was a specific condition imposed by the Relevant Land Authority in a letter dated 19 May 2011 to FHTL that FHL would have to own at least 51.0% interest in the land or FHTL, only a waiver from this condition or approval from the Relevant Land Authority will allow FHL sell its 51.0% interest in FHTL to FHML.

The approval for the acquisition of the 51.0% interest in the FHTL has been delayed beyond the Trustee-Manager's expectations. The Trustee-Manager therefore deemed it timely to evaluate RHT's options with respect to its interests in FHTL. In view of the uncertainty of obtaining the requisite approvals, the Trustee-Manager and FHL commenced discussions with respect to the proposed unwinding of the transaction structure which had been put in place at the time of the IPO and it was agreed that the transaction structure would be unwound.

Apart from the regulatory uncertainty which will be significantly reduced as a result of the Proposed Disposal and the Related Arrangements, from the financial point of view of RHT, the Trustee-Manager had negotiated and FHL had agreed to a consideration which is an attractive return on RHT's 51.0% interest in FHTL as compared to the enterprise valuations of the Gurgaon Clinical Establishment and the Shalimar Bagh Clinical Establishment at the time of the IPO. The enterprise value of 100% of the Gurgaon Clinical Establishment and the Shalimar Bagh Clinical Establishment disclosed in the Prospectus were ₹8,401.0 million (S\$187.1 million)<sup>2</sup> and ₹5,343.0 million (S\$119.0 million)<sup>2</sup>, respectively. From the Listing Date to 31 March 2016, the 51.0% interest in the Gurgaon Clinical Establishment and the Shalimar Bagh Clinical Establishment have contributed approximately S\$36.7 million to the distributable income of RHT. For illustrative purposes, taken together with the net proceeds of the Proposed Disposal and the Related Arrangements of ₹9,610.2 million (S\$191.8 million), the IRR on 51.0% interest in FHTL is

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1 FHML will receive, for the FHTL Put Option, a price that is equal to the fair market value of the 49.0% equity shareholding in FHTL, determined on a discounted free cash flow basis by any chartered accountant firm of national repute in India. If the exercise of the CCPS Put Option is triggered by the exercise of the FHTL Put Option, the return that FHML will receive will be equivalent to the difference between the FHTL Put Option price and the initial purchase price (₹2,517.0 million (S\$50.3 million)) for the 49.0% equity shareholding in FHTL. IHL will receive the same rate of return on the CCPS Subscription Amount.

2 Based on the foreign exchange rate of S\$1.00 = ₹44.9 as at 19 October 2012.

approximately 14.5% in Singapore dollar terms and 18.9% in Indian rupee terms<sup>1</sup>. In addition, there is no certainty or assurance that RHT would be able to unwind the transaction structure on similar terms or conditions in the future.

Following the completion of the Proposed Disposal and the Related Arrangements, RHT will continue to have an interest in FHTL through its holding of 49.0% of the equity share capital of FHTL and its holding of 49.0% of the CCDs in FHTL. FHTL will no longer be accounted for by RHT on a consolidated basis.

## 2.3 Overview of the Proposed Disposal and the Related Arrangements

The Proposed Disposal of the Relevant Securities to, and Related Arrangements with, interested persons comprise the following transactions and arrangements:

- (a) the disposal of the following Relevant Securities:
  - (i) the CCDs Disposal, on the terms and conditions set out in the CCDs Disposal Agreement; and
  - (ii) the CCPS Disposal, on the terms and conditions set out in the CCPS Disposal Agreement;
- (b) the following Related Arrangements:
  - (i) the amendments to the FHTL CCD Investment Agreement, on the terms of the CCDs Amendment Agreement;
  - (ii) the amendments to the FHTL Shareholders' Agreement, on the terms of the Amended and Restated FHTL Shareholders' Agreement;
  - (iii) the OCDs Redemption and Payment using part of the proceeds from the CCPS Disposal<sup>2</sup>;
  - (iv) the amendments to the IHL OCD Investment Agreements, including the amendment to provide for the waiver by FHTL of its right to convert its OCDs in IHL into equity shares of IHL, as a result of which all remaining outstanding

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1 Capital expenditure has been undertaken by FHTL in respect of the Gurgaon Clinical Establishment and the Shalimar Bagh Clinical Establishment since the IPO, but no construction has been undertaken thereon. Save for an additional S\$2.5 million expenditure for minor additions and upgrading for the Gurgaon Clinical Establishment and the Shalimar Bagh Clinical Establishment, such capital expenditures were taken into account in the valuation of Cushman & Wakefield VHS Pte. Ltd. at the time of the IPO, as the valuation was based on a discounted cash flow method and took into account capital expenditure to be incurred in respect of these clinical establishments. Additionally, the independent valuation undertaken on the CCPS and the CCDs by the Independent Valuer, which considered, *inter alia*, the discounted free cash flow method, has taken into account the future capital expenditure to be incurred in respect of each of the clinical establishments held by FHTL.

2 The OCDs Redemption and Payment and the NCDs Subscription is intended to mirror the shareholding of FHML and FHL in FHTL. Following the completion of the OCDs Redemption and Payment and the NCDs Subscription, the principal amount of OCDs held by FHTL in IHL (a wholly-owned subsidiary of RHT) and the principal amount of NCDs held by FHTL in FHsL (a wholly-owned subsidiary of FHL) will be proportionate to RHT and FHL's interest in FHTL. Accordingly, as each of IHL and FHsL currently have gross earnings before interest and tax (EBIT) of less than ₹30,000 million (S\$599.0 million), then FHTL will receive interest of 9.3% per annum from each of IHL and FHsL in proportion to FHML and FHL's interest in FHTL. FHsL and/or IHL (as the case may be) will be required to pay a higher rate of interest (on a continuing basis) if it achieves EBIT equivalent or in excess of ₹30,000 million (S\$599.0 million). Please see paragraphs 1.5 and 1.7 of Appendix A for more information.

OCDs in IHL after the OCDs Redemption and Payment will be deemed to be Lender NCDs, on the terms and conditions set out in OCD Amendment Agreement;

(v) the FGHIPL Guarantee;

(vi) the NCDs Subscription, on the terms and conditions set out in the NCDs Subscription Agreement<sup>1</sup>; and

(vii) the FHL Guarantee.

## **2.4 Structure of the RHT Group**

Please refer to pages 8 and 9 of this Circular for the structure of the RHT Group before and after the completion of the Proposed Disposal and the Related Arrangements.

## **2.5 Information on Fortis Hospotel Limited**

FHTL was incorporated in India on 23 January 1990 and its principal business is the provision of clinical establishment services in India. As at the Latest Practicable Date, FHTL has an issued and paid-up capital of ₹2,937,701,600.

FHTL holds the Gurgaon Clinical Establishment and the Shalimar Bagh Clinical Establishment.

### ***Gurgaon Clinical Establishment***

The Gurgaon Clinical Establishment is a multi-specialty tertiary hospital, located in Sector 44, Gurgaon. The key specialties of the hospital are trauma, paediatrics, oncology, cardiac sciences, gynaecology and orthopaedics.

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<sup>1</sup> Please refer to footnote 2 on page 18 of this Circular.

Gurgaon is the sixth largest city in the state of Haryana and one of the major cities of the National Capital Region. It is the main industrial and financial centre of Haryana, and is slated to be among the top 12 mega cities in India by 2021. It has the 3rd highest per capita income in India and with over 40 malls it is considered the mall capital of India. It has a bed to population ratio of 1.66 per 1,000 population for its primary and secondary catchment population.

<b>Address</b>	Gurgaon	
<b>Nature of Interest</b>	Freehold	
<b>Hospital Services Company</b>	FHTL	
<b>Interest of RHT in Hospital Services Company</b>	49.0%	
<b>Name of Fortis Hospital</b>	Fortis Escorts Hospital, Gurgaon	
<b>Care Type</b>	Tertiary	
	As at 18 September 2012 (unless otherwise indicated)	As at the Latest Practicable Date (unless otherwise indicated)
<b>Approximate Land Size (sq ft)</b>	466,117	466,117
<b>Approximate Built-up Area (sq ft)</b>	711,140	711,922
<b>Operational Beds</b>	N.A. (as at 30 June 2012)	284 (as at 31 March 2016)
<b>Potential Bed Capacity</b>	1,000 (as at 30 June 2012)	1,000 (as at 31 March 2016)
<b>Occupancy</b>	N.A. <sup>(1)</sup>	61%
<b>Service income (S\$m)</b>	N.A. <sup>(1)(2)</sup>	31.70 (FY2016)

Notes:

- (1) Not fully operational at the time of the IPO.
- (2) Service income attributable to RHT from 19 October 2012 only, being the date of RHT's listing on the Mainboard of the SGX-ST. Service income from 19 October 2012 to 31 March 2013 was S\$8.42 million. The Hospital and Medical Services Agreement for the Gurgaon Clinical Establishment was only in effect for 8 months of FY2013, during which the clinical establishment was undergoing trial operations. The Gurgaon Clinical Establishment was only launched officially on 1 May 2013.

### ***Shalimar Bagh Clinical Establishment***

The Shalimar Bagh Clinical Establishment is a multi-specialty hospital. It is located in Shalimar Bagh in the northern part of Delhi. The hospital was established in 2010 and its key specialties are cardiac sciences, neurosciences, renal sciences, orthopaedics, obstetrics and gynaecology.

National Capital Territory of Delhi ("NCT") is the largest metropolis by area and the second-largest metropolis by population in India. It comprises nine districts and three statutory towns and the capital of India, New Delhi, falls under the administration of the statutory town, New Delhi Municipal committee. NCT has a bed to population ratio of 1.7 per 1,000 population for its primary catchment.

<b>Address</b>	New Delhi	
<b>Nature of Interest</b>	Perpetual leasehold commencing December 2003	
<b>Hospital Services Company</b>	FHTL	
<b>Interest of RHT in Hospital Services Company</b>	49.0%	
<b>Name of Fortis Hospital</b>	Fortis Hospital, Shalimar Bagh	
<b>Care Type</b>	Tertiary	
	As at 18 September 2012 (unless otherwise indicated)	As at the Latest Practicable Date (unless otherwise indicated)
<b>Approximate Land Size (sq ft)</b>	319,688	319,688
<b>Approximate Built-up Area (sq ft)</b>	388,641	388,641
<b>Operational Beds</b>	130 (as at 30 June 2012)	200 (as at 31 March 2016)
<b>Installed Bed Capacity</b>	350 (as at 30 June 2012)	350 (as at 31 March 2016)
<b>Occupancy</b>	N.A. <sup>(1)</sup>	70% (for FY2016)
<b>Service income (S\$m)</b>	N.A. <sup>(2)</sup>	19.01 (for FY2016)

Notes:

- (1) Data not available for the trailing 12 months from 18 September 2012. For FY2013, the occupancy rate was 83% based on 155 operational beds as at 31 March 2015.
- (2) Service income attributable to RHT from 19 October 2012 only, being the date of RHT's listing on the Mainboard of the SGX-ST. Service income from 19 October 2012 to 31 March 2013 was S\$8.51 million.

## 2.6 Relevant Terms of the Transaction

The Proposed Disposal and the Related Arrangements were negotiated on willing buyer-willing seller basis having taken into account the independent valuation undertaken on the CCPS and the CCDs by the Independent Valuer.

The Independent Valuer, Duff & Phelps India Pvt Ltd, is of the opinion that the fair market value of the CCPS is ₹3,566.9 million (S\$71.2 million) and of 51.0% of the CCDs is ₹10,848.9 million (S\$216.6 million), as at the valuation date of 31 March 2016. In arriving at the aforementioned fair market value of the CCPS and the CCDs, the Independent Valuer applied equal weight to the discounted cash flow method and the comparable company analysis method<sup>1</sup>.

The Valuation Summary Letter (which includes, in greater detail, the valuation approach and basis) is set out in **Appendix C** to this Circular.

<sup>1</sup> Please refer to pages C-10 to C-12 of Appendix C to this Circular. Certain key assumptions relied upon by the Independent Valuer include that the Independent Valuer has relied on explanations and information provided by the management of RHT and FHL and accepted the information and projections as true and accurate, the Independent Valuer has relied on management judgment and has not done in-depth market assessment in respect of revenue and profit forecasts, the Independent Valuer has relied on data from external sources which it considers to be reliable and has assumed that the business of RHT continues normally without any disruptions due to statutory or other external/internal occurrences.



### 2.6.1 CCDs Disposal Agreement

Pursuant to the CCDs Disposal Agreement, FGH IPL has agreed to sell, and FHL has agreed to purchase, 4,439,040 CCDs in FHTL of face value ₹1,000 each and carrying an interest of 17.5% per annum, being 51.0% of the CCDs in FHTL, at the CCDs Consideration.

Certain key terms and conditions of the CCDs Disposal Agreement are set out in **Appendix A** to this Circular. You are advised to read this Paragraph 2.6.1 together with **Paragraph 1.1 of Appendix A** to this Circular carefully and in its entirety.

### 2.6.2 CCDs Amendment Agreement

The provisions in the FHTL CCD Investment Agreement relating to the conversion of CCDs in FHTL and the transfer of securities by FGH IPL have been amended and restated pursuant to the CCDs Amendment Agreement.

Certain key terms and conditions of the CCDs Amendment Agreement are set out in **Appendix A** to this Circular. You are advised to read this Paragraph 2.6.2 together with **Paragraph 1.2 of Appendix A** to this Circular carefully and in its entirety.

### 2.6.3 CCPS Disposal Agreement

Pursuant to the CCPS Disposal Agreement, IHL has agreed to sell, and FHsL has agreed to purchase, 401,769 CCPS in EHIRCL of face value ₹10.0 each and carrying a share premium of ₹7,457.0 for a purchase consideration of ₹3,566.9 million (\$571.2 million).

Certain key terms and conditions of the CCPS Disposal Agreement are set out in **Appendix A** to this Circular. You are advised to read this Paragraph 2.6.3 together with **Paragraph 1.3 of Appendix A** to this Circular carefully and in its entirety.

### 2.6.4 Amended and Restated FHTL Shareholders' Agreement

The FHTL Shareholders' Agreement is proposed to be amended and restated pursuant to the Amended and Restated FHTL Shareholders' Agreement upon completion of the CCDs Disposal to reflect the change in the economic interests in FHTL. Pursuant to the Amended and Restated FHTL Shareholders' Agreement, FHML will relinquish, *inter alia*, (a) the FHTL Put Option and the FHTL Call Option<sup>1</sup>, (b) the right to receive dividends and other distributions on the equity share capital of FHTL held by FHL and (c) the right to nominate 50% of the directors of FHTL and the chairman of FHTL's board of directors. However, certain protective provisions in favour of RHT on will be retained and/or supplemented, including:

- (i) the right to appoint two out of five non-independent directors to the board of FHTL;
- (ii) a right of first refusal, under which any shareholder which proposes to transfer securities held by it in FHTL and receives an offer from a third party is required to offer to the other non-selling shareholder a right of first refusal to purchase the selling shareholder's shares on the same terms proposed by the third party;

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<sup>1</sup> During the IPO, the RHT Group recognised a liability of ₹3,000.0 million (\$59.9 million) in connection with the FHTL Call Option. Based on the fair value of the FHTL Call Option based on the Independent Valuation, an additional liability of ₹2,517.0 million (\$50.3 million) will be recognised. In connection with the relinquishment of the right to the FHTL Call Option, the Trustee-Manager will extinguish the entire liability of ₹5,517.0 million (\$110.2 million) in respect of the FHTL Call Option.



- (iii) a tag along right in favour of FHML, pursuant to which FHML will, in the event FHML does not exercise its right of first refusal, have a right to transfer up to 100% of the securities it holds in FHTL to the new purchaser simultaneously with the transfer of any securities by FHL, at a price equal to the price offered to and on terms no less favourable than those offered to FHL; and
- (iv) affirmative vote matters for which the prior written approval of FHML is required, such as the issuance of securities, the incurring any indebtedness in excess of certain pre-agreed thresholds, the transfer or disposals of assets in excess of certain pre-agreed thresholds, the winding up or liquidation of FHTL and any change or cessation of business of FHTL.

In addition, FHML will continue to enjoy the benefit of the indemnity provided by FHL under the FHTL Shareholders' Agreement. See "Indemnity" on page A-14 of **Appendix A** to this Circular.

Certain key terms and conditions of the Amended and Restated FHTL Shareholders' Agreement (including the indemnity referred to above) are set out in **Appendix A** to this Circular. You are advised to read this Paragraph 2.6.4 together with **Paragraph 1.4 of Appendix A** to this Circular carefully and in its entirety.

#### 2.6.5 **OCD Amendment Agreement**

Under the OCD Amendment Agreement, amendments have been made to the terms of the IHL OCD Investment Agreements, including to provide for, *inter alia*, (i) the waiver of the conversion right conferred upon FHTL pursuant to the IHL OCD Investment Agreements and (ii) all remaining outstanding OCDs in IHL after the OCDs Redemption and Payment to be deemed to be Lender NCDs in IHL.

Certain key terms and conditions of the OCD Amendment Agreement are set out in **Appendix A** to this Circular. You are advised to read this Paragraph 2.6.5 together with **Paragraph 1.5 of Appendix A** to this Circular carefully and in its entirety.

#### 2.6.6 **FGHIPL Deed of Guarantee**

The Lender NCDs are secured by way of the FGHIPL Guarantee in the FGHIPL Deed of Guarantee. FGHIPL irrevocably, absolutely and unconditionally guarantees to FHTL (the "**Lender**") that IHL shall duly and punctually pay/repay all debts and all amounts, due and payable to the Lender under or in relation to the IHL OCD Investment Agreements (as amended by the OCD Amendment Agreement).

The guarantee is in respect of all debts and all amounts, due and payable to FHTL, the Lender, under or in relation to the IHL OCD Investment Agreements (as amended by the OCD Amendment Agreement).

Certain key terms and conditions of the FGHIPL Deed of Guarantee are set out in **Appendix A** to this Circular. You are advised to read this Paragraph 2.6.6 together with **Paragraph 1.6 of Appendix A** to this Circular carefully and in its entirety.

#### 2.6.7 **NCDs Subscription Agreement**

Pursuant to the NCDs Subscription Agreement, FHTL will subscribe for, such number of unrated, unlisted, redeemable NCDs in FHsL aggregating to the OCDs Redemption and Payment Amount.

Certain key terms and conditions of the NCDs Subscription Agreement are set out in **Appendix A** to this Circular. You are advised to read this Paragraph 2.6.7 together with **Part 1.7 of Appendix A** to this Circular carefully and in its entirety.

#### 2.6.8 FHL Deed of Guarantee

The NCDs in FHsL are secured by the FHL Guarantee in the FHL Deed of Guarantee. Under the FHL Guarantee, FHL irrevocably, absolutely and unconditionally guarantees to FHTL (as the lender) that FHsL shall duly and punctually pay/repay all debts and all amounts, due and payable to FHTL under or in relation to the NCDs Subscription Agreement stipulated in, or payable in accordance with, the terms and conditions contained in the NCDs Subscription Agreement and as determined in accordance with the provisions of the NCDs Subscription Agreement.

Certain key terms and conditions of the FHL Deed of Guarantee are set out in **Appendix A** to this Circular. You are advised to read this Paragraph 2.6.8 together with **Paragraph 1.8 of Appendix A** to this Circular carefully and in its entirety.

#### 2.7 Estimated Proceeds from the Proposed Disposal and Related Arrangements

The gross proceeds in respect of the Proposed Disposal and the Related Arrangements are currently estimated to be ₹14,415.8 million (S\$287.8 million), comprising the following:

- (a) the CCPS Consideration of ₹3,566.9 million (S\$71.2 million) receivable from FHL pursuant to the CCPS Disposal Agreement; and
- (b) the CCDs Consideration of ₹10,848.9 million (S\$216.6 million) receivable from FHL pursuant to the CCDs Disposal Agreement. The CCDs Consideration payable on completion of the Proposed Disposal will be adjusted as follows:
  - (i) if the net current assets of FHTL as at completion exceeds the net current assets of FHTL as at 31 March 2016 by more than ₹85.1 million (S\$1.7 million), the CCDs Consideration will be increased by an amount equal to the Pro Rata portion; and
  - (ii) if the net current assets of FHTL as at completion is less than the net current assets of FHTL as at 31 March 2016 by more than ₹85.1 million (S\$1.7 million), the CCDs Consideration will be reduced by an amount equal to the Pro Rata portion of the difference between the two.<sup>1</sup>

The net proceeds in respect of the Proposed Disposal and the Related Arrangements after completion of the OCDs Redemption and Payment and the NCDs Subscription is estimated to be ₹9,610.2 million (S\$191.8 million), having taken into account:

- (i) based on the Outstanding OCDs Liability as at 31 March 2016 (for illustrative purposes), the redemption of OCDs in IHL held by FHTL of ₹2,622.5 million (S\$52.4 million) and the interest thereon of ₹2,091.3 million (S\$41.8 million) payable to FHTL of which ₹4,713.8 million (S\$94.2 million) will be used by FHTL to subscribe for NCDs in FHsL pursuant to the NCDs Subscription Agreement; and

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<sup>1</sup> Please refer to paragraph 1.1 of Appendix A to this Circular for further information.

- (ii) the total costs to be incurred in respect of the Proposed Disposal and the Related Arrangements, estimated to be ₹91.8 million (S\$1.8 million), which comprises professional fees and other transaction expenses, including costs expected to be incurred for the consent solicitation exercise in respect of the Noteholders.

In addition, the fees to be paid to the Trustee-Manager in respect of the Proposed Disposal and the Related Arrangements is S\$4.3 million, which represents 50.0% of Performance Fee (as defined herein), all of which will be paid to the Trustee-Manager in the form of Units.

## **2.8 Use of Net Proceeds from the Proposed Disposal and the Related Arrangements**

100.0% of the net proceeds from the Proposed Disposal and the Related Arrangements are proposed to be distributed to Unitholders after deducting expenses incurred in undertaking the Proposed Disposal and the Related Arrangements of ₹91.8 million (S\$1.8 million) and, if applicable, 50.0% of the Performance Fee payable to the Trustee-Manager in cash if the Whitewash Resolution is not approved by Independent Unitholders.

## **2.9 Relative Figures under Chapter 9 of the Listing Manual**

Under Chapter 9 of the Listing Manual, an immediate announcement and Unitholders' approval is required in respect of a transaction between an entity at risk in the RHT Group and RHT's interested persons if the value of that transaction exceeds 5.0% of the latest audited consolidated NTA of RHT.

As at the Latest Practicable Date, FHIL, a wholly-owned subsidiary of FHL, holds the FHIL Units. FHL is deemed to be interested in the FHIL Units. FHL is therefore regarded as a "Controlling Unitholder" and an "interested person" of RHT under the Listing Manual. In addition, FHsL and EHIRCL are wholly-owned subsidiaries of FHL; FHsL and EHIRCL are therefore regarded as associates of a "Controlling Unitholder" and are "interested persons" under Chapter 9 of the Listing Manual. Further, FHTL is a subsidiary of FHL and is regarded as an associate of a "Controlling Unitholder" and therefore an "interested person". FHTL is also an unlisted associated company of RHT over which the RHT Group and FHL, an "interested person" of RHT, have control. Accordingly, FHTL is also an "entity at risk" under Chapter 9 of the Listing Manual.

The transactions contemplated pursuant to the Proposed Disposal and the Related Arrangements will constitute interested person transactions under Chapter 9 of the Listing Manual.

Based on the latest audited financial information of the RHT Group for the financial year ended 31 March 2016 ("FY2016"), the audited consolidated NTA of the RHT Group as at 31 March 2016 was approximately S\$693.0 million. Accordingly, for the purposes of Rule 906 of the Listing Manual, if the value of a transaction which is proposed to be entered into in the current financial year by RHT with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S\$100,000) is of a value equal to, or more than S\$34.0 million, being 5.0% of the latest audited NTA of the RHT Group, Unitholders' approval will be required for such transaction.

As the Aggregate Interested Person Transactions Amount is approximately 87.8% of the RHT Group's latest audited NTA, the Proposed Disposal and the Related Arrangements are subject to the approval of the Unitholders pursuant to Rule 906 of the Listing Manual.

## 2.10 Relative Figures under Chapter 10 of the Listing Manual

2.10.1 The relative figures computed on the following bases set out in Rules 1006(a), 1006(b) and 1006(c) of the Listing Manual are as follows:

- (a) the NAV of the assets to be disposed of, compared with the RHT Group's NAV;
- (b) the net profits attributable to the assets to be disposed, compared with RHT's net profits; and
- (c) the aggregate value of the consideration received, compared with RHT's market capitalisation.

Rules 1006(d) and 1006(e) of the Listing Manual are not applicable.

2.10.2 The relative figures for the Proposed Disposal and the Related Arrangements using the applicable bases of comparison described in sub-paragraph 2.10.1 above are set out in the table below:

Rule	Comparison of:	The Proposed Disposal and the Related Arrangements	RHT	Relative figure (%)
1006(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value	175.4 <sup>(1)</sup>	739.6 <sup>(1)</sup>	23.7
1006(b)	The net profit attributable to the assets acquired or disposed of, compared with the group's net profit	16.4 <sup>(2)</sup>	43.5 <sup>(3)</sup>	37.7
1006(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation	197.1 <sup>(4)</sup>	799.6 <sup>(4)</sup>	24.7

Notes:

- (1) Based on the RHT Group's net asset value for 31 March 2016.
- (2) The net loss attributable to the disposal of 51.0% interest in FHTL. For the avoidance of doubt, intercompany transactions have been excluded.
- (3) Based on the RHT Group's net profits for the period ended 31 March 2016.
- (4) Based on the net proceeds of the Proposed Disposal and the Related Arrangements (excluding expenses) and RHT's market capitalisation as at the Latest Practicable Date.

Where any of the relative figures computed on the bases above exceeds 20%, the transaction is classified as a major transaction. Chapter 10 of the Listing Manual requires that a major transaction involving RHT be made conditional upon approval by Unitholders in a general meeting. On this basis, the Trustee-Manager is seeking Unitholder's approval for the Proposed Disposal and the Related Arrangements.

For illustrative purposes, the net proceeds (excluding expenses) expected to be received following the completion of the Proposed Disposal and the Related Arrangements represents a 10.4% premium to the NAV of the assets to be disposed of.

## 2.11 Special Distribution

Subject to and after completion of the Proposed Disposal and the Related Arrangements, the Trustee-Manager proposes to pay a special cash distribution (the “**Special Distribution**”) to Unitholders of 100.0% of the net proceeds of the Proposed Disposal and the Related Arrangements after deducting expenses incurred in undertaking the Proposed Disposal and the Related Arrangements and, if applicable, 50.0% of the Performance Fee payable to the Trustee-Manager in cash if the Whitewash Resolution is not approved by Independent Unitholders, as at a record date following completion of the Proposed Disposal and the Related Arrangements. For illustrative purposes only, approximately S\$191.8 million will be available for distribution to Unitholders under the Special Distribution, representing S\$0.240 per Unit, based on the total number of Units in issue as at the Latest Practicable Date.

The timings in relation to the payment of the distributions will be determined at the absolute discretion of the Trustee-Manager. The Trustee-Manager intends to announce the exact dates of such events as soon as they have been determined. Announcements will be made through SGXNET. For the avoidance of doubt, all Units in issue at the record date following completion will be entitled to the Special Distribution.

## 2.12 Performance Fees Payable to the Trustee-Manager

As a result of the Special Distribution described in Paragraph 2.11, the Trustee-Manager will be entitled under Clause 12.1.2 of the Trust Deed to receive the Performance Fee of S\$8.6 million. The Trustee-Manager proposes to elect to receive 50.0% of the Performance Fee in the form of Performance Fee Units, and proposes to waive the remaining 50.0% of the Performance Fee it is entitled to receive. Assuming that the Performance Fee Units are issued at S\$1.00<sup>1</sup> per Performance Fee Unit (purely for illustrative purposes only and based on the closing price of Units on the SGX-ST on the Latest Practicable Date), approximately 4.3 million Units will be issued to the Trustee-Manager, comprising 0.5% of the number of Units in issue at the Latest Practicable Date.

The issue price of the Performance Fee Units will be determined based on the volume weighted average price for a Unit for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the period of 10 business days immediately preceding the date of issue of the Performance Fee Units.

It should be noted that pursuant to Clause 12.2.2 of the Trust Deed, the Trustee-Manager is entitled to receive a divestment fee for any investment sold, transferred or otherwise disposed of by RHT other than in connection with the divestment by the RHT Group to FHL of (i) all its securities in FHTL pursuant to FHTL Put Option and (ii) the CCPS in EHIRCL pursuant to the CCPS Put Option (the “**Divestment Fee**”). The CCDs Disposal and the CCPS Disposal will not be effected pursuant to the FHTL Put Option or the CCPS Put Option and accordingly, the Trustee-Manager would be entitled to receive a Divestment

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1 The actual issue price of the Units to be issued to the Trustee-Manager will be at the relevant market price, being the volume weighted average price for a Unit for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the period of 10 business days immediately preceding the date of issue of the Performance Fee Units.

Fee in respect of the CCDs Disposal and the CCPS Disposal. However, the Trustee-Manager intends to waive any Divestment Fee it is entitled to receive in respect of the CCDs Disposal and the CCPS Disposal.

## **2.13 Directors' Service Contracts**

No person is proposed to be appointed as a director of the Trustee-Manager in connection with the Proposed Disposal.

## **3. DETAILS OF THE PROPOSED DISPOSAL AND THE RELATED ARRANGEMENTS**

### **3.1 Pro Forma Financial Effects of the Proposed Disposal and the Related Arrangements**

The pro forma financial effects of the Proposed Disposal and the Related Arrangements on the Net Service Fee and Hospital Income, EPU, DPU and NAV per Unit presented below are strictly for illustrative purposes. Certain assumptions, including but not limited to the following, have been taken into consideration:

- (i) the closing INR/SGD exchange rate for FY2016 was ₹49.17:\$1.00;
- (ii) an indicative sales consideration comprising the CCPS Consideration and CCDs Consideration of ₹14,415.8 million (approximately S\$293.2 million);
- (iii) sales proceeds received are partially used to redeem ₹2,622.5 million (S\$53.3 million) of the OCDs in IHL and to settle an interest payment of ₹2,091.3 million (S\$42.5 million);
- (iv) 50.0% of the Performance Fee, amounting to S\$4.4 million, will be paid to the Trustee-Manager in Units and the Trustee-Manager will waive the remaining 50.0% of the Performance Fee it is entitled to receive;
- (v) the liability in respect of the FHTL Call Option is adjusted to its fair value of ₹5,517.0 million (S\$112.2 million) and will be extinguished with the relinquishment of the FHTL Call Option;
- (vi) there is no tax arising from the CCPS Disposal and the CCDs Disposal; and
- (vii) the retained interest in FHTL will be accounted for as an associate using the equity method.

#### **3.1.1 Pro Forma Net Service Fee and Hospital Income, EPU and DPU of the Proposed Disposal and the Related Arrangements**

##### FY2016

The table below sets out the pro forma financial effects of the Proposed Disposal and the Related Arrangements on the Net Service Fee and Hospital Income, EPU and DPU for FY2016, as if the Proposed Disposal was completed on 1 April 2015.

In addition to the general assumptions made in Paragraph 3.1 above, the following assumptions were made in preparing the pro forma Net Service Fee and Hospital Income, EPU and DPU of the Proposed Disposal and the Related Arrangements for the period from 1 April 2015 to 31 March 2016:

- (i) the average INR/SGD exchange rate for FY2015 was ₹47.36:S\$1.00;
- (ii) the net proceeds from the Proposed Disposal and the Related Arrangements of approximately S\$195.4 million (based on the closing rate for FY2016) will be distributed;
- (iii) 50.0% of the Performance Fee, amounting to approximately S\$4.4 million, is payable to the Trustee-Manager in the form of Performance Fee Units, with an assumed issue price of S\$1.00 per Performance Fee Unit, and the Trustee-Manager waives its right to the remaining 50.0% of the Performance Fee it is entitled to receive;
- (iv) a reduction of withholding tax expense of ₹116.5 million (approximately S\$2.5 million) in connection with the CCDs Disposal;
- (v) the impact on distributable income of the Proposed Disposal and the Related Arrangements for the period from 1 April 2015 to 31 March 2016 is S\$17.0 million;
- (vi) the Proposed Disposal and the Related Arrangements result in a loss of control and as such FHTL is being equity accounted for instead of consolidated. Based on this:
  - (A) the impact on net service fee and hospital income and net profit as a result of loss of control is ₹2,051.3 million (S\$43.3 million) and ₹1,522.4 million (S\$32.1 million) respectively;
  - (B) the impact on net profit as a result of the retained interest being equity accounted for is ₹1,167.2 million (S\$24.6 million);
  - (C) the impact on net profit as a result of a gain on disposal and gain on retained interest is ₹3,974.0 million (S\$83.9 million) and ₹1,411.8 million (S\$29.8 million) respectively; and
  - (D) the interest amounting to ₹421.2 million (S\$8.9 million) on Lender NCDs owing from IHL to FHTL is being reflected within the RHT Group's accounts; and
- (vii) the professional fees and other transaction expenses to be incurred in respect of the Proposed Disposal and the Related Arrangements, including costs expected to be incurred for the consent solicitation exercise in respect of the Noteholders, amounting to ₹91.8 million (S\$1.9 million).



<b>Pro Forma Effects of the Proposed Disposal and the Related Arrangements for FY2016</b>		
	<b>Before the Proposed Disposal and the Related Arrangements</b>	<b>After the Proposed Disposal and the Related Arrangements</b>
<b>Net Service Fee and Hospital Income (S\$ million)</b>	81.7 <sup>(1)</sup>	43.1
<b>Net Profit (S\$ million)</b>	43.5	23.3 <sup>(2)</sup>
<b>Distributable Income (S\$ million)</b>	61.6 <sup>(3)</sup>	44.6 <sup>(4)</sup>
<b><u>Units in issue (million)</u></b>		
<b>Weighted number of Units in issue</b>	796.4 <sup>(5)</sup>	800.8
<b>Total Units in issue (million)</b>	797.8 <sup>(5)</sup>	802.2 <sup>(6)</sup>
<b><u>EPU (cents)</u></b>		
<b>Based on Weighted Units</b>	5.46	2.91 <sup>(7)</sup>
<b><u>DPU (cents)</u></b>		
<b>Based on Total Units</b>	7.72	5.56 <sup>(8)</sup>

Notes:

- (1) Based on the total revenue less total service fee and hospital expenses derived from the audited financial statements of RHT Group and its subsidiaries for FY2016.
- (2) Excludes gain on disposal in connection with the CCDs Disposal and gain on retained interest in FHTL (see Paragraph 3.1.1(vi) above). With such gains, the net profit will be S\$137.0 million.
- (3) Based on the Distributable Income and DPU as announced by RHT on 25 May 2016.
- (4) Excludes distribution of sale proceeds (see Paragraph 3.1.1(ii) above). With such one-off distribution, the distributable income will be S\$240.0 million.
- (5) Weighted and total number of Units in issue as at 31 March 2016.
- (6) Assuming 50.0% of the Performance Fee payable to the Trustee-Manager is paid in the form of Performance Fee Units (see Paragraph 3.1.1(iii) above).
- (7) Including the gain on disposal in connection with the CCDs Disposal and gain on retained interest in FHTL, the EPU is 17.11 cents.
- (8) The one-off distribution amounts to a DPU of 24.40 cents before considering the Performance Fee Units.

### **3.1.2 Pro Forma NAV of the Proposed Disposal and the Related Arrangements**

The table below sets out the pro forma financial effects of the Proposed Disposal and the Related Arrangements on the NAV of the RHT Group as at 31 March 2016, as if the Proposed Disposal were completed on 1 April 2015.



**Pro Forma Effects of the Proposed  
Disposal and the Related Arrangements  
as at 31 March 2016**

	<b>Before the Proposed Disposal and the Related Arrangements</b>	<b>After the Proposed Disposal and the Related Arrangements</b>
<b>NAV (S\$'000)</b>	739.6 <sup>(1)</sup>	655.8 <sup>(4)</sup>
<b>Units in issue (million)</b>	797.8 <sup>(2)</sup>	802.2 <sup>(3)</sup>
<b>NAV per Unit (\$)</b>	0.93	0.82

Notes:

- (1) Based on the audited financial statements of RHT Group for 31 March 2016.
- (2) Total number of Units in issue as at 31 March 2016.
- (3) Assuming 50.0% of the Performance Fee payable to the Trustee-Manager is paid in the form of Performance Fee Units (see Paragraph 3.1.1(iii) above).
- (4) Assuming 100.0% of the net proceeds from the Proposed Disposal and the Related Arrangements is distributed to Unitholders.

### 3.1.3 Pro Forma Capitalisation of the Proposed Disposal and the Related Arrangements

The table below sets out the pro forma financial effect of the Proposed Disposal and the Related Arrangements on the capitalisation of RHT as at 31 March 2016.

**Pro Forma Effects of the Proposed  
Disposal and the Related Arrangements  
as at 31 March 2016**

	<b>Actual<sup>(1)</sup> (S\$ millions)</b>	<b>As Adjusted for the Proposed Disposal and the Related Arrangements (S\$ millions)</b>
<b>Short-term debt:</b>		
Secured debt	3.4	2.4
Unsecured debt	—	92.1
Total short-term debt	3.4	94.5
<b>Long-term debt:</b>		
Secured debt	166.6	166.4
Unsecured debt	—	—
Total long-term debt	166.6	166.4
<b>Total debt:</b>	170.0	260.9
Unitholders' funds	739.6	655.8
Total Unitholders' funds	739.6	655.8
<b>Total Capitalisation</b>	909.6	916.7

Note:

- (1) Based on the audited financial statements of RHT Group for FY2016.

## **4. THE WHITEWASH RESOLUTION**

### **4.1 Introduction**

Pursuant to Clause 12.9 of the Trust Deed, the Trustee-Manager may elect to receive fees payable to the Trustee-Manager under the Trust Deed in the form of cash and/or Units.

Since the Listing Date, the Trustee-Manager has been electing to receive 50.0% of its Management Fee in the form of Units, with the remaining 50.0% in cash. In keeping with the current policy of receiving 50.0% of the Management Fee in the form of Units, the Trustee-Manager intends to receive 50.0% of the Performance Fee in the form of Performance Fee Units and to waive its right to receive the remaining 50.0% of the Performance Fee it is entitled to receive.

The Performance Fee Units will, upon issue, rank *pari passu* in all respects with the existing Units in issue.

### **4.2 Rule 14 of the Code**

The Trustee-Manager proposes to seek approval from the Independent Unitholders for a waiver of their right to receive a Mandatory Offer from the Trustee-Manager and parties acting in concert with the Trustee-Manager (as defined in the Code), in the event that they incur an obligation to make a Mandatory Offer pursuant to Rule 14 of the Code as a result of the receipt of the Performance Fee Units by the Trustee-Manager in its personal capacity.

To the best of the Trustee-Manager's knowledge, as at the Latest Practicable Date, FHL, which is a party acting in concert with the Trustee-Manager by virtue of the Trustee-Manager being a wholly-owned subsidiary of FHL, indirectly owns 220,676,944 Units representing 27.6% of RHT. Other parties who are presumed to be acting in concert with the Trustee-Manager, together with the Trustee-Manager, own an aggregate of 19,040,000 Units representing approximately 2.38% of RHT. Accordingly, the Trustee-Manager and parties acting in concert with it hold, in aggregate, approximately 29.98% of the voting rights of RHT as at the Latest Practicable Date. In addition, the Trustee-Manager has, in line with past practice, elected to receive half of its fees in the form of Units in respect of the six-month period ended 31 March 2016 ("**2H2016 Trustee-Manager Fee Units**"). Such 2H2016 Trustee-Manager Fee Units were issued to the Trustee-Manager on 21 June 2016.

The issue of the Performance Fee Units to the Trustee-Manager is expected to cause the aggregate number of Units held by the Trustee-Manager and parties presumed to be acting in concert with the Trustee-Manager to exceed the threshold under Rule 14.1(a) of the Code. Rule 14.1(a) of the Code states that the Trustee-Manager and parties acting in concert with the Trustee-Manager would be required to make a Mandatory Offer if the Trustee-Manager and parties acting in concert with it, acquire additional Units which increases their aggregate unitholdings in RHT to 30.0% or more. Unless waived by the Securities Industry Council (the "**SIC**"), pursuant to Rule 14.1(a) of the Code, the Trustee-Manager and parties acting in concert with the Trustee-Manager would then be required to make a Mandatory Offer. The SIC has granted this waiver subject to, *inter alia*, the Whitewash Resolution being approved by Independent Unitholders at an EGM.

The issue price of the Performance Fee Units will be determined based on the volume weighted average price for a Unit for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the period of 10 business days immediately preceding the date of issue of the Performance Fee Units.

Assuming an issue price of S\$1.00<sup>1</sup> per Performance Fee Unit, approximately 4,300,000 Performance Fee Units will be issued to the Trustee-Manager. The Trustee-Manager currently estimates that the issue of 4,300,000 Performance Fee Units to the Trustee-Manager would bring the aggregate unitholding of the Trustee-Manager and its concert parties in RHT to approximately 30.35%, thereby crossing the threshold set out in Rule 14.1(a) of the Code and triggering the obligation of the Trustee-Manager and its concert parties to make a Mandatory Offer.

The following table sets out the respective unitholdings of the Trustee-Manager and parties acting in concert with the Trustee-Manager if the Trustee-Manager receives the Performance Fee Units:

<b>Unitholdings of the Trustee-Manager and parties acting in concert with it</b>		
	<b>Before the issue of the Performance Fee Units<sup>(1)</sup></b>	<b>Immediately after the issue of the Performance Fee Units<sup>(1)(3)</sup></b>
Issued Units	799,594,944	803,894,944
Number of Units held by the Trustee-Manager	11,463,000	15,763,000
Number of Units held by the Trustee-Manager and parties acting in concert with it, including FHL	239,716,944 <sup>(2)</sup>	244,016,944 <sup>(2)</sup>
% of issued Units held by the Trustee-Manager and parties acting in concert with it	29.98%	30.35%
% of issued Units held by the Unitholders, other than the Trustee-Manager and parties acting in concert with it	70.02%	69.65%

Notes:

- (1) Includes the total number of Units held by the Executive Directors of the Trustee-Manager.
- (2) The number of Performance Fee Units (being 4,300,000 Units) is calculated based on the assumption that the Performance Fee Units would be issued at an issue price of S\$1.00 per Unit, being the closing price of Units on the SGX-ST on Latest Practicable Date.

Under paragraph 2(d)(ii) of Appendix 1 of the Code (Whitewash Guidance Note), a waiver in relation to Rule 14 of the Code will only be granted subject to certain conditions, including the condition that the Trustee-Manager and parties acting in concert with it did not acquire or are not to acquire any Units or instruments convertible into and options in respect of Units (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Units which have been disclosed in this Circular) in the six months prior to the announcement of the Whitewash Resolution but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors of the Trustee-Manager in relation to the issue of the Performance Fee Units. In this respect, the acquisitions of Units by the Trustee-Manager and parties acting in concert with it (including the Trustee-Manager) in the past six months preceding the date of this Letter are set out below:

<sup>1</sup> The actual issue price of the Performance Fee Units to be issued to the Trustee-Manager will be at the relevant market price, being the volume weighted average price for a Unit for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the period of 10 business days immediately preceding the date of issue of the Performance Fee Units.

- (i) on 3 December 2015, 1,667,000 Units were issued to the Trustee-Manager as payment for 50.0% of the Management Fee (comprising the base fee and the performance fee) and the Trustee Fee (each as defined in the Trust Deed) for the period from 1 April 2015 to 30 September 2015 (both dates inclusive) ("**1H2016 Trustee-Manager Fee Units**"). After the issue of the 1H2016 Trustee-Manager Fee Units under the Trust Deed, the Trustee-Manager and its concert parties held 237,963,944 Units; and
- (ii) on 21 June 2016, 1,753,000 2H2016 Trustee-Manager Fee Units were issued to the Trustee-Manager. After the issue of the 2H2016 Trustee-Manager Fee Units under the Trust Deed, the Trustee-Manager and its concert parties held 239,716,944 Units.

Save for the above, the Trustee-Manager and parties acting in concert with it have not acquired Units in the past six months preceding the date of this Circular but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors of the Trustee-Manager in relation to the issue of the Performance Fee Units.

### 4.3 Application for Waiver of Rule 14 of the Code

An application was made to the SIC on 4 April 2016 for the waiver of the obligation of the Trustee-Manager and parties acting in concert with it to make a Mandatory Offer under Rule 14 of the Code should the obligation to do so arise as a result of the Trustee-Manager receiving the Performance Fee Units. The SIC granted the waiver of the obligation of the Trustee-Manager to make a Mandatory Offer on 27 April 2016, subject to, *inter alia*, the satisfaction of the following conditions:

- (a) a majority of unitholders approve at a general meeting, before the issue of the Performance Fee Units to the Trustee-Manager, the Whitewash Resolution by way of a poll to waive their rights to receive a general offer from the Trustee-Manager and its concert parties;
- (b) the Whitewash Resolution is separate from other resolutions;
- (c) the Trustee-Manager, parties acting in concert with it and parties not independent of them abstain from voting from the Whitewash Resolution;
- (d) the Trustee-Manager and its concert parties did not acquire or are not to acquire any Units or instruments convertible into and options in respect of the Units (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of, new Units which have been disclosed in this Circular):
  - (i) during the period between 4 February 2016, being the date on which the Trustee-Manager announced that the Trustee-Manager and FHL had entered into a non-binding memorandum of understanding (the "**Announcement Date**") and the date Unitholders' approval is obtained for the Whitewash Resolution; and
  - (ii) in the six months prior to the Announcement Date, but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Trustee-Manager in relation to the proposed issue of the Performance Fee Units;
- (e) RHT appoints an independent financial adviser to advise the Independent Unitholders on the Whitewash Resolution;

- (f) RHT sets out clearly in this Circular:
  - (i) details of the proposed issue of the Performance Fee Units;
  - (ii) the dilution effect to existing Unitholders upon the issuance of the Performance Fee Units to the Trustee-Manager;
  - (iii) the number and percentage of voting rights in RHT as well as the number of instruments convertible into, rights to subscribe for and options in respect of, the Units held by the Trustee-Manager and its concert parties as at the Latest Practicable Date;
  - (iv) the number and percentage of voting rights to be acquired by the Trustee-Manager and concert parties upon the issuance of the Performance Fee Units; and
  - (v) a specific and prominent statement that Unitholders, by voting for the Whitewash Resolution, are waiving their rights to a general offer from the Trustee-Manager and its concert parties at the highest price paid by the Trustee-Manager and its concert parties for Units in the past six months preceding the commencement of the offer;
- (g) this Circular states that the waiver granted by SIC to the Trustee-Manager and its concert parties from the requirement to make a general offer under Rule 14 of the Code is subject to the conditions set out in sub-paragraphs (a) to (f) above;
- (h) RHT obtains SIC's approval in advance for the paragraphs of this Circular that refer to the Whitewash Resolution; and
- (i) to rely on the Whitewash Resolution, the issue of the Performance Fee Units to the Trustee-Manager must be completed within three months of the approval of the Whitewash Resolution.

**Independent Unitholders should note that by voting for the Whitewash Resolution, they are waiving their rights to receive a Mandatory Offer from the Trustee-Manager and parties acting in concert with it at the highest price paid or agreed to be paid by the Trustee-Manager and parties acting in concert with it for Units in the six months preceding the receipt of the Performance Fee Units by the Trustee-Manager in its personal capacity.**

**Independent Unitholders should further note that in the event that the Trustee-Manager elects to receive the Performance Fee Units, the aggregated unitholding of the Trustee-Manager and parties acting in concert with it immediately after the issue of the Performance Fee Units to the Trustee-Manager will be 30.35%<sup>1</sup>.**

**By voting in favour of the Whitewash Resolution, Independent Unitholders could also be forgoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilutive effect resulting from the receipt of the Performance Fee Units by the Trustee-Manager in its personal capacity.**

**If the Whitewash Resolution is not approved by Unitholders at the EGM, 50.0% of the Performance Fee (amounting to S\$4.3 million) will be paid to the Trustee-Manager in cash.**

#### **4.4 Rationale for the Whitewash Resolution**

The Whitewash Resolution is to enable the Trustee-Manager to receive the Performance Fee Units in its personal capacity and the rationale for allowing the Trustee-Manager to do so is set out as follows.

Pursuant to Clause 12.9 of the Trust Deed, the Trustee-Manager may elect to receive fees payable to it under the Trust Deed in the form of cash and/or Units (as the Trustee-Manager may elect). Accordingly, without the Whitewash Resolution, and in view of Rule 14.1(a) of the Code, the Trustee-Manager will not be able to receive the Performance Fee that it is entitled to in the form of Units.

Since the Listing Date, the Trustee-Manager has been receiving 50.0% of its Management Fee in the form of Units, with the remaining 50.0% in cash. The election by the Trustee-Manager to receive 50.0% of the Performance Fee in the form of Units is consistent with past practice. Furthermore, the Trustee-Manager is of the view that electing to receive the Performance Fee Units as part payment of the Performance Fee will demonstrate the long-term commitment of the Trustee-Manager and of FHL to RHT. It will also further align the interests of the Trustee-Manager with Unitholders.

In addition, it is imperative for the Trustee-Manager, acting in the interests of the Unitholders, to conserve RHT's cash wherever and whenever possible in order to ensure that the cash flow needs of RHT continue to be met. As such, the Trustee-Manager has elected to receive part of the Performance Fee in the form of Units as part of RHT's cash capital management strategy to improve RHT's cash flow and is not intended to be part of any arrangement to increase the Trustee-Manager's unitholding in RHT to gain or consolidate control.

#### **5. ADVICE OF THE INDEPENDENT FINANCIAL ADVISER**

KPMG Corporate Finance Pte Ltd has been appointed as the independent financial adviser ("IFA") to (i) advise the independent directors of the Trustee-Manager on whether the Proposed Disposal and the Related Arrangements are on normal commercial terms and are not prejudicial to the interests of RHT and its minority Unitholders, and (ii) to

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<sup>1</sup> The number of Performance Fee Units (being 4,300,000 Units) is calculated based on the assumption that the Performance Fee Units would be issued at an issue price of S\$1.00 per Unit, being the closing price of Units on the SGX-ST on the Latest Practicable Date. This includes the total number of Units held by the Executive Directors of the Trustee-Manager but excludes the 2H2016 Trustee-Manager Fee Units to be issued to the Trustee-Manager.

advise the Independent Unitholders on the Whitewash Resolution. A copy of the IFA's letter, containing the IFA's advice in full, is set out in **Appendix B** to this Circular (the "IFA's Letter") and Unitholders are advised to read the IFA's Letter carefully.

#### **5.1 Advice of the Independent Financial Adviser as to the Proposed Disposal and the Related Arrangements**

Having given due consideration to certain factors and subject to the qualifications set out in the IFA's Letter and taking into account the prevailing conditions as at the Latest Practicable Date, the IFA is of the opinion that the Proposed Disposal and the Related Arrangements are on normal commercial terms and are not prejudicial to RHT and its minority Unitholders.

#### **5.2 Advice of the Independent Financial Adviser as to the Whitewash Resolution**

Having considered the factors and made the assumptions set out in the IFA's Letter, and subject to the qualifications set out therein, the IFA is of the opinion that the Whitewash Resolution is fair and reasonable.

### **6. DIRECTORS' RECOMMENDATIONS**

#### **6.1 Directors' Recommendations as to the Proposed Disposal**

Based on, *inter alia*, the IFA's Letter and the rationale for the Proposed Disposal as set out in Paragraph 3 above, the Independent Directors believe that the Proposed Disposal of the Relevant Securities, and Related Arrangements with the interested persons is on normal commercial terms and would not be prejudicial to RHT and its minority Unitholders.

Accordingly, the Independent Directors recommend that Unitholders vote in favour of the Proposed Disposal of the Relevant Securities, and Related Arrangements with the interested persons at the EGM.

#### **6.2 Directors' Recommendations as to the Whitewash Resolution**

The Independent Directors have considered the rationale of the IFA and concurred with the advice of the IFA in relation to the Whitewash Resolution. The Independent Directors believe that the Whitewash Resolution would be beneficial to, and is in the interests of RHT.

Accordingly, the Independent Directors recommend that Independent Unitholders vote in favour of the Whitewash Resolution at the EGM.

### **7. EXTRAORDINARY GENERAL MEETING**

The EGM will be held on 29 July 2016 at 10.30 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the Annual General Meeting of RHT to be held at 10.00 a.m. on the same day and at the same venue) at Suntec Singapore International Convention & Exhibition Centre, Room MR 330, 1 Raffles Boulevard, Singapore 039593, for the purpose of considering and, if thought fit, passing with or without modification, the resolutions set out in the Notice of Extraordinary General Meeting, which is set out on pages E-1 to E-4 of this Circular. The purpose of this Circular is to provide Unitholders with relevant information about the resolutions in relation to the Proposed Disposal and Related Arrangements and the Whitewash Resolution. Approval by way of an Ordinary Resolution is required in respect of each of (i) the Proposed Disposal and Related Arrangements and (ii) the Whitewash Resolution.



A Depositor shall not be regarded as a Unitholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Units entered against his name in the Depository Register, as certified by the CDP as at 48 hours before the time fixed for the EGM.

## **8. ABSTENTION FROM VOTING**

Rule 919 of the Listing Manual prohibits interested persons and their associates (as defined in the Listing Manual) from voting on a resolution in relation to a matter in respect of which such persons are interested in at the EGM.

Accordingly, FHL and its associates (including the Trustee-Manager, which is an indirect wholly-owned subsidiary of FHL) will abstain from voting on Resolution (1) relating to the Proposed Disposal of the Relevant Securities and Related Arrangements with the Interested Persons. In addition, as at the Latest Practicable Date, Mr Malvinder Mohan Singh holds 4,500,000 Units in RHT and is deemed interested in 232,139,944 Units held by FHIL and the Trustee-Manager in RHT, which, in aggregate, amounts to 29.59% of the total number of Units in issue. Accordingly, Mr Malvinder Mohan Singh will abstain from voting and will ensure that his associates will abstain from voting on the resolutions relating to the Proposed Disposal and the Related Arrangements.

Further, Mr Ravi Mehrotra, a director of both FHL and the Trustee-Manager and Mr Gurpreet Singh Dhillon and Mr Pawanpreet Singh, Executive Directors of the Trustee-Manager, will voluntarily abstain from voting on the Proposed Disposal and the Related Arrangements.

In addition, pursuant to the waiver from the SIC granted in relation to the Whitewash Resolution, the Trustee-Manager, parties acting in concert with it and parties not independent of the Trustee-Manager are required to abstain from voting on the Whitewash Resolution. The parties presumed to be acting in concert with the Trustee-Manager are FHIL, FHL, Mr Malvinder Mohan Singh (Executive Chairman and controlling shareholder of FHL) and certain Executive Directors of the Trustee-Manager, namely Mr Ravi Mehrotra (Executive Chairman), Mr Gurpreet Singh Dhillon (Executive Director) and Mr Pawanpreet Singh (Executive Director and Chief Financial Officer).

Please refer to Appendix D to this Circular for their respective Unitholdings.

## **9. ACTION TO BE TAKEN BY UNITHOLDERS**

Unitholders will find enclosed in this Circular the Notice of EGM and a Proxy Form.

If a Unitholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the enclosed Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 not later than 10.30 a.m. on 27 July 2016, being 48 hours before the time fixed for the EGM. The completion and return of the Proxy Form by a Unitholder will not prevent him from attending and voting in person at the EGM if he so wishes.

Persons who have an interest in the approval of the resolutions must decline to accept appointment as proxies unless the Unitholder concerned has specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of such resolution.



## **10. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Disposal and the Related Arrangements, the Whitewash Resolution and the Group and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

## **11. CONSENTS**

Each of the IFA and the Independent Valuer has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and, respectively, the IFA's Letter and the Valuation Summary Letter, and all references thereto, in the form and context in which they are included in this Circular.

## **12. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours at the registered office of the Trustee-Manager<sup>1</sup> at 9 Battery Road, #15-01, Singapore 049910 from the date of this Circular up to and including the date falling three months after the date of this Circular:

- (1) the CCDs Disposal Agreement;
- (2) the CCPS Disposal Agreement;
- (3) the CCDs Amendment Agreement;
- (4) the Amended and Restated FHTL Shareholders' Agreement;
- (5) the OCD Amendment Agreement;
- (6) the FGHIPL Deed of Guarantee;
- (7) the NCDs Subscription Agreement;
- (8) the FHL Deed of Guarantee;
- (9) the IFA's Letter;
- (10) the Valuation Summary Letter;
- (11) the audited financial statements of RHT for the financial period ended 31 March 2016; and
- (12) the written consents of each of the IFA and the Independent Valuer.

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<sup>1</sup> Prior appointment with the Trustee-Manager will be appreciated.

The Trust Deed will be available for inspection at the registered office of the Trustee-Manager for so long as RHT is in existence.

Yours faithfully

**RELIGARE HEALTH TRUST TRUSTEE MANAGER PTE. LTD.**

(as trustee-manager of Religare Health Trust)

Company Registration No. 201117555K

**Ravi Mehrotra**

Executive Chairman

## IMPORTANT NOTICE

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by the Trustee-Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Trustee-Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of RHT is not necessarily indicative of the future performance of RHT.

This Circular may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, foreign exchange rates, interest rate trends, cost of capital and capital availability, tax expenses, benefits and deductions, competition from similar clinical establishments, changes in operating expenses (including employee wages, benefits and training costs), changes in any laws and regulations and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Trustee-Manager's current view of future events.

Unitholders should also note that there is no assurance that the Proposed Disposal and the Related Arrangements will be completed. In the event Unitholders do not approve the Proposed Disposal and the Related Arrangements, the Trustee-Manager will not proceed with the Proposed Disposal and the Related Arrangements.

If you have sold or transferred all your Units, you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular is not for distribution, directly or indirectly, in or into the United States. It is not an offer of securities for sale into the United States. The Units may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended) unless they are registered or exempt from registration. There will be no public offer of securities in the United States.

## GLOSSARY

In this Circular, the following definitions apply throughout unless otherwise stated:

<b>Amended and Restated FHTL Shareholders' Agreement</b>	:	The amended and restated shareholders' agreement to govern the relationship of the shareholders of FHTL dated 8 July 2016 and entered into between FHML, FHL and FHTL, as from time to time amended, modified or supplemented
<b>Aggregate Interested Person Transactions Amount</b>	:	<p>The aggregate of:</p> <ul style="list-style-type: none"> <li>(a) the CCDs Consideration;</li> <li>(b) the CCPS Consideration;</li> <li>(c) the aggregate of the NCDs Subscription Amount and the interest payable thereon<sup>1</sup>, pro rated to 49.0% in accordance with the RHT Group's effective interest in FHsL;</li> <li>(d) the interest payable on the OCDs<sup>1</sup> until the date of maturity of the OCDs;</li> <li>(e) the guaranteed amount under the FGHIPL Guarantee (excluding the amount at risk under (d) above)</li> </ul>
<b>Board</b>	:	The board of directors of the Trustee-Manager
<b>Business Day</b>	:	means a day (other than a Saturday, Sunday or public holiday in Singapore) on which commercial banks are generally open for business in Singapore
<b>CCDs</b>	:	Compulsorily Convertible Debentures
<b>CCDs Amendment Agreement</b>	:	The agreement dated 8 July 2016 to amend the terms of the FHTL CCD Investment Agreement, as from time to time amended, modified or supplemented
<b>CCDs Consideration</b>	:	The consideration of ₹10,848.9 million (S\$216.6 million) receivable from FHL pursuant to the CCDs Disposal, subject to adjustment according to the terms and conditions of the CCDs Disposal Agreement <sup>2</sup>
<b>CCDs Disposal</b>	:	The proposed disposal of CCDs in FHTL, held by FGHIPL, to FHL

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1 Assuming an interest rate of 9.3% per annum, which the Trustee-Manager considers to be reasonable in the circumstances.

2 Please refer to paragraph 1.1 of Appendix A to this Circular for further information.

<b>CCDs Disposal Agreement</b>	:	The agreement under which it is proposed that FGH IPL sells, and FHL purchases, 4,439,040 CCDs in FHTL of face value of ₹1,000 each and carrying an interest of 17.5% per annum, being 51.0% of the CCDs in FHTL, at the CCDs Consideration, as from time to time amended, modified or supplemented
<b>CCPS</b>	:	Compulsorily Convertible Preference Shares
<b>CCPS Disposal</b>	:	The proposed disposal of all of the CCPS in EHIRCL held by IHL to FHL
<b>CCPS Consideration</b>	:	The consideration of ₹3,566.9 million (S\$71.2 million) receivable from FHL pursuant to the CCPS Disposal
<b>CCPS Disposal Agreement</b>	:	The agreement for the sale of 401,769 CCPS in EHIRCL by IHL to FHL for a purchase consideration of ₹3,566.9 million (S\$71.2 million), as from time to time amended, modified or supplemented
<b>CDP</b>	:	The Central Depository (Pte) Limited
<b>Circular</b>	:	This circular to Unitholders dated 8 July 2016
<b>Code</b>	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
<b>Controlling Unitholder</b>	:	In relation to RHT, means a person who: <ul style="list-style-type: none"> <li>(1) holds directly or indirectly 15.0% or more of the total number of issued Units. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Unitholder; or</li> <li>(2) in fact exercises control over RHT</li> </ul>
<b>Common Unit</b>	:	A Unit issued in accordance with the Trust Deed designated as a Common Unit
<b>Directors</b>	:	The directors of the Trustee-Manager
<b>DPU</b>	:	Distributions per Unit
<b>EGM</b>	:	The Extraordinary General Meeting to be held on 29 July 2016 at 10.30 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the Annual General Meeting of RHT to be held at 10.00 a.m. on the same day and at the same venue) for the purpose of considering and, if thought fit, passing with or without modification, the resolutions set out in the Notice of EGM, which is set out on pages E-1 to E-4 of this Circular

<b>EHIRCL</b>	:	Escorts Heart Institute and Research Centre Limited
<b>EPU</b>	:	Earnings per Unit
<b>FGHIPL</b>	:	Fortis Global Healthcare Infrastructure Pte. Ltd., a wholly-owned subsidiary of RHT
<b>FGHIPL Deed of Guarantee</b>	:	The deed of guarantee issued by FGHIPL, the guarantor, in favour of FHTL, the lender, and confirmed by IHL, as from time to time amended, modified or supplemented
<b>FGHIPL Guarantee</b>	:	The guarantee provided by FGHIPL in favour of FHTL to secure the Lender NCDs
<b>FHL</b>	:	Fortis Healthcare Limited
<b>FHL Deed of Guarantee</b>	:	The deed of guarantee issued by FHL, the guarantor, in favour of FHTL, the subscriber, as from time to time amended, modified or supplemented
<b>FHL Guarantee</b>	:	The guarantee provided by FHL in favour of FHTL to secure the NCDs in FHsL
<b>FHIL</b>	:	Fortis Healthcare International Limited, a wholly-owned subsidiary of FHL
<b>FHIL Units</b>		The 220,676,944 Units in RHT held by FHIL, equivalent to approximately 27.6% of the total number of Units in issue in RHT
<b>FHML</b>	:	Fortis Health Management Limited, a wholly owned subsidiary of RHT
<b>FHTL</b>	:	Fortis Hospotel Limited
<b>FHTL Call Option</b>	:	The call option of FHML on the remaining 51.0% of the issued equity shares in FHTL, held by FHL, exercisable once FHL is entitled to transfer its 51.0% shareholding interest in FHTL to FHML
<b>FHTL CCDs Investment Agreement</b>	:	The investment agreement dated 17 September 2012 (as amended by the amendment to the investment agreement, dated 15 October 2012) pursuant to which FGHIPL subscribed for 8,704,000 CCDs in FHTL, as from time to time amended, modified or supplemented
<b>FHTL Put Option</b>	:	The put option of FHML which requires FHL to purchase, <i>inter alia</i> , its 49.0% shareholding interest in FHTL, exercisable if FHL is unable to transfer its 51.0% shareholding interest in FHTL within five years from 17 September 2012

<b>FHTL Shareholders' Agreement</b>	:	The shareholders' agreement between FHL, FHML and FHTL dated 17 September 2012
<b>FHsL</b>	:	Fortis Hospitals Limited
<b>Financial Year or FY</b>	:	Financial year ended or, as the case may be, ending 31 March
<b>FY2016</b>	:	Financial year ended 31 March 2016
<b>Gurgaon Plot</b>	:	The land on which the Gurgaon Clinical Establishment is situated
<b>IFA</b>	:	KPMG Corporate Finance Pte Ltd
<b>IFA's Letter</b>	:	The letter from the IFA to the Independent Directors of the Trustee-Manager containing its advice as set out in <b>Appendix B</b> to this Circular
<b>IHL</b>	:	International Hospital Ltd, a wholly-owned subsidiary of RHT
<b>IHL OCD Investment Agreements</b>	:	The investment agreements dated 17 September 2012 pursuant to which FHTL subscribed for 3,262,500 OCDs issued by KHL and 3,989,000 OCDs issued by EHSSIL
<b>Independent Directors</b>	:	The independent directors of the Trustee-Manager, being Dr Yogendra Nath Mathur, Mr Sydney Michael Hwang, Mr Peter Joseph Seymour Rowe and Mr Eng Meng Leong
<b>Independent Unitholders</b>	:	Unitholders other than the Trustee-Manager, parties acting in concert with the Trustee-Manager and parties which are not independent of the Trustee-Manager
<b>Independent Valuer</b>	:	Duff & Phelps India Pvt Ltd
<b>Installed Bed Capacity</b>	:	The maximum number of beds that can be operated at the hospital without any expansion, renovation and/or upgrading of the civil structure of the building, other than works such as interior, electrical, heat ventilation and air-conditioning works
<b>Latest Practicable Date</b>	:	1 July 2016, being the latest practicable date prior to the printing of this Circular
<b>Listing Date</b>	:	The date of admission of RHT to the Official List of the SGX-ST
<b>Listing Manual</b>	:	The listing manual of the SGX-ST
<b>Management Fee</b>	:	The base fee and the performance fee payable to the Trustee-Manager under the Trust Deed
<b>Mandatory Offer</b>	:	A mandatory general offer made pursuant to Rule 14 of the Code



<b>NAV</b>	:	Net asset value
<b>NCDs</b>	:	Non-Convertible Debentures
<b>NCDs Subscription</b>	:	The proposed subscription by FHTL of NCDs issued by FHsL
<b>NCDs Subscription Agreement</b>	:	The agreement dated 8 July 2016 for the subscription by FHTL for such number of unrated, unlisted, redeemable NCDs in FHsL aggregating to to the OCDs Redemption and Payment Amount entered into between FHTL, FHsL and FHL, as from time to time amended, modified or supplemented
<b>NCDs Subscription Amount</b>	:	The amount of equivalent to the OCDs Redemption and Payment Amount, to be used for subscription by FHTL for NCDs in FHsL pursuant to the NCDs Subscription Agreement
<b>NCT</b>	:	National Capital Territory of Delhi
<b>Net Service Fee</b>	:	Total revenue less total service fee expense
<b>Net Service Fee and Hospital Income</b>	:	Total revenue less total service fee expense and total hospital expense
<b>Noteholders</b>	:	The holders of notes issued by the Trustee-Manager under the S\$500,000,000 multicurrency medium term note programme established on 5 December 2014
<b>NTA</b>	:	Net tangible assets
<b>OCDs</b>	:	Optionally Convertible Debentures
<b>OCD Amendment Agreement</b>	:	The agreement dated 8 July 2016 amending the terms of the IHL OCD Investment Agreements, entered into between FHTL, IHL and FGHIPL, as from time to time amended, modified or supplemented
<b>OCDs Redemption and Payment</b>	:	The partial redemption of the OCDs and the payment of accrued interest under all the OCDs in IHL held by FHTL using part of the proceeds from the CCPS Disposal
<b>OCDs Redemption and Payment Amount</b>	:	The amount paid for the OCDs Redemption and Payment, which is equivalent to 51.0% of the total outstanding liability on the OCDs (comprising the principal amount outstanding on the OCDs and all accrued interest thereon, excluding interest extracted from the date of completion of the CCDs Disposal to the date of the OCDs Redemption and Payment, which amount will be waived pursuant to the OCD Amendment Agreement) as at the date of completion, with all of the accrued interest to be paid and the remaining amount used to partially redeem the principal amount of the OCDs in IHL held by FHTL

<b>Ordinary Resolution</b>	:	A resolution proposed and passed as such by a majority, being more than 50.0%, of the total number of valid votes cast for and against such resolution at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed
<b>Performance Fee</b>	:	The performance fee that the Trustee-Manager is entitled to receive under Clause 12.1.2 of the Trust Deed, pursuant to the Special Distribution
<b>Performance Fee Units</b>	:	The Performance Fee payable to the Trustee-Manager in the form of Units
<b>Potential Bed Capacity</b>	:	The maximum number of beds that can be operated at each hospital when all stages of development are completed
<b>Pro Pata portion</b>	:	The total number of equity shares of FHTL to be issued upon conversion of the CCDs to be sold to FHL pursuant to the CCDs Disposal Agreement, expressed as a percentage of the total equity shares of FHTL computed on a fully diluted basis)
<b>Prospectus</b>	:	The prospectus of RHT issued by the Trustee-Manager dated 15 October 2012
<b>Proposed Disposal</b>	:	Means the following transactions: <ul style="list-style-type: none"> <li>(1) the CCDs Disposal pursuant to the CCDs Disposal Agreement; and</li> <li>(2) the CCPS Disposal pursuant to the CCPS Disposal Agreement</li> </ul>
<b>Related Arrangements</b>	:	The following arrangements: <ul style="list-style-type: none"> <li>(a) the amendments to the FHTL CCDs Investment Agreement, on the terms of the CCDs Amendment Agreement;</li> <li>(b) the amendments to the FHTL Shareholders' Agreement, on the terms of the Amended and Restated FHTL Shareholders' Agreement to take effect on completion of the CCDs Disposal;</li> <li>(c) the OCDs Redemption and Payment using part of the proceeds from the CCPS Disposal;</li> <li>(d) the amendments to the IHL OCD Investment Agreements, including the amendment to provide for the waiver by FHTL of its right to convert its OCDs in IHL into equity shares of IHL, as a result of which all remaining outstanding OCDs in IHL will be deemed to be Lender NCDs, on the terms and conditions set out in OCD Amendment Agreement;</li> </ul>

- (e) the FGHIPL Guarantee;
- (f) the NCDs Subscription, on the terms and conditions set out in the NCDs Subscription Agreement; and
- (g) the FHL Guarantee

<b>Relevant Land Authority</b>	:	Haryana Urban Development Authority
<b>Relevant Securities</b>	:	51.0% of the CCDs in FHTL held by FGHIPL and all of the CCPS in EHIRCL held by IHL
<b>RHSPL</b>	:	Religare Healthtrust Services Pte. Ltd.
<b>RHT</b>	:	Religare Health Trust
<b>RHT Group</b>	:	RHT and its subsidiaries, jointly-controlled entities and associated companies
<b>Securities Account</b>	:	The securities account maintained by a Depositor with CDP but not including a securities sub-account maintained with a Depository Agent
<b>Securities and Futures Act</b>	:	Securities and Futures Act, Chapter 289 of Singapore
<b>SGX-ST</b>	:	Singapore Exchange Securities Trading Limited
<b>SIC</b>	:	Securities Industry Council
<b>Special Distribution</b>	:	The special cash distribution to Unitholders of 100.0% of the net proceeds of the Proposed Disposal and the Related Arrangements after deducting expenses incurred in undertaking the Proposed Disposal and the Related Arrangements and, if applicable, 50.0% of the Performance Fee payable to the Trustee-Manager in cash if the Whitewash Resolution is not approved by Independent Unitholders
<b>Substantial Unitholder</b>	:	Any Unitholder with an interest in Units constituting not less than 5.0% of all Units in issue
<b>Trust Deed</b>	:	The trust deed dated 29 July 2011 constituting RHT, as amended and restated on 25 September 2012 and supplemented on 27 September 2012, and as may be amended, modified or supplemented from time to time
<b>Trustee-Manager</b>	:	Religare Health Trust Trustee Manager Pte. Ltd. (acting in its capacity as trustee-manager of RHT)
<b>Unit</b>	:	A unit representing an undivided interest in RHT

<b>Unit Issue Mandate</b>	:	RHT's unit issue mandate approved by Unitholders at RHT's annual general meeting on 23 July 2015, which continues in force until the conclusion of the next annual general meeting of RHT or the date by which the next annual general meeting of RHT is required by applicable laws and regulations to be held, whichever is earlier
<b>Unitholder</b>	:	The registered holder for the time being of a Unit including persons so registered as joint holders, except where the registered holder is CDP, the term "Unitholder" shall, in relation to Units registered in the name of CDP, mean, where the context requires, the Depositor whose Securities Account with CDP is credited with Units
<b>Valuation Summary Letter</b>	:	The valuation summary letter from the Independent Valuer as set out in <b>Appendix C</b> to this Circular
<b>Whitewash Resolution</b>	:	The resolution in relation to the waiver of the rights of independent Unitholders to receive a Mandatory Offer from the Trustee-Manager and parties acting in concert with it for the remaining Units not owned or controlled by them pursuant to the issuance of the Performance Fee Units
<b>%</b>	:	Per centum or percentage

The terms "Depositor" and "Depository Register" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

The terms "associate" and "interested person" shall have the meanings ascribed to them in the Listing Manual.

Words importing the singular include, where applicable, the plural and vice versa. Words importing the masculine gender include, where applicable, the feminine and neuter genders. References to persons include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted. Any term defined under the Securities and Futures Act or the Listing Manual and used in this Circular shall, where applicable, have the meaning ascribed to it under the Securities and Futures Act or the Listing Manual, as the case may be, unless otherwise provided.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

In this Circular, references to "S\$", "SGD" or "Singapore dollars" and "Singapore cents" are to the lawful currency of the Republic of Singapore, and references to "₹", "Indian Rupees", "INR" or "Rupees" are to the lawful currency of the Republic of India.

The exchange rates used in this Circular are for reference only. No representation is made that any Indian Rupee amounts were, could have been, will be or could be converted into Singapore dollar amounts at any of the exchange rates used in this document, at any other rate or at all.

For the reader's convenience, except where the exchange rate between the Indian Rupee and the Singapore dollar is expressly stated otherwise, certain Indian Rupee amounts in this Circular have been translated into Singapore dollars based on the fixed exchange rate of ₹50.08 = S\$1.00<sup>1</sup> which was the exchange rate as at 1 July 2016. However such translations should not be construed as representations that Indian Rupee amounts have been, could have been or could be converted into Singapore dollars at that or any other rate.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

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<sup>1</sup> Source: Bloomberg L.P.. Bloomberg L.P. has not provided its consent to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information.

## CERTAIN DETAILS RELATING TO THE PROPOSED DISPOSAL AND THE RELATED ARRANGEMENTS

### 1.1 CCDs Disposal Agreement

For the information of the Unitholders, certain key terms and conditions of the proposed CCDs Disposal Agreement have been summarised as set out below. These key terms and conditions should be read together with the terms and conditions summarised in Paragraph 2.6.1 of the Letter to Unitholders in this Circular.

#### ***Consideration***

The aggregate consideration (the “**Purchase Consideration**”) payable by FHL (the “**Purchaser**”) to FGHIPL (the “**Seller**”) for the transfer of the CCDs in FHTL (the “**Company**”) (“**Sale Securities**”), net of applicable taxes and computed at the price per CCD of ₹2,443.97 (S\$48.80) is approximately ₹10,848.9 million (S\$216.6 million), plus the Pro Rata portion (being the percentage that is equal to the percentage of (i) the equity shares of the Company to be issued upon conversion of the Sale Securities, divided by (ii) the total equity shares of the Company computed on a fully diluted basis) of the extent to which the Completion Net Current Assets is more than the Base Net Current Assets or minus the Pro Rata portion of the extent to which the Completion Net Current Assets is less than the Base Net Current Assets, provided that this sub-clause (ii) shall not be applicable if the difference between the Completion Net Current Assets and the Base Net Current Assets does not exceed 5% of the Base Net Current Assets.

#### ***Conditions Precedent***

Completion of the sale of the Sale Securities shall be subject to certain conditions precedent, including:

- (a) Receipt by the Seller and the Trustee-Manager of all permissions, consents or approvals that may be required from all lenders of the Seller or RHT for the execution, delivery and performance of the CCDs Disposal Agreement, consummation of the transactions contemplated and the rights and obligations set out therein; and
- (b) Receipt by the Trustee-Manager of all permissions, consents or approvals that may be required from the SGX-ST, the Unitholders and the Noteholders for the execution, delivery and performance of the CCDs Disposal Agreement, consummation of the transactions contemplated and the rights and obligations set out therein.

#### ***Warranties***

The Seller hereby warrants to the Purchaser, *inter alia*, that between the period of 19 October 2012 and the Completion Date:

- (a) in the Seller’s reasonable opinion, the Company has prepared and timely filed all Tax returns (“**Tax Returns**”) required to be filed relating to any and all Taxes concerning or attributable to the Company, or its Business, and such Tax Returns have been completed in accordance with applicable laws. In the Seller’s reasonable opinion, all Tax Returns and related notices, accounts and information have been prepared in

accordance with applicable law and the Company has not received any notice from the relevant governmental authority that any such returns, notices, accounts or information is disputed in any material respect by the governmental authority concerned;

(b) in the Seller's reasonable opinion and to the best of the Seller's knowledge, the Company has:

- (i) duly and timely withheld, in relation to any amount paid or credited by them, to or for the account or benefit of any person (including, without limitation, any of its employees, officers and directors and any non-resident person) the amount of all taxes and other deductions required by any applicable law, to be withheld from any such amount and has duly and timely remitted the same to the appropriate governmental authority;
- (ii) duly paid all taxes, and other charges and levies assessed or imposed by any governmental authority which have been assessed upon the Company and which are due and payable on and from October 19, 2012 and up to the date of the CCDs Disposal Agreement; and
- (iii) not executed any outstanding waiver of any statute of limitations on or outstanding extension of the period for the assessment or collection of any tax,

((a) and (b) above, collectively, the "**Tax Warranties**"),

- (c) there are no material non-compliances with the applicable Law and there are no material breaches under any material agreements entered into by the Company which material non-compliance/material breach would (i) result in the Company losing the title to the premises on which the Clinical Establishment is situated or (ii) result in such premises being rendered unfit for use as a Clinical Establishment or (iii) result in cessation/suspension of the Clinical Establishment Business in the form and manner as carried out on the Completion Date;
- (d) the Company has clear and complete and marketable title to all moveable and immovable assets (including any equipment and machinery), as set out in the respective balance sheets of the Company and used in its Business, and has all the necessary power and authority to deal with such assets in any manner whatsoever;
- (e) no inquiry, investigations, proceedings, notices, orders, proposals, applications or requests affecting or relating to ownership of any assets have been served or made by any authority on the Company or the actual owner of the assets, as the case may be;
- (f) the audited financial statements of the Company have been prepared in accordance with generally accepted accounting principles and accounting standards as on the date of such financial statements so as to give a true and fair view of the state of affairs of the Company as on the date of the relevant financial statements. No outstanding indebtedness of the Company in excess of ₹1,000 million (\$20.0 million) has become due and payable by reason of default by the Company;
- (g) the unaudited financial statements of the Company have been prepared in accordance with the applicable accounting standards, and principles, and are consistent with past ordinary course practices of the Company;



- (h) to the best of the Seller's knowledge, save as provided under the financial statements of the Company, there exists no arrangement or agreement or transactions or any circumstances, whether known or unknown, which have not been disclosed to the Purchaser, which if disclosed prior to execution of the CCDs Disposal Agreement would have adversely affected the Purchase Consideration determined based on such valuation, assuming the valuation of the Company is done in the same manner as the valuation of the Company was done for the purposes of determining the Purchase Consideration.

### ***Indemnity***

The Seller agrees to indemnify and keep indemnified, save, defend and hold harmless the Purchaser, and/or its directors, officers, employees, representatives and agents, from and against any and all Losses which directly arise out of or result from:

- (a) any misrepresentation or any breach of any Seller warranty (including the Tax Warranties);
- (b) any breach of any other terms, conditions, covenants or agreements of the Seller under the CCDs Disposal Agreement other than as specified under sub clause (a) above; and
- (c) any fraud or criminal breach of trust on the part of the Seller.

### ***Limitations on the Seller's Liability***

#### **(a) Time Limitation**

- (i) The Seller shall not be liable for breach of any Seller warranties (other than Tax Warranties) under the CCDs Disposal Agreement in respect of which any claim is made by the Purchaser unless a notice of the claim is given by the Purchaser to the Seller within five (5) years from the Completion Date.
- (ii) The Seller shall not be liable for breach of any Tax Warranties or indemnities for tax under the CCDs Disposal Agreement in respect of which any claim is made by the Purchaser unless a notice of the claim is given by the Purchaser to the Seller within the statutory period prescribed under applicable laws.
- (iii) If the Purchaser becomes aware of any fact, matter or circumstance that may give rise to a claim against the Seller for any breach of the Seller warranties by the Seller under the CCDs Disposal Agreement, the Purchaser shall, as soon as reasonably practicable, give notice in writing to the Seller setting out such information as is available to the Purchaser as is reasonably necessary to enable the Seller to assess the merits of the claim, to act to preserve evidence and to make such provision as the Seller may consider reasonably necessary.
- (iv) Neither the Seller nor any of its affiliates shall be liable for any claim if and to the extent that the liability or other matter giving rise to the claim is attributable to any act, event, omission or default which occurred prior to 19 October 2012.

#### **(b) Minimum Claims**

- (i) The Seller shall not be liable for breach of any Seller warranties in respect of any individual claim (except where the series of claims arise from the same cause of action) where the liability agreed or determined in respect of any such claim or series of claims does not exceed ₹1,000,000 (S\$19,968).

- (ii) Where the liability agreed or determined in respect of any such claim or series of claims exceeds ₹2,000,000 (S\$39,936), the Seller shall be liable for the aggregate amount of all claims as agreed or determined.

(c) Maximum Liability

The aggregate liability of the Seller in respect of all breaches by the Seller under the CCDs Disposal Agreement shall not exceed 100.0% of the Purchase Consideration.

For the purposes of this Paragraph 1.1 of Appendix A, the following definitions shall apply:

**“Base Net Current Assets”** shall mean ₹1,702,333,592 (S\$33,992,284) which has been calculated based upon the total assets and liabilities of the Company set forth in the Company’s unaudited Financial Statements as of 31 March 2016;

**“Completion Net Current Assets”** means shall mean the Net Current Assets as at the Completion Date and calculated in accordance with the provisions of the CCDs Disposal Agreement;

**“Losses”** shall mean all direct and actual losses, damages, costs (whether or not resulting from third party claims), including interests and penalties with respect thereto, out-of-pocket expenses, reasonable attorneys’ and accountants’ fees and disbursements, actual claim, legal action, proceeding, inquiry, investigation, suit, litigation, prosecution, mediation, arbitration, or enquiry;

**“Net Current Assets”** shall mean, as of a given date, a positive number that is a result of (a) Total Current Assets, as of such date, less (b) Total Current Liabilities of the Company as of such date;

**“Total Current Assets”** shall mean, as of such date, all of the consolidated current assets of the Company or other provisions as determined in accordance with the accounting principles and in accordance with the CCDs Disposal Agreement; and

**“Total Current Liabilities”** shall mean, as of such date, all of the consolidated current Liabilities of the Company, excluding borrowings from banks, if any, as determined in accordance with the accounting principles and in accordance with the CCDs Disposal Agreement.

## 1.2 CCDs Amendment Agreement

For the information of the Unitholders, certain key terms and conditions of the CCDs Amendment Agreement have been summarised as set out below. These key terms and conditions should be read together with the terms and conditions summarised in Paragraph 2.6.2 of the Letter to Unitholders in this Circular.

FGHIPL (the **“Investor”**), FHTL (the **“Company”**) and FHL (the **“Promoter”**) (together, the **“Parties”**) agree to amend and restate, *inter alia*, Clause 6 (Conversion of the CCDs) and Clause 7 (Transfer of Securities by the Investor) of the FHTL CCDs Investment Agreement, to provide for, *inter alia*, the deletion of the FHTL Put Option. Certain other key terms to the CCDs Amendment Agreement are as follows:

## Conversion of the CCDs

- (a) Subject to compliance of this clause and upon receipt of all corporate, governmental and third party approvals and consents as may be required for conversion of the 8,704,000 CCDs in FHTL held by FGHIPL and issuance of the Conversion Shares to the Investor, the Investor CCDs shall be convertible into 267,400,000 equity shares of the Company of a face value of ₹10.0 (\$0.20) each with one vote per equity share ("**Shares**") ("**Conversion Ratio**").
- (b) Subject to receipt of all corporate, governmental and third party approvals and consents as may be required for conversion of the CCDs and issuance of the shares upon conversion of the CCDs ("**Conversion Shares**"), FHL and FGHIPL (together, the "**CCD Holders**") shall have the right to convert each CCD held by them into the Conversion Shares at the Conversion Ratio, at any time on or prior to a date that is 18 years from October 19, 2012, being the date of issuance of such CCDs (such date, the "**Maturity Date**") in accordance with the provisions of clause by delivering a notice of conversion ("**Notice of Conversion**") to the Company requesting the conversion of all or part of the CCDs to Shares ("**Conversion Shares**"), on the date designated as the specified conversion date in the Notice of Conversion ("**Conversion Date**"), together with the relevant CCD certificate. The Conversion Date shall not be less than five (5) business days after the date of the Notice of Conversion.
- (c) The CCDs shall earn, at the rate of 17.5% per annum payable on a quarterly basis (or such other period mutually agreed between the Parties) and shall be paid on or before the seventh day of the month following the end of each quarter (or such other period mutually agreed between the Parties), after deducting taxes as applicable under the Indian Income Tax Act, 1961 or the relevant double taxation avoidance agreement for the period commencing on the Closing Date till the Conversion Date.
- (d) The CCDs shall be mandatorily converted into Shares, at the Conversion Ratio, without any further act by or on behalf of the CCD Holders on the Maturity Date, and the Company shall on the Maturity Date, issue and allot the Shares to the CCD Holders. The Maturity Date shall be deemed to be the Conversion Date in relation to any CCDs which are yet to be converted as of the Maturity Date.
- (e) On the Conversion Date, the Company shall:
  - (i) issue and allot the relevant number of Conversion Shares computed on the basis of the Conversion Price to the CCD Holders, free from any encumbrance and together with all rights and advantages (if any) attaching to them;
  - (ii) issue the Conversion Shares to the CCD Holders in dematerialized form and shall cause its depository to duly credit such Conversion Shares to the demat account of the Investor (details of which shall have been provided by the Investor to the Company in writing);
  - (iii) pay all stamp duty or similar taxes (if any), except any taxes applicable under the Income Tax Act, 1961, on the conversion and issue of the Conversion Shares and indemnify the CCD Holders against any liability for such duty or taxes and any costs, claims and expenses resulting from any failure to pay the same; and
  - (iv) take all other actions necessary for conversion of the CCDs.

- (f) The CCD Holders will become the holder of the number of Conversion Shares issued upon conversion with effect from the date that it is registered as such in the Register of Members.
- (g) The CCD Holders agree that the conversion of the CCDs into the Conversion Shares in accordance with the FHTL CCDs Investment Agreement will result in the full and final discharge of all obligations of the Company in relation to the CCDs.
- (h) The CCD Holders shall be entitled to convert a CCD for a part or the whole of its face value. Upon such part conversion by the CCD Holders, the Company shall, simultaneously with the allotment of the relevant number of Conversion Shares to the CCD Holders, issue a fresh certificate evidencing the CCD Holders' title to the CCDs for the balance face value which was not converted.
- (i) The Conversion Shares will rank *pari passu* in all respects and identical with the then existing Shares of the Company, with reference to all rights and benefits, including but not limited to voting rights, dividends, stock splits, bonus and/or rights issuance.
- (j) The Company agrees and undertakes that it shall make all necessary filings and disclosures with the appropriate authorities in respect of the issue and allotment of the Conversion Shares pursuant to the conversion of the CCDs in accordance with the terms of this clause and shall provide the CCD Holders with a copy of all such filings within a period of 7 (seven) days of the Conversion Date.
- (k) The Parties acknowledge and agree that they shall ensure that the Promoter's shareholding in the Company shall not be diluted below 51.0% of the total issued and paid up share capital of the Company. The Parties also acknowledge and agree that in order to comply with the aforesaid, neither Party shall undertake or cause to undertake any such act(s) or deed(s) which may cause or effect to cause the Promoter's shareholding to be diluted below 51.0% of the total issued and paid up share capital of the Company.

#### ***Transfer of Securities by the Investor***

- (a) The Parties agree that any transfer of the CCDs or any rights or interest therein by the CCD Holders to any third party shall be subject to the right of first refusal available to FHL (and/or its nominees) under the terms of the right of first refusal agreement dated 18 September 2012 between FHL and the Trustee-Manager.
- (b) The Parties hereby agree that the CCD Holders shall be free to transfer the CCDs or any rights or interest therein to any entity related to the Investor without any restrictions or limitation so long as such transfer is compliant with applicable laws. The CCD Holders shall notify the Company of such transfer and the Company shall, upon receipt of such notice, take all such actions as may be necessary to effectuate such a transfer such that, effective as of the date of the transfer as reflected in the notice, (i) all title, rights, entitlements or interest in such CCDs are beneficially transferred to the transferee free of any liens and encumbrances; and (ii) all amounts payable under the terms of such CCDs shall become payable to the transferee.

### **1.3 CCPS Disposal Agreement**

For the information of the Unitholders, certain key terms and conditions of the CCPS Disposal Agreement have been summarised as set out below. These key terms and conditions should be read together with the terms and conditions summarised in Paragraph 2.6.3 of the Letter to Unitholders in this Circular.

### ***Consideration***

The aggregate consideration (“**Purchase Consideration**”) payable by FHsL (the “**Purchaser**”) to IHL (the “**Seller**”) for the purchase of 401,769 CCPS in EHIRCL (the “**Sale Shares**”) is ₹3,566.9 million (S\$71.2 million) computed at the price per Sale Share of ₹8,877.99 (S\$177.28), convertible into 401,769 equity shares on conversion.

### ***Conditions Precedent***

The completion of the sale of the CCPS is subject to certain conditions precedent, including:

- (a) receipt by the Seller and the Trustee-Manager of all permissions, consents or approvals that may be required from all lenders of the Seller or RHT for the execution, delivery and performance of the CCPS Disposal Agreement, consummation of the transactions contemplated and the rights and obligations set out therein; and
- (b) receipt by the Trustee-Manager of all permissions, consents or approvals that may be required from the SGX-ST, the Unitholders and the Noteholders for the execution, delivery and performance of the CCPS Disposal Agreement, consummation of the transactions contemplated and the rights and obligations set out therein.

### ***Indemnity***

The Seller agrees to indemnify and keep indemnified, save, defend and hold harmless the Purchaser, and/or its directors, officers, employees, representatives and agents, from and against any and all Losses which directly arise out of or result from any misrepresentation or any breach of any Seller warranty.

### ***Warranties***

The Seller hereby warrants and represents to the Purchaser, *inter alia*, that, to the best of its knowledge and belief, as at the date of the CCPS Disposal Agreement and at the date of completion, the Seller is the owner of the Sale Shares and has and will have on the date of completion good, clear and marketable title to the Sale Shares, free and clear of any and all liens, encumbrances, equities, and claims whatsoever, with full right and authority to deliver the same under the CCPS Disposal Agreement, and that no other third party whosoever is entitled to the Sale Shares or any part thereof or any of the rights forming part of the Sale Shares and upon delivery of the Sale Shares and payment of the CCPS Consideration, therefore as contemplated in the CCPS Disposal Agreement, will convey to the Purchaser good and marketable title to such Sale Shares (each being fully paid-up), free and clear of all liens, claims, encumbrances, pre emptive rights, rights of first refusal, and any other claim of any third party or of the Seller. The Seller further confirm and represents that it has no further interest in, or claim on, the Sale Shares or any rights, privileges and/or benefits attached thereto.

### ***Limitation on Seller's Liability***

- (a) Time Limitation for Claims
  - (i) The Seller shall not be liable for any breach of any Seller warranties under the CCPS Disposal Agreement in respect of which any claim is made by the Purchaser unless a notice of the claim is given by the Purchaser to the Seller within 5 (five) years from the date of completion thereunder;

- (ii) If the Purchaser becomes aware of any fact, matter or circumstance that may give rise to a claim against the Seller for any breach of the Seller warranties by the Seller under the CCPS Disposal Agreement, the Purchaser shall, as soon as reasonably practicable, give notice in writing to the Seller setting out such information as is available to the Purchaser as is reasonably necessary to enable the Seller to assess the merits of the claim, to act to preserve evidence and to make such provision as the Seller may consider reasonably necessary.

(b) Minimum Claims

- (i) The Seller shall not be liable for breach of any Seller warranties in respect of any individual claim (except where the series of claims arise from the same cause of action) where the liability agreed or determined in respect of any such claim or series of claims does not exceed ₹1,000,000 (S\$19,968).
- (ii) Where the liability agreed or determined in respect of any such claim or series of claims exceeds ₹2,000,000 (S\$39,936), the Seller shall be liable for the aggregate amount of all claims as agreed or determined.

(c) Maximum Liability

The aggregate liability of the Seller in respect of all breaches by the Seller under the CCPS Disposal Agreement shall not exceed 100.0% of the Purchase Consideration.

(d) Recovery from third parties following recovery from the Seller

If the Seller has paid an amount in discharge of any claim for breach of any Seller warranties and the Purchaser is entitled to recover (whether by payment, discount, credit, relief, insurance or otherwise) from a third party a sum which indemnifies or compensates the Purchaser (in whole or in part) in respect of the loss or liability directly related to such claim, the Purchaser shall pay to the Seller as soon as practicable after receipt an amount equal to the lesser of: (i) any sum recovered from the third party less any costs and expenses incurred in obtaining such recovery and less any taxes attributable to the recovery after taking account of any tax relief available in respect of any matter giving rise to the claim; or (ii) the amount previously paid by the Seller to the Purchaser less any taxes attributable to the recovery.

(e) Waiver by the Purchaser

The Purchaser and/or its directors, officers, employees, representatives and agents (collectively, the “**Indemnified Party**”) shall not be entitled to claim indemnification for any Loss suffered by the Indemnified Party on account of a breach of any Seller warranty (“**Seller Breach**”) which has been expressly waived in writing by the Indemnified Party upon a request being made by the Seller for such a waiver.

(f) No Double Counting

The Indemnified Party shall not be entitled to indemnity for any Loss more than once, provided however that if any additional Loss is caused as a result of the same facts and circumstances, the Indemnified Party shall be entitled to make a claim under the CCPS Disposal Agreement for such additional Loss.

(g) Change in Law

The Indemnifying Party as defined in the CCPS Disposal Agreement shall have no liability in respect of any claim to the extent arising from the passing of, or change in any Law, regulation or rule (including rate of taxation) of any governmental authority after the date of completion of the CCPS Disposal.

(h) Change in Accounting Policy

The Indemnifying Party shall not be liable for any Loss incurred by the Indemnified Party on account of any change in the accounting policy/adoption of new accounting policies by the Indemnified Party after the Completion Date.

(i) No Consequential Losses

The Indemnified Party shall not be entitled to any indirect, consequential, exemplary or punitive damages including lost profits, loss of business, loss of opportunity or loss of goodwill.

(j) Mitigation of Losses

The Indemnified Party hereby agrees to make best efforts, for the purposes of mitigating the Loss arising from the CCPS Disposal Agreement.

For the purposes of this Paragraph 1.3 of Appendix A, the following definition shall apply:

**“Losses”** shall mean all direct and actual losses, damages, costs (whether or not resulting from third party claims), including interests and penalties with respect thereto, out-of-pocket expenses, reasonable attorneys’ and accountants’ fees and disbursements, actual claim, legal action, proceeding, inquiry, investigation, suit, litigation, prosecution, mediation, arbitration, or enquiry.

#### **1.4 Amended and Restated FHTL Shareholders’ Agreement**

The FHTL Shareholders’ Agreement shall be amended and restated in accordance with the Amended and Restated FHTL Shareholders’ Agreement with effect from the Completion Date as defined under the CCDs Disposal Agreement.

For the information of the Unitholders, certain key terms and conditions of the Amended and Restated FHTL Shareholders’ Agreement have been summarised as set out below. These key terms and conditions should be read together with the terms and conditions summarised in Paragraph 2.6.4 of the Letter to Unitholders in this Circular.

Under the Amended and Restated FHTL Shareholders’ Agreement, FHML would no longer be granted, *inter alia*, the FHTL Call Option, the FHTL Put Option, the right to appoint half of the board of directors of FHTL and the benefit the assignment by FHL of its right to all dividends and other distributions made by FHTL to FHML.

##### ***Board Composition***

The board of directors of FHTL shall be reconstituted to comprise eight directors, with the majority of the directors (excluding independent directors) being directors appointed and representing FHL. The composition of the board shall be as follows:

- (a) two directors appointed and representing FHML (**“FHML Directors”**);



- (b) three directors appointed and representing FHL ("**FHL Directors**"); and
- (c) three independent directors.

#### Chairman of the Board

The chairman of the Board shall be a Director nominated by FHL from amongst one of the Directors appointed by it to the Board. In the event that Director so nominated by FHL is not available at a meeting of the Board of FHTL, then the Board may appoint, from amongst the Directors appointed to the Board by FHL, a Director to be the chairman of such meeting of the Board of FHTL.

#### Appointment, Removal and Replacement of Independent Directors

- (a) The nominating and remuneration committee of the Board ("**NRC**") shall nominate the independent directors, and such nominated persons shall be appointed as independent directors of FHTL by the Board. Thereafter, for any subsequent appointment of an independent director, the NRC shall discuss, deliberate and select the names of candidates who possess the requisite qualifications as may be prescribed under applicable law, and recommend such candidates to the Board. Provided that such nomination of Persons for the post of the Independent Director by the NRC, shall require the consent of a majority of the members of the NRC, which shall include the consent of at least one FHL Director and one FHML Director. The Board may, within 30 days of receipt of such recommendation from the NRC, appoint such persons as independent director(s) to the Board.
- (b) The Board or the NRC may review and assess the performance of the independent directors and if deemed necessary, recommend the removal or replacement of such independent directors, subject to applicable law.
- (c) Upon receipt of such request for removal of independent directors, the NRC shall discuss and deliberate on the requirement of such removal. Provided that the removal of an independent director shall require the consent of majority members of the NRC, which shall include the consent of at least one FHL and one FHML Director. Upon receipt of the recommendation of the NRC for removal of an independent director, the Board shall take all requisite actions required under applicable law to remove such independent director as soon as possible.
- (d) A new independent director in place of the outgoing independent director shall be promptly appointed in accordance with sub-paragraph (a) above, within 30 days from the date of receipt of request for removal/resignation of the outgoing independent director by the Board.

#### ***Quorum for Board Meetings***

The quorum for a meeting of the Board shall include at least one (1) FHL Director and one (1) FHML Director.

#### ***Voting at Board Meetings***

A decision shall be said to have been made and/or a resolution passed at a meeting of the Board or any committee, only if passed at a validly constituted meeting, and such decisions/resolutions are approved by the majority of the Directors which, unless otherwise

mandated by applicable law or the Amended and Restated FHTL Shareholders' Agreement, shall mean approval by a majority of the Directors present and voting at such meeting of the Board.

In the event of a deadlock in relation to any matter at a meeting of the Board, the chairman of the Board shall have the casting vote.

Subject to applicable law, the Directors or members of any committee may participate in meetings of the Board or committees through video-conference.

#### ***Quorum for Shareholders' Meetings and Voting***

The quorum for general meetings of FHTL must include a representative of each of the shareholders of FHTL.

No resolution or decision or action relating to any of the matters specified below ("**Affirmative Vote Matters**") shall be passed or taken by FHTL, at any Board meeting or General Meeting or any meeting of the committee/sub-committee of the Board or by a circular resolution, or otherwise, without prior written approval of FHML:

- (a) any issuance of securities (including equity shares, preference shares, non-voting shares, warrants, options, debentures etc), or any change, re-organization or reconstruction in the authorized or issued or paid-up capital or capital structure of FHTL, including by way of buyback, redemption, reduction, consolidation, stock-split etc., or any modification of the terms of the securities or any rights attached thereto;
- (b) winding up and/or liquidation of FHTL;
- (c) amendment of the Memorandum and Articles of Association of FHTL;
- (d) any change or cessation of the Business;
- (e) creating any encumbrance over the assets of FHTL, or guaranteeing the debts or obligations of any other third party. Provided that, the consent of FHML shall not be required for creation of any Encumbrances for securing any indebtedness which is (i) in existence on or prior to the Effective Date, (ii) on terms acceptable to FHML, and (iii) is in accordance with clauses (f), (g), (i) below;
- (f) incurring of any indebtedness for operational expenses and working capital, of any manner whatsoever, which is (i) in excess of 105.0% of the limit of the indebtedness proposed to be undertaken for meeting the operating expenses in the Annual Business Plan approved by the Board of FHTL (the "**Approved Annual Business Plan**") or (ii) for a purpose other than replacement in the ordinary course of business, of an existing equipment or machinery or infrastructural asset;
- (g) approval for incurring any indebtedness of any nature whatsoever or undertaking any capital expenditure in relation to a project specific plan which arises during a Financial Year, which does not form part of the Approved Annual Business Plan ("**Project Plan**"). Provided that, consent of FHML shall not be unreasonably withheld if the internal rate of return for the project under consideration is at least 14.0% and EBITDA yield is at least 9.5% for the initial three years;
- (h) approval of the terms of reference, charters of the Committees of the Board and any alterations or deviations from the approved terms of reference, charters of the Committees of the Board;

- (i) transfer, disposal or acquisition of any assets, businesses, investments, or undertakings of FHTL, including, without limitation, by way of mergers, demergers, acquisitions, spin-offs, amalgamations, divestments, sale, lease, license or any other form of corporate restructuring in any manner whatsoever, which is in excess of the Approved Annual Business Plan. Provided that, prior consent of FHML shall not be required for transfer or disposal, in the aggregate, of assets of book value of up to ₹40,000,000 (S\$798,722) in the relevant Financial Year over and above the limits approved under the Approved Annual Business Plan. Provided that, notwithstanding the above threshold of ₹40,000,000 (S\$798,722), consent of FHML shall be required in the event transfer or disposal of any assets of FHTL, affects the ability of FHTL to conduct the Business, as it is conducted, as on the date of the Amended and Restated FHTL Shareholders' Agreement;
- (j) the appointment, reappointment, replacement, fixing the remuneration and audit fees, and deciding the terms of appointment of the statutory auditor of FHTL. Provided that, consent of FHML shall not be required where the appointment or change of the statutory auditors is pursuant to the expiry of period of appointment of such auditor in accordance with applicable law, and the auditor so appointed is a Big Four Accounting Firm;
- (k) a change in accounting or tax policies of FHTL, including the Financial Year of FHTL. Provided that, consent of FHML shall not be required in the event such change is: (i) required under applicable law; and/or (ii) in the nature of a change that has been applied consistently across all entities forming part of the FHL group, except where such change results in any adverse variation of more than 5.0% in any Line Item of the Balance Sheet and Profit and Loss Statements of FHTL;
- (l) entering into or amendment of, any related party transactions or interested person transactions or transactions/agreements with Affiliates, associates or employees or any other entity specified under Chapter 9 of the Listing Rules of the SGX-ST (collectively, "**Interested Parties**"). Provided that, unless such matter is a matter that is covered under Chapter 9 of the Listing Rules of the SGX-ST (in which case consent of FHML shall be required), consent of FHML shall not be required for performance of FHTL's obligations under, and in accordance with the terms of, the agreements set out in Schedule IV or in respect of any action related to hiring, termination or change in terms of employment of any key managerial personnel (as such term is defined under the Companies Act, 2013) of FHTL. It is however clarified that, any renewal of/change in the terms of such agreements, or any transactions undertaken otherwise than in accordance with and pursuant to the terms of the aforesaid agreements, shall, at all times, be subject to the affirmative voting rights of FHML;
- (m) entering into or amendment of any contract, agreement or commitment which is (i) outside the ordinary course of business or (ii) within the ordinary course of business which in aggregate impose a definitive and ascertainable liability on FHTL in excess 3.0% of Net Tangible Assets in aggregate as appearing in the books of FHTL per the latest financial statements of FHTL prepared as per applicable Law. Provided that such consent shall not be required for entering into or amendment of any contract, agreement or commitment in the event such entry into or amendment has been approved under the Approved Annual Business Plan. Provided that any amendment to the Hospital Medical Services Agreements shall be made by way of a new agreement and such new agreement shall be deemed to be a contract outside the ordinary course of business for the purposes of this Clause;
- (n) termination of any revenue contract the value of which is more than ₹10,000,000 (S\$199,681) unless such termination has been approved under the Approved Annual Business Plan;

- (o) termination of any expense contract, the value of which is more than ₹10,000,000 (S\$199,681) unless such termination has been approved under the Approved Annual Business Plan; and
- (p) undertaking any asset enhancement or capital expenditure that meets each of the following conditions: such asset enhancement or capital expenditure shall be (i) in excess of limits set forth under the Approved Annual Business Plan as well as (ii) in excess of ₹40,000,000 (S\$798,722) in aggregate in any Financial Year.

### ***Right of First Refusal***

If FHL or FHML or their respective affiliate(s) (the “**Selling Shareholder**”) proposes to transfer all or part of the securities held by it in FHTL and receives a bona fide offer from a third party (not being an affiliate of the Selling Shareholder), the Selling Shareholder will offer to the other Shareholder (“**Non Selling Shareholder**”) a right of first refusal (“**RoFR**”) to purchase, whether by itself, or nominate its affiliate, all or part of the Selling Shareholder’s shares on the same terms (including as to price) as proposed by the third party.

### ***Tag Along Right***

In the event FHML does not exercise its RoFR, then FHML shall have a right, but not an obligation, to transfer up to 100.0% of the securities then held by FHML (“**FHML Tag Securities**”), to the new purchaser simultaneously with the transfer of any securities by FHL at a price equal to the price offered to and on terms no less favourable than the terms offered to the Selling Shareholder.

If the new purchaser is not willing to purchase 100.0% of the FHML Tag Securities and the FHL Sale Securities, then the number of FHL Sale Securities and the FHML Tag Securities to be sold to the New Acquirer shall be accordingly reduced pro rata and in the proportion to the shareholding of FHL and FHML in the Share Capital of the Company on a Fully Diluted Basis.

### ***Anti Dilution Rights***

FHML, FHTL and FHL agree that so long as FHTL continues to be a lessee of the Gurgaon Plot:

- (a) the Company and FHL shall ensure that shareholding of FHL in the issued and paid up share capital does not dilute below 51.0% of the issued and paid up share capital;
- (b) the Company and FHL shall undertake all actions necessary, including, FHL subscribing to further shares to maintain its shareholding as aforesaid;
- (c) the Company shall not, without the prior written consent of FHL, take any action, including without limitation, issuance or permitting transfer of any security to any person that will or is likely to result in dilution of FHL’s shareholding below 51.0% or such other limits as prescribed by any governmental authority;
- (d) FHL shall not, and shall ensure that its affiliates and transferees do not, take any action, or omit to take any actions, that would allow shareholding of FHL in the issued and paid up share capital to dilute below 51.0% of the issued and paid up share capital; and
- (e) each shareholder shall cooperate in the implementation of the provisions of this clause.

In the event FHTL proposes to raise further capital by issuance of equity shares or issue any further securities at any point of time after the completion date under the CCDs Disposal Agreement, then it shall first offer such securities to all FHTL shareholders in proportion to their shareholding in FHTL ("**Rights Issue**"). No Shareholder shall be entitled to renounce any right to subscribe to the securities proposed to be issued pursuant to such Rights Issue without providing to the other shareholders the RoFR on such Rights Issue entitlement.

### ***Information Rights***

FHTL shall provide to the shareholders and/or their representatives information in relation to FHTL, including:

- (a) monthly financial and operational statements;
- (b) quarterly (and year-to-date) financial statements including an income statement, a statement of cash flow, a balance sheet, detailed break-down of capital expenditure, working capital and comparisons to the budget;
- (c) annual unaudited and audited financials; and
- (d) an annual business plan (including a budget containing a quarterly income statement, a statement of cash flow, a balance sheet and detailed break-down of capital expenditure, working capital) and headcount.

In addition, FHTL shall keep complete and accurate books of account and shall produce monthly accounts fairly representing the state of affairs of the business, in a format that may be prescribed by the shareholders, from time to time. The shareholders have the right at any time, after providing notice, to inspect and audit, or cause to be inspected and audited, the business records, bookkeeping and accounting records, income tax records and returns, and other records of FHTL, and to discuss the affairs, finances and accounts of FHTL with the directors, officers, key employees, lawyers, accountants, agents and other consultants of FHTL.

### ***Indemnity***

FHL shall indemnify, defend and hold harmless FHTL, FHML, FHML's affiliates, and their respective directors, officers, and employees (collectively the "**Indemnified Persons**"), from and against any and all direct and actual losses, damages, costs (whether or not resulting from third party claims), including interests and penalties with respect thereto, out-of-pocket expenses, reasonable attorneys' and accountants' fees and disbursements, actual claim, legal action, proceeding, suit, litigation, prosecution, mediation, arbitration, enquiry or mediation (together, "**Losses**") arising out of, or in connection with any breach of any representation, warranty or covenant of FHL under (i) the FHTL Shareholders' Agreement up to the Effective Date, and (ii) the Amended and Restated FHTL Shareholders' Agreement.

The indemnity is subject to the terms of the Amended and Restated FHTL Shareholders' Agreement, such as the following:

- (a) the indemnity covers direct and actual losses suffered by the Indemnified Persons and does not extend to indirect, consequential, exemplary or punitive damages including lost profits, loss of business, loss of opportunity or loss of goodwill;
- (b) the indemnity by FHL is given in addition to any other rights and remedies of the parties in law or in equity or under the Amended and Restated FHTL Shareholders' Agreement; and

- (c) FHL shall have no liability in respect of any claim arising from the passing of, or change in any law, regulation or rule (including the rate of taxation) of any governmental authority after the transfer date.

### ***Key Rights under Audit Committee Terms of Reference***

The terms of reference of the Audit Committee of FHTL set out in the Amended and Restated FHTL Shareholders' Agreement include the following key rights:

- (a) Overseeing and reviewing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- (b) Approving changes in the accounting policies of FHTL;
- (c) Approval of the annual business plan of FHTL including routine and project capital expenditure for any Financial Year ("**Annual Business Plan**"), and any alterations or deviations from the approved Annual Business Plan;
- (d) Reviewing, with the management, the annual financial statements and auditor's report thereon, before submission to the Board of Directors of FHTL for approval;
- (e) Reviewing and discussing the quarterly, half-yearly and annual financial statements before submission to the Board of Directors of FHTL for approval;
- (f) Reviewing the inter-corporate loans and investments made by FHTL;
- (g) Evaluating the internal financial controls and risk management systems and policies;
- (h) Reviewing and discussing with the management of FHTL, FHTL's major financial risk exposures and steps taken by the management to monitor and control such exposure; and
- (i) Approving the internal audit plan and the annual audit plan of FHTL.

## **1.5 OCD Amendment Agreement**

For the information of the Unitholders, certain key terms and conditions of the proposed OCD Amendment Agreement have been summarised as set out below. These key terms and conditions should be read together with the terms and conditions summarised in Paragraph 2.6.5 of the Letter to Unitholders in this Circular.

### ***Redemption of OCDs and Non-Convertible Debentures***

FHTL (the "**Lender**"), IHL (the "**Company**") and FGHIPL (the "**Guarantor**") agree and acknowledge that, on and from the date of the OCD Amendment Agreement:

- (a) the Redemption OCDs held by the Lender will be redeemed by the Company on the Closing Date in accordance with the formula mentioned below:

$$A = \frac{(51\% \text{ of } B) - C}{D}$$

where:

“A” is the number of Redemption OCDs, rounded (to the nearest whole number);

“B” is the total amount outstanding in respect of all the Lender OCDs in the Company held by the Lender (including principal and interest accrued thereon) as at the date of completion of the CCDs Disposal;

“C” is the total amount of interest accrued in respect of all the Lender OCDs in the Company held by the Lender as at the date of completion of the CCDs Disposal; and

“D” is the face value of the Redemption OCDs.

- (b) upon the redemption of the Redemption OCDs in accordance with the above, the right of the Lender to require the Company to convert the outstanding OCDs (“**Lender OCDs**”) conferred upon the Lender pursuant to Clause 6 (Redemption or Conversion of the Lender OCDs) of the IHL OCD Investment Agreements (the “**Conversion Right**”), stands waived;
- (c) in accordance with the waiver of the Conversion Right by the Lender, such number of outstanding Lender OCDs (determined in accordance with the formula set out below) shall be deemed to be non-convertible debentures of the Company (“**Lender NCDs**”):

$$X = O - A$$

where:

“X” is the total number of Lender NCDs;

“O” is the relevant number of Lender OCDs immediately prior to the redemption; and

“A” is the relevant number of Redemption OCDs, rounded to the nearest whole number, determined in accordance with sub-paragraph (a) above; and

- (d) the Lender shall have full legal and beneficial ownership of, and all rights relating to the Lender NCDs.

### ***Waiver of Interest***

The Lender agrees that all interest amounts on the Lender OCDs from (but excluding) the date of completion of the CCDs Disposal Agreement to (and including) the date of completion of the OCDs Redemption and Payment stands waived by the Lender, and interest on the Lender NCDs shall only accrue after date of the completion of the OCDs Redemption and Payment.

### ***Redemption of the Lender NCDs***

Clause 6 (Redemption or Conversion of the Lender OCDs) of the IHL OCD Investment Agreements shall be replaced in accordance with the following:

#### **Compulsory Redemption**

- (a) The Company shall be required to finally and compulsorily redeem all and not less than all of the Lender NCDs in accordance with this clause and all other relevant terms of the IHL OCD Investment Agreements (as amended by the OCD Amendment Agreement), at the Redemption Amount on the Redemption Date upon giving a written notice of 45 Business Days prior to exercise of redemption of the Lender NCDs to the Lender.



- (b) The Lender NCDs in respect of which payment of the entire Redemption Amount has been made by the Company in accordance with this paragraph shall be simultaneously extinguished, cancelled and shall not be re-issued.
- (c) The Company's liability to the Lender including for payment or otherwise shall stand extinguished through appropriate corporate action in respect of the Lender NCDs that have been redeemed by the Company.

#### Voluntary Redemption by the Company

- (a) The Company shall be entitled to redeem, at any time, prior to the Redemption Date, all or part of the Lender NCDs or any outstanding thereunder, at the Redemption Amount, upon delivering a written notice to the Lender (the "**Voluntary Redemption Notice**"), 45 business days prior to the date of redemption of the Lender NCDs by the Company pursuant to the exercise of the voluntary redemption (the "**Voluntary Redemption Settlement Date**").
- (b) The Voluntary Redemption Notice shall specify the Redemption Amount (which shall be clearly bifurcated into the principal amount and interest amount) proposed to be paid by the Company to the Lender, the Voluntary Redemption Settlement Date and the terms and manner of payment of such Redemption Amount.
- (c) The Lender NCDs in respect of which payment of the entire Redemption Amount has been made by the Company in accordance with this paragraph shall be simultaneously extinguished, cancelled and shall not be re-issued.
- (d) No prepayment premium shall be payable by the Company for prepayment of the Lender NCDs in terms of this paragraph.

#### Early Redemption by the Lender

- (a) If, at any time prior to the Redemption Date, it becomes or will become unlawful or contrary to any regulation in any applicable jurisdiction for the Lender to fund or maintain its investment in the Lender NCDs, the Lender may require the Company to redeem the Lender NCDs in full, by delivering a prior written notice of 45 Business Days or such other period as Parties may mutually agree in writing, to the Company ("**Early Redemption Notice**"). The Company shall redeem the Lender NCDs held by the Lender in full together with all other amounts payable to the Lender under the IHL OCD Investment Agreements (as amended by the OCD Amendment Agreement) or otherwise in respect of the Lender NCDs ("**Early Redemption Amount**") on the date specified in the notice delivered by the Lender (being no earlier than the last day of any applicable grace period permitted by Applicable Law or regulation, as the case may be) ("**Early Redemption Date**").
- (b) The Lender NCDs in respect of which payment of the entire Redemption Amount has been made by the Company in accordance with this paragraph shall be simultaneously extinguished, cancelled and shall not be re-issued.

## **Interest**

Clause 7 of the IHL OCD Investment Agreements shall be replaced in accordance with the following:

- (a) The total interest payable to the Lender on the Lender NCDs by the Company shall be based on the gross earnings before interest and tax ("**EBIT**") of the Company and shall be calculated in the following manner:

<b>S. No.</b>	<b>Level of EBIT</b>	<b>Interest Payable</b>
1.	If the EBIT is less than ₹30,000,000,000	9.3% per annum on ₹4,529.0 million (the " <b>Loan Amount</b> ") due and outstanding.
2.	If the EBIT is more than ₹30,000,000,000 but less than ₹32,500,000,000	on and from the year in which such EBIT is first achieved, 18.0% per annum on the total Loan Amount then due and outstanding, provided that, the Lender shall also be entitled to receive an additional interest of 9.3% per annum on the total Loan Amount from the Closing Date until the first day of the financial year for which the EBIT of more than ₹30,000,00,0000 is achieved.
3.	If the EBIT is more than ₹32,500,000,000, but less than ₹35,000,000,000	on and from the year in which such EBIT is first achieved, 20.0% per annum on the total Loan Amount then due and outstanding, provided that, the Lender shall also be entitled to receive an additional interest of 2.0% per annum on the total Loan Amount from the Closing Date until the first day of the financial year for which the EBIT of more than ₹32,500,000,000, is achieved.
4.	If the EBIT is more than ₹35,000,000,000	on and from the year in which such EBIT is first achieved, 22.0% per annum on the total Loan Amount then due and outstanding, provided that, the Lender shall also be entitled to receive an additional interest of 2.0% per annum on the total Loan Amount from the Closing Date until the first day of the financial year for which the EBIT of more than ₹35,000,000,000 is achieved.

- (b) It is clarified that once the EBIT in any financial year crosses the thresholds set out herein above, then the interest rate for the following financial years shall be paid in accordance with the corresponding interest amount payable and shall not be decreased/reduced, notwithstanding that the EBIT in any subsequent financial year is less than the EBIT mentioned above.
- (c) With effect from the date of execution of the OCD Amendment Agreement, the Parties agree and acknowledge that the interest payable on the Lender NCDs, shall be continually accrued from the date of execution of the OCD Investment Agreement to the Lender NCD Maturity Date (being a date that is ten (10) years from the date of execution of the OCD Investment Agreement), and all interest so accrued, shall be payable by the Company to the Lender on the Lender NCD Maturity Date ("**Interest Amount**"). The

Parties further agree that the Company shall not be liable to pay any additional amounts, of any nature whatsoever, on the Lender NCDs as well as the Interest Amount accruing thereon.

- (d) The Parties agree and undertake that, at any time after the execution of the OCD Investment Agreement and prior to the Lender NCD Maturity Date (“**Early Repayment Date**”), the Parties shall be entitled to mutually agree and call for the repayment of the Interest Amount accrued on the Lender NCDs as on the Early Repayment Date (“**Early Repayment Amount**”). The Parties further agree that the Early Repayment Amount, shall be remitted to the Lender within 45 days from the Early Repayment Date, after deducting taxes as applicable under the Income Tax Act, 1961.

#### ***Terms of the Lender NCDs***

The following clauses shall be inserted into the IHL OCD Investment Agreements:

- (a) Security

The Lender NCDs shall be secured by way of a corporate guarantee provided by the Guarantor to the Lender in terms of the FGHIPL Guarantee.

- (b) Listing and Credit Rating

The Lender NCDs shall be unlisted and are unrated.

- (c) Form

The Lender NCDs shall be in a physical form.

- (d) Ranking

The Parties agree and acknowledge that, all obligations of the Company under the IHL OCD Investment Agreements (as amended by the OCD Amendment Agreement), including but not limited to, the principal amount as well as the Interest Amount payable in respect of the Lender NCDs, shall, subject to applicable laws, rank subordinate and be subservient to, all claims of all other creditors of the Company, whether secured or unsecured.

#### ***Issuance of Guarantee***

FGHIPL agrees to, and the Parties agree and acknowledge that the Guarantor shall irrevocably, absolutely and unconditionally guarantee the repayment of all amounts due and payable under the IHL OCD Investment Agreements (as amended by the OCD Amendment Agreement) to the Lender in accordance with the terms set out in the IHL OCD Investment Agreements (as amended by the OCD Amendment Agreement) and the FGHIPL Guarantee.

#### ***Events of Default***

In event of:

- (a) the Company failing to redeem the Lender NCDs on being called upon to do so, pursuant to the terms and conditions under which the Lender NCDs are issued or otherwise and/or failing to pay interest, costs, charges, expenses or other sum whatsoever in accordance with the terms and conditions of the IHL OCD Investment Agreements (as amended by the OCD Amendment Agreement);

- (b) the Company being in breach of the terms and conditions of issue of the Lender NCDs;
- (c) a change in Control of the Company (except with the prior written consent of the Lender);
- (d) the Loan Amount being utilized for any purpose other than the purpose(s) enumerated in this Agreement;
- (e) prosecution of the Company or the Guarantor for violation of any applicable Law involving moral turpitude;
- (f) a sanction, order, decree or judgment having been passed in respect of any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings, requisition or disputes against the Company or the Guarantor which results in a Material Adverse Effect;
- (g) failure to obtain or the revocation of any approval of a Governmental Authority which results in stoppage/cessation of Business;
- (h) the occurrence of any Liquidation Event of the Company, whether voluntary or otherwise;
- (i) any Bankruptcy Event of the Guarantor, whether voluntary or otherwise;
- (j) any action by any Governmental Authority or other authority (whether de jure or de facto) nationalizing, compulsorily acquiring, expropriating or seizing all or any substantial part of the Business or property or assets of the Company; or
- (k) any Financial Indebtedness of the Company, for an amount exceeding ₹5,000 million (S\$99.8 million) whether individually or in aggregate, is not paid when due or within any originally applicable cure period or any extension thereof as may be provided by the relevant lender,

then, without prejudice to the Lender's other rights, the Lender shall be entitled to declare the Lender NCDs to be forthwith due and payable and thereupon the same shall become forthwith due and payable and the Company shall forthwith (and in any event within 45 Business Days of the Lender calling upon the Company to do so) pay the same (together with all arrears) to the Lender without demur or delay.

For the purposes of this Paragraph 1.5 of Appendix A, the following definitions shall apply:

**"Bankruptcy Event"**, with respect to any of the individual promoters of the Company, shall mean any of the following:

- (a) the appointment of a receiver, administrator or provisional or official liquidator, supervisor or similar official by an appropriate court under any applicable Law in any proceeding for insolvency or bankruptcy or similar proceeding initiated by a third party or consenting to the appointment or taking possession by a receiver, administrator or provisional or official liquidator, supervisor or similar official in respect of him or for any part of his assets;
- (b) the commencement of any:
  - (i) proceedings in relation to a compromise or arrangement with the creditors/debtors of any individual promoter of the Company, or failure to pay his debts; or

- (ii) proceedings in relation to any petition, application or other proceedings being filed or presented for an insolvency order or similar relief against any individual promoter of the Company;

**"Business"** shall mean the business of providing medical and healthcare services including, providing out-patient services, radio diagnostic services and establishing, managing and operating air-conditioned institutions which are specifically customized and duly fitted with all fixtures, fittings, medical equipments and infrastructure required for running and operating a hospital and offering out-patient services for diagnosis and treatment for illness, disease, injury, deformity and/or abnormality and diagnosis of diseases through radiological and other diagnostic or investigative services with the aid of laboratory or other medical equipment;

**"Business Day"** shall mean a day on which the scheduled commercial banks are open for business in Delhi;

**"Closing Date"** means the date of completion of the OCDs Redemption and Payment and the conversion of outstanding OCDs into Lender NCDs;

**"Control"** means the power to direct the management or policies of a person, directly or indirectly, whether through the ownership of equity shares with voting rights, by contract or otherwise; provided that, in any event, the direct or indirect ownership of 51.0% or more of equity shares of a person is deemed to constitute Control of that person, and "Controlling" and "Controlled" have corresponding meanings;

**"Financial Indebtedness"** shall mean any indebtedness (except for working capital requirements) for or in respect of monies borrowed, credit availed (in any form as the case may be) and guarantees, indemnities issued by and liabilities incurred;

**"Governmental Authority"** shall mean (i) any nation or government or any province, state or any other political subdivision thereof; (ii) any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality, (iii) any court, tribunal or arbitrator; or (iv) any securities exchange or body or authority regulating securities exchanges in India;

**"Liquidation Event"**, with respect to the Company shall mean any of the following:

- (a) The appointment of a receiver, administrator or provisional or official liquidator by an appropriate court under any applicable Law in any proceeding for insolvency, winding up or bankruptcy or similar proceeding initiated by a third party or consenting to the appointment or taking possession by a receiver, administrator or provisional or official liquidator for any part of its assets;
- (b) The commencement of any:
  - (i) Proceedings in relation to a compromise or arrangement with the creditors/debtors of the Company or failure to pay debts, under which the Company may be wound up under the Companies Act; and
  - (ii) Voluntary or involuntary liquidation, dissolution or winding up;

**"Material Adverse Effect"** shall mean an adverse effect on:

- (a) the validity or enforceability of the IHL OCD Investment Agreements (as amended by the OCD Amendment Agreement) or of the rights or remedies of the Parties to the IHL

OCD Investment Agreements (as amended by the OCD Amendment Agreement), whether arising out of change in national or international financial, political or economic conditions, or change in currency or exchange rates, or otherwise;

- (b) the Business, assets, properties, liabilities, financial condition, results (financial or otherwise), operations or prospects of the Company;
- (c) the ability of any Party to perform its obligations under the IHL OCD Investment Agreements (as amended by the OCD Amendment Agreement); or
- (d) the status and validity of any material contracts or any statutory/government approval, license, permits, consents etc., required in relation to the Business; and

**“Redemption Date”** shall mean a date that is ten (10) years from the Closing Date.

## 1.6 FGHIPL Deed of Guarantee

For the information of the Unitholders, certain key terms and conditions of the FGHIPL Deed of Guarantee have been summarised as set out below. These key terms and conditions should be read together with the terms and conditions summarised in Paragraph 2.6.6 of the Letter to Unitholders in this Circular.

FGHIPL (the **“Guarantor”**) irrevocably, absolutely and unconditionally guarantees to FHTL (the **“Lender”**) that IHL shall duly and punctually pay/repay all debts and all amounts, due and payable to the Lender under or in relation to the IHL OCD Investment Agreements (as amended by the OCD Amendment Agreement) (the **“Amended IHL OCD Investment Agreements”**) stipulated in, or payable in accordance with, the terms and conditions contained in the Amended IHL OCD Investment Agreements.

In the event of any failure on the part of IHL to:

- (a) pay the entire or a part of the Interest Amount, in case of exercise of the right to call for the repayment of the Interest Amount accrued on the Lender NCDs by the Lender in accordance with the Amended IHL OCD Investment Agreements; and/or
- (b) pay the entire or a part of the Loan Amount together with interest, Default Interest, commission, and costs, charges, expenses and other monies whatsoever stipulated and payable to the Lender arising out of or in connection with the Amended IHL OCD Investment Agreements,

in accordance with the terms and conditions contained in the Amended IHL OCD Investment Agreements (collectively, the **“Trigger Events”**), for any reason whatsoever, within a period of 30 Business Days from the Trigger Event, the Lender shall have the right to issue the Demand Certificate to the Guarantor, setting out the amount of the Guaranteed Obligations payable by the Guarantor, per the Trigger Event(s) and in accordance with the terms of the Amended IHL OCD Investment Agreements, hereinafter referred to as **“Guarantee Claim Amount”**.

The Guarantor shall as a separate and independent stipulation and without prejudice to the other provisions contained herein, as primary obligor and not merely as surety, on a full indemnity basis, indemnify the Lender for any losses, damages, costs, claims and expenses whatsoever which the Lender may suffer, pay or incur by reason of or in connection with the Guaranteed Obligations not being discharged by the Company.

### ***Subordination of Guarantee***

The indebtedness and obligations of the Guarantor under the FGHIPL Deed of Guarantee due to the Lender shall at all times, subject to applicable laws, be subordinated to the indebtedness or liabilities of the Guarantor under certain banking facilities of the Guarantor.

### ***Limitations on Guarantee***

Notwithstanding anything contained in this Guarantee or the Amended IHL OCD Investment Agreements, the obligations of the Guarantor under this Guarantee shall:

- (a) not exceed the sum of the Subscription Amount and Interest Amount; and
- (b) expire on the date on which all the Guaranteed Obligations are duly repaid and discharged to the satisfaction of the Lender.

For the purposes of this Paragraph 1.6 of Appendix A, the following definition shall apply:

**“Guaranteed Obligations”** shall mean all debts and all amounts, due and payable to the Lender under or in relation to the Amended IHL OCD Investment Agreements.

## **1.7 NCDs Subscription Agreement**

For the information of the Unitholders, certain key terms and conditions of the NCDs Subscription Agreement have been summarised as set out below. These key terms and conditions should be read together with the terms and conditions summarised in Paragraph 2.6.7 of the Letter to Unitholders in this Circular.

### ***Subscription Amount***

Subject to the terms and conditions of this Agreement, and in reliance upon the agreements, undertakings, covenants, warranties and representations set forth in the NCDs Subscription Agreement, FHTL (the **“Subscriber”**) agrees to subscribe to, and FHsL (the **“Company”**) agrees to issue, allot and deliver to the Subscriber, such number of NCDs, at par of a face value of ₹1,000 each, in accordance with the formula set out below:

$$Z = \frac{(51\% \text{ of } B)}{Y}$$

where:

**“Z”** is the relevant number of NCDs to be subscribed for rounded to the nearest whole number;

**“B”** is the total amount outstanding in respect of all the OCDs in IHL held by the Subscriber (including principal and interest accrued thereon) as at the date of completion of the CCDs Disposal (the **“Subscription Amount”**); and

**“Y”** is the face value of the NCDs.

### ***Purpose of Subscriber’s Participation***

- (a) The Company acknowledges that the basis for the Subscriber entering into the NCDs Subscription Agreement is premised on the ability of the Company to obtain all governmental permissions, approvals and consents for the development and



completion of medical and healthcare related projects and provision of services as envisaged by the Subscriber, the Company and FHL (the “**Guarantor**”) (collectively, the “**Parties**”) from time to time.

- (b) The Company hereby agrees and covenants to the Subscriber that the Subscription Amount, after deduction of payment of fees and other expenses incurred by the Company subject to the terms of the NCDs Subscription Agreement, in connection with the issue of the NCDs, shall be utilized for the purpose of repayment of existing outstanding loans and liabilities of the Company.

### ***Terms of the NCDs***

#### **Tenor and Interest**

- (a) The tenor of the NCDs shall be for a period of ten (10) years from the date of their issuance in accordance with the terms of the NCDs Subscription Agreement. The Parties hereby agree and acknowledge that upon the receipt of a renewal notice by the Company from the Subscriber, within a period but not earlier than three (3) months prior to the expiry of the aforesaid tenure, the NCDs may be renewed for a further tenure of five (5) years on the same terms and conditions as contained in this Agreement.
- (b) Interest Rate:
- (i) The total interest payable to the Subscriber on the NCDs by the Company shall be based on the gross earnings before interest and tax (“**EBIT**”) of the Company and shall be calculated in the following manner:

<b>S. No.</b>	<b>Level of EBIT</b>	<b>Interest Payable</b>
1.	If the EBIT is less than ₹30,000,000,000	9.3% per annum on the total Subscription Amount due and outstanding.
2.	If the EBIT is more than ₹30,000,000,000, but less than ₹32,500,000,000	on and from the year in which such EBIT is first achieved, 18.0% per annum on the total Subscription Amount then due and outstanding, provided that, the Lender shall also be entitled to receive an additional interest of 9.0% per annum on the total Subscription Amount from the Closing Date until the first day of the financial year for which the EBIT of more than ₹30,000,000,000 is achieved.
3.	If the EBIT is more than ₹32,500,000,000, but less than ₹35,000,000,000	on and from the year in which such EBIT is first achieved, 20.0% per annum on the total Subscription Amount then due and outstanding, provided that, the Lender shall also be entitled to receive an additional interest of 2.0% per annum on the total Subscription Amount from the Closing Date until the first day of the financial year for which the EBIT of more than ₹32,500,000,000 is achieved.



S. No.	Level of EBIT	Interest Payable
4.	If the EBIT is more than ₹35,000,000,000	on and from the year in which such EBIT is first achieved, 22.0% per annum on the total Subscription Amount then due and outstanding, provided that, the Lender shall also be entitled to receive an additional interest of 2.0% per annum on the total Subscription Amount from the Closing Date until the first day of the financial year for which the EBIT of more than ₹35,000,000,000 is achieved.

- (ii) It is clarified that once the EBIT in any financial year crosses the thresholds set out herein above, then the interest rate for the following financial years shall be paid in accordance with the corresponding interest amount payable and shall not be decreased/reduced, notwithstanding that the EBIT in any subsequent financial year is less than the EBIT mentioned above.
- (iii) The Parties hereby agree and acknowledge that the interest amount payable on the NCDs (as determined in accordance with sub-clause (i) above), shall be continually accrued from the date of execution of the NCDs Subscription Agreement to the date that is ten (10) years from the date of issuance of the NCDs (**"Maturity Date"**), and all interest so accrued, shall be payable by the Company to the Subscriber on the Maturity Date (**"Interest Amount"**). The Parties further agree that the Company shall not be liable to pay any additional amounts, of any nature whatsoever, on the NCDs as well as the Interest Amount accruing thereon.
- (iv) The Parties hereby agree and undertake that, at any time after the Effective Date and prior to the Maturity Date (**"Early Repayment Date"**), the Parties shall be entitled to mutually agree and call for the repayment of the Interest Amount accrued on the NCDs (**"Early Repayment Right"**) as on the Early Repayment Date (**"Early Repayment Amount"**). The Parties further agree that the Early Repayment Amount, shall be remitted to the Subscriber within 45 days from the Early Repayment Date, after deducting taxes as applicable under the Income Tax Act, 1961.
- (c) Tax Deduction: The Company shall pay to the Subscriber, the Early Repayment Amount, the Redemption Amount, and Default Interest and all other monies payable under the NCDs outstanding subject to deduction of tax at source and/or withholding at the rates prevailing from time to time under the provisions of Income Tax Act, 1961 or any other statutory modification or re-enactment thereof for the time being in force or any other applicable laws or any bilateral tax treaty, as may be applicable from time to time.
- (d) Ranking: The Parties agree and acknowledge that, all obligations of the Company under this Agreement, including but not limited to, the principal amount as well as the Interest Amount payable in respect of the NCDs, shall, subject to applicable laws, rank subordinate and be subservient to, all claims of all other creditors of the Company, whether secured or unsecured.

### **Compulsory Redemption**

- (a) The Company shall, subject to applicable laws, be required to finally and compulsorily redeem all and not less than all of the NCDs in accordance with the terms of the NCDs Subscription Agreement, at the Redemption Amount on the Redemption Date upon giving a written notice of 45 business days prior to exercise of redemption of the NCDs to the Subscriber.
- (b) The NCDs in respect of which payment of the entire Redemption Amount has been made by the Company shall be simultaneously extinguished, cancelled and shall not be re-issued.
- (c) The Company's liability to the Subscriber including for payment or otherwise shall stand extinguished through appropriate corporate action in respect of the NCDs that have been redeemed by the Company.

### **Voluntary Redemption by the Company**

- (a) The Company shall, subject to applicable laws, be entitled to redeem, at any time, prior to the Redemption Date, all or part of the NCDs or any outstanding thereunder, at the Redemption Amount, upon delivering a written notice to the Subscriber, 45 Business Days prior to the Voluntary Redemption Settlement Date (the "**Voluntary Redemption Notice**").
- (b) The Voluntary Redemption Notice shall specify the Redemption Amount (which shall be clearly bifurcated into the principal amount and interest amount) proposed to be paid by the Company to the Subscribers, the Voluntary Redemption Settlement Date and the terms and manner of payment of such Redemption Amount.
- (c) The NCDs in respect of which payment of the entire Redemption Amount has been made by the Company shall be simultaneously extinguished, cancelled and shall not be re-issued.
- (d) No prepayment premium shall be payable by the Company for prepayment of the NCDs other than in terms of this paragraph.

### **Early Redemption by Subscriber**

- (a) If, at any time prior to the Redemption Date, it becomes or will become unlawful or contrary to any regulation in any applicable jurisdiction for the Subscriber to fund or maintain its investment in the NCDs, the Subscriber may require the Company to redeem the NCDs in full, by delivering a prior written notice of 45 business days or such other period as Parties may mutually agree in writing, to the Company ("**Early Redemption Notice**"). The Company shall, redeem the NCDs held by the Subscriber in full together with all other amounts payable to the Subscriber under this Agreement or otherwise in respect of the NCDs ("**Early Redemption Amount**") on the date specified in the notice delivered by the Subscriber (being no earlier than the last day of any applicable grace period permitted by applicable law or regulation, as the case may be) ("**Early Redemption Date**").
- (b) The NCDs in respect of which payment of the entire Redemption Amount has been made by the Company shall be simultaneously extinguished, cancelled and shall not be re-issued.

## **Security**

The NCDs shall be secured by way of a corporate guarantee provided by the Guarantor to the Subscriber in terms of the Deed of Guarantee.

## **Manner and Mode of Payment**

The bank details will be obtained from the Depository for payments. The Subscriber is obliged to immediately update its bank account details as appearing on the record of depository participant. Any payments to be made in respect of the NCDs shall be made by the Company by way of wire transfer into the bank account of the Subscriber as is to be notified to the Company by Subscriber.

## **Fees and Expenses**

The Company shall pay the stamp duty and registration fees, if any, payable under applicable laws in respect of the NCDs issued pursuant to this Agreement. Save and except otherwise set forth in this Agreement, all fees and expenses, charges and penalties incurred in connection with this Agreement and the transaction contemplated hereby, including fees and expenses of financial advisers, financial sponsors, legal counsel and other advisers, shall be paid by the respective Party incurring such expenses, whether or not the transaction is consummated.

## **Issuance of guarantee by the guarantor**

The Guarantor hereby agrees to, and the Parties hereby agree and acknowledge that the Guarantor shall irrevocably, absolutely and unconditionally guarantee the repayment of all amounts due and payable under the NCDs Subscription Agreement to the Subscriber in accordance with the terms set out in the NCDs Subscription Agreement and the Deed of Guarantee.

## **Events of Default**

In event of:

- (a) the Company failing to redeem the NCDs on being called upon to do so, pursuant to the terms and conditions under which the NCDs are issued or otherwise and/or failing to pay interest, costs, charges, expenses or other sum whatsoever in accordance with the terms and conditions of the NCDs Subscription Agreement;
- (b) the Company being in breach of the terms and conditions of issue of the NCDs;
- (c) a change in Control of the Company (except with the prior written consent of the Subscriber);
- (d) the Subscription Amount being utilized for any purpose other than the purpose(s) enumerated in the NCDs Subscription Agreement;
- (e) prosecution of the Company or the Guarantor for violation of any applicable Law involving moral turpitude;
- (f) a sanction, order, decree or judgment having been passed in respect of any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings, requisition or disputes against the Company or the Guarantor which results in a Material Adverse Effect;

- (g) failure to obtain or the revocation of any approval of a Governmental Authority which results in stoppage/cessation of Business;
- (h) the occurrence of any Liquidation Event of the Company, whether voluntary or otherwise;
- (i) any Bankruptcy Event of the Guarantor, whether voluntary or otherwise;
- (j) any action by any Governmental Authority or other authority (whether de jure or de facto) nationalizing, compulsorily acquiring, expropriating or seizing all or any substantial part of the Business or property or assets of the Company; or
- (k) any Financial Indebtedness (as defined in the NCDs Subscription Agreement) of the Company, for an amount exceeding ₹5,000 million (S\$99.8 million) whether individually or in aggregate, is not paid when due or within any originally applicable cure period or any extension thereof as may be provided by the relevant lender,

then, without prejudice to the Subscriber's other rights, the Subscriber shall be entitled to declare the NCDs to be forthwith due and payable and thereupon the same shall become forthwith due and payable and the Company shall forthwith (and in any event within 45 Business Days of the Subscriber calling upon the Company to do so) pay the same (together with all arrears) to the Subscriber without demur or delay.

For the purposes of this Paragraph 1.7 of Appendix A, the following definitions shall apply:

**"Bankruptcy Event"**, with respect to any of the individual promoters of the Company, shall mean any of the following:

- (a) The appointment of a receiver, administrator or provisional or official liquidator, supervisor or similar official by an appropriate court under any applicable Law in any proceeding for insolvency or bankruptcy or similar proceeding initiated by a third party or consenting to the appointment or taking possession by a receiver, administrator or provisional or official liquidator, supervisor or similar official in respect of him or for any part of his assets;
- (b) The commencement of any:
  - (i) proceedings in relation to a compromise or arrangement with the creditors/debtors of any individual promoter of the Company, or failure to pay his debts; or
  - (ii) proceedings in relation to any petition, application or other proceedings being filed or presented for an insolvency order or similar relief against any individual promoter of the Company;

**"Business"** shall mean the business of managing and operating a network of multi-specialty hospitals and diagnostics centres;

**"Governmental Authority"** shall mean and include (i) any nation or government or any province, state or any other political subdivision thereof; (ii) any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality, (iii) any court, tribunal or arbitrator; (iv) any securities exchange or body or authority regulating securities exchanges; in each case in India;

**“Liquidation Event”**, with respect to the Company, shall mean any of the following:

- (a) The appointment of a receiver, administrator or provisional or official liquidator by an appropriate court under any applicable Law in any proceeding for insolvency, winding up or bankruptcy or similar proceeding initiated by a third party or consenting to the appointment or taking possession by a receiver, administrator or provisional or official liquidator for any part of its assets;
- (b) The commencement of any:
  - (ii) Proceedings in relation to a compromise or arrangement with the creditors/debtors of the Company or failure to pay debts, under which the Company may be wound up under the Companies Act; and
  - (iii) Voluntary or involuntary liquidation, dissolution or winding up;

**“Material Adverse Effect”** shall mean an adverse effect on:

- (a) the validity or enforceability of the NCDs Subscription Agreement or of the rights or remedies of the Parties to the NCDs Subscription Agreement, whether arising out of change in national or international financial, political or economic conditions, or change in currency or exchange rates, or otherwise;
- (b) the Business, assets, properties, liabilities, financial condition, results (financial or otherwise), operations or prospects of the Company;
- (c) the ability of any Party to perform its obligations under the NCDs Subscription Agreement; or
- (d) the status and validity of any material contracts or any statutory/government approval, license, permits, consents etc., required in relation to the Business.

## **1.8 FHL Deed of Guarantee**

For the information of the Unitholders, certain key terms and conditions of the FHL Deed of Guarantee have been summarised as set out below. These key terms and conditions should be read together with the terms and conditions summarised in Paragraph 2.6.8 of the Letter to Unitholders in this Circular.

FHL (the **“Guarantor”**) irrevocably, absolutely and unconditionally guarantees to FHTL (the **“Lender”**) that FHsL shall duly and punctually pay/repay all debts and all amounts, due and payable to the Lender under or in relation to the NCDs Subscription Agreement stipulated in, or payable in accordance with, the terms and conditions contained in the NCDs Subscription Agreement.

In the event of any failure on the part of FHsL to:

- (a) pay the entire or a part of the interest amount, in case of exercise of the right to call for the repayment of the Interest Amount accrued on the NCDs by the Lender in accordance with the NCDs Subscription Agreement; and/or
- (b) pay the entire or a part of the loan amount together with interest, default interest, commission, and costs, charges, expenses and other monies whatsoever stipulated and payable to the Lender arising out of or in connection with the NCDs Subscription Agreement,

in accordance with the terms and conditions contained in the NCDs Subscription Agreement (collectively, the **“Trigger Events”**), for any reason whatsoever, within a period of 30 Business Days from the Trigger Event, the Lender shall have the right to issue the demand certificate to the Guarantor, setting out the amount of the Guaranteed Obligations payable by the Guarantor, per the Trigger Event(s) and in accordance with the terms of the NCDs Subscription Agreement (the **“Guarantee Claim Amount”**).

The Guarantor shall, as a separate and independent stipulation and without prejudice to the other provisions contained herein, as primary obligor and not merely as surety, on a full indemnity basis, indemnify the Lender for any losses, damages, costs, claims and expenses whatsoever which the Lender may suffer, pay or incur by reason of or in connection with the Guaranteed Obligations not being discharged by the Company.

#### ***Subordination of Guarantee***

The indebtedness and obligations of the Guarantor under the FHL Deed of Guarantee due to the Lender shall at all times, subject to applicable laws, be subordinated to the indebtedness or liabilities of the Guarantor under certain banking facilities of the Guarantor.

#### ***Limitations on Guarantee***

Notwithstanding anything contained in the FHL Guarantee or the NCDs Subscription Agreement, the obligations of the Guarantor under the FHL Guarantee shall:

- (a) not exceed the Subscription Amount and the Interest Amount (as defined under the NCDs Subscription Agreement); and
- (b) expire on the date on which all the Guaranteed Obligations are duly repaid and discharged to the satisfaction of the Lender.

For the purposes of this Paragraph 1.8 of Appendix A, the following definition shall apply:

**“Guaranteed Obligations”** shall mean all debts and all amounts, due and payable to the Lender under or in relation to the Investment Agreements.

## INDEPENDENT FINANCIAL ADVISER'S LETTER

KPMG Corporate Finance Pte Ltd.  
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The Independent Directors  
Religare Health Trust Trustee Manager Pte. Ltd.  
(as Trustee-Manager of Religare Health Trust)  
302 Orchard Road  
#18-02 Tong Building  
Singapore 238862

5 July 2016

Dear Sirs

### INDEPENDENT FINANCIAL ADVISER'S OPINION LETTER IN RELATION TO:

- (1) **THE PROPOSED DISPOSAL OF 51.0% OF THE COMPULSORILY CONVERTIBLE DEBENTURES HELD IN FORTIS HOSPOTEL LIMITED AND 100.0% OF THE COMPULSORILY CONVERTIBLE PREFERENCE SHARES HELD IN ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED TO, AND RELATED ARRANGEMENTS WITH, INTERESTED PERSONS; AND**
- (2) **THE WHITEWASH RESOLUTION IN RELATION TO THE WAIVER OF THE RIGHTS OF INDEPENDENT UNITHOLDERS TO RECEIVE A MANDATORY OFFER FROM THE TRUSTEE-MANAGER AND PARTIES ACTING IN CONCERT WITH IT FOR THE REMAINING UNITS NOT OWNED OR CONTROLLED BY THEM PURSUANT TO THE ISSUANCE OF THE PERFORMANCE FEE UNITS (AS DEFINED HEREIN).**

*For the purposes of this letter ("**IFA Letter**"), capitalised terms not otherwise defined herein shall have the same meaning as given to them in the circular to the unitholders of Religare Health Trust ("**RHT**") (the "**Unitholders**") dated 8 July 2016 (the "**Circular**").*

### 1. INTRODUCTION

KPMG Corporate Finance Pte Ltd ("**KPMG Corporate Finance**") has been appointed as the independent financial adviser ("**Independent Financial Adviser**" or "**IFA**") to the independent directors of Religare Health Trust Trustee Manager Pte. Ltd. (the "**Independent Directors**") (the "**Trustee-Manager**" or "**Company**"), the trustee manager of Religare Health Trust ("**RHT**"), with respect to the following:

1. The Proposed Disposal (as defined herein) of 51.0% of the compulsorily convertible debentures ("**CCDs**") held by Fortis Global Healthcare Infrastructure Pte. Ltd. ("**FGHIPL**"), a wholly-owned subsidiary of RHT, in Fortis Hospotel Limited

KPMG Corporate Finance Pte Ltd (Registration No: 198500417D), a Singapore incorporated company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

(“FHTL”)<sup>1</sup> and 100.0% of the compulsorily convertible preference shares (“CCPS”) held by International Hospitals Ltd (“IHL”), a wholly-owned subsidiary of RHT, in Escorts Heart Institute and Research Centre Limited (“EHIRCL”)<sup>2</sup>, a wholly-owned subsidiary of Fortis Healthcare Limited (“FHL”) to, and the Related Arrangements with, interested persons; and

2. The whitewash resolution in relation to the waiver of the rights of Independent Unitholders to receive a Mandatory Offer from the Trustee-Manager and parties acting in concert with it for the remaining Units not owned or controlled by them in the event that they incur a mandatory bid obligation pursuant to Rule 14 of the Code as a result of the receipt of the Performance Fee Units (as defined herein) (the “**Proposed Whitewash Resolution**”).

#### **Background to the Approvals Sought in relation to the Proposed Disposal and the Related Arrangements**

Due to regulatory restrictions imposed on the equity shareholding of FHL in FHTL at the time of the initial public offering of RHT on the SGX-ST (“IPO”), RHT, through Fortis Health Management Limited (“FHML”), acquired a 49.0% equity interest in FHTL. Through: (a) the issuance of the CCDs in FHTL to FGHIPL and (b) pursuant to the shareholders’ agreement dated 17 September 2012 among the shareholders of FHTL (“**FHTL Shareholders’ Agreement**”), under which RHT is entitled to, amongst others, (i) acquire the remaining 51.0% equity shares of FHTL from FHL pursuant to a call option, upon receipt of approval from the relevant authorities, (ii) appoint half of the board of directors of FHTL, and (iii) receive the benefit of the assignment by FHL of its right to all dividends and other distributions made by FHTL to FHML, RHT is able to consolidate FHTL. Accordingly, the full economic value of the aforesaid benefits and rights in FHTL (obtained pursuant to the FHTL Shareholders’ Agreement) was taken into account at the time of the IPO for valuing FHTL.

At or around the time of the IPO, CCDs, CCPS and optionally convertible debentures (“**OCDs**”) were issued by entities in the RHT Group and the Fortis group, and which are relevant in the context of the Proposed Disposal and the Related Arrangements. Specifically:

- (a) CCDs were issued by entities in the RHT Group, including by FHTL to FGHIPL for the infusion of funds to complete the acquisition of the initial portfolio by RHT and the subscription of CCPS referred to in (b) below;

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<sup>1</sup> FHL holds a 51.0% equity interest in FHTL, while RHT holds the remaining 49.0% equity interest in FHTL. In addition, RHT holds 100.0% of the CCDs in FHTL and FHTL is accounted for as a subsidiary of RHT.

<sup>2</sup> EHIRCL owns and operates the hospital operations of a healthcare facility situated at Okhla Road, New Delhi.



- (b) CCPS were issued by EHIRCL to Kanishka Healthcare Limited (“**KHL**”)<sup>1</sup> pursuant to a subscription agreement with FHL and EHIRCL dated 17 September 2012 under which KHL (and consequentially IHL<sup>1</sup>) has the right to put the CCPS to FHL if the call option under the FHTL Shareholders’ Agreement was exercised; and
- (c) OCDs were issued by Escorts Heart and Super Specialty Institute Limited (“**EHSSIL**”)<sup>1</sup> and KHL to FHTL to meet the RHT Group’s internal funding requirements.

As at the Latest Practicable Date, regulatory approval to acquire the remaining 51.0% equity interest in FHTL has not been received. The Trustee-Manager has accordingly decided to unwind the transaction structure put in place at the time of the IPO. As the Trustee-Manager intends to continue participating in FHTL, the Trustee-Manager proposes to dispose of 51.0% of its economic interest in FHTL and unwind the transaction structure by disposing of 51.0% of the CCDs in FHTL. As the CCPS were intended to be put to EHIRCL at the time of the exercise of the call option under the FHTL Shareholders’ Agreement and such call option will no longer be available to RHT following the disposal of 51.0% of the CCDs in FHTL and the amendment of the FHTL Shareholders’ Agreement, the Trustee-Manager additionally proposes to dispose of 100.0% of the CCPS in EHIRCL.

In addition, certain ancillary agreements are required to be entered into to ensure that RHT’s minority Unitholders are not unfairly prejudiced, as follows:

- (a) Upon completion of the Proposed Disposal, as RHT will no longer have the full economic interest of FHTL, it is proposed that the FHTL Shareholders’ Agreement be amended to reflect each of FHML’s and FHL’s economic interest in FHTL by:
  - (i) removing FHML’s right (A) to nominate 50% of the directors of FHTL and the chairman of FHTL’s board of directors and (B) to receive dividends or other distributions on the equity share capital of FHTL held by FHL; and
  - (ii) conferring certain additional rights on FHML, including (A) a tag along right in favour of FHML, (B) affirmative vote matters for which the prior written approval of FHML is required in respect of certain corporate matters, such as the issuance of securities, the winding up or liquidation of FHTL and any change or cessation of business of FHTL and (C) the right to appoint two out of five non-independent directors on the board of FHTL.

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<sup>1</sup> EHSSIL and KHL were wholly-owned subsidiaries of RHT. EHSSIL, KHL and certain other entities were amalgamated with IHL pursuant to a scheme of amalgamation which took effect on 17 January 2014. Consequently, the entire business and undertakings of each of EHSSIL, KHL and the other entities were transferred to IHL with effect from the appointed date, being 1 January 2013.

- (b) In addition, FHTL holds interest-bearing OCDs in IHL. Considering that FHTL will be 51% controlled by FHL and RHT will cease to have some of the rights in FHTL conferred on it under the FHTL Shareholders' Agreement, it is in the interest of RHT to realign FHTL's exposure to the OCDs in IHL. It is therefore proposed that a number of the OCDs in IHL held by FHTL be redeemed and all outstanding interest accrued paid. Such OCDs are further proposed to be converted into non-convertible debentures ("**NCDs**") to safeguard against FHTL diluting RHT's interest in IHL. The amounts received by FHTL pursuant to the redemption of OCDs and repayment of interest is proposed to be invested in Fortis Hospitals Limited<sup>1</sup> ("**FHsL**") by way of issuance of NCDs of FHsL to FHTL, and will result in IHL and FHsL's interests and obligations in and to FHTL mirroring the proportion of their respective shareholding in FHTL. Further, in connection with the foregoing arrangements, FHL has provided a guarantee in respect of FHsL's payment and other obligations to FHTL (as lender) in relation to the NCDs in FHsL for the benefit of RHT. FGHIPL was requested by FHL to provide a similar guarantee in respect of the payment and other obligations of IHL to FHTL (as lender) in relation to the OCDs in IHL.
- (c) All remaining outstanding OCDs in IHL held by FHTL will be converted to non-convertible debentures ("**Lender NCDs**"). This conversion will ensure that FHTL will not be able to convert its outstanding debentures into equity of IHL and dilute RHT's shareholding in IHL.
- (d) As the proposed disposal of the CCDs would result in there being more than one holder of CCDs, the terms of the investment agreement dated 17 September 2012 (as amended by the amendment to the investment agreement, dated 15 October 2012) pursuant to which FGHIPL subscribed for 8,704,000 CCDs in FHTL (the "**FHTL CCDs Investment Agreement**") would need to be amended to provide for more than one holder of CCDs.

The Proposed Disposal and the Related Arrangements (as defined below) are proposed to be effected by way of the following transactions and arrangements:

- (a) the disposal of the following securities (the "**Relevant Securities**"):   
  
 (i) the disposal by FGHIPL of 51.0% of the CCDs in FHTL to FHL, an interested person (the "**CCDs Disposal**") for a consideration of ₹10,848.9

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<sup>1</sup> FHsL is a wholly-owned operating subsidiary of FHL and operates 14 healthcare facilities across India. FHsL has net assets of approximately ₹3,984 million and contributes to approximately 50.0% of the revenue and 40.0% of the EBITDA of the FHL group of companies, based on the financial statements of the FHL group for the 9-month period ended 31 December 2015.

million (S\$216.6 million) (the “**CCDs Consideration**”) pursuant to an agreement dated 8 July 2016 between FGHIPL, FHL and FHTL (the “**CCDs Disposal Agreement**”). The CCDs Consideration payable on completion of the Proposed Disposal will be adjusted as follows:

- (A) if the net current assets of FHTL as at completion exceeds the net current assets of FHTL as at 31 March 2016 by more than ₹85.1 million (S\$1.7 million)<sup>1</sup>, the CCDs Consideration will be increased by an amount equal to a portion of the difference between the two, such portion being equal to the total number of equity shares of FHTL to be issued upon conversion of the CCDs to be sold to FHL pursuant to the CCDs Disposal Agreement, expressed as a percentage of the total equity shares of FHTL computed on a fully diluted basis (the “**Pro Rata portion**”); and
  - (B) if the net current assets of FHTL as at completion is less than the net current assets of FHTL as at 31 March 2016 by more than ₹85.1 million (S\$1.7 million), the CCDs Consideration will be reduced by an amount equal to the Pro Rata portion of the difference between the two<sup>2</sup>; and
- (ii) the disposal by IHL of all of the CCPS in EHIRCL to FHsL (the “**CCPS Disposal**”) for a consideration of ₹3,566.9 million (S\$71.2 million) (the “**CCPS Consideration**”) pursuant to an agreement dated 8 July 2016 between IHL, FHsL and EHIRCL (the “**CCPS Disposal Agreement**”),
- (collectively, the “**Proposed Disposal**”); and
- (b) the following arrangements entered into in connection with the Proposed Disposal:
- (i) the amendments to the terms of the FHTL CCDs Investment Agreement on the terms of the amendment agreement dated 8 July 2016 between FHTL, FGHIPL and FHL (the “**CCDs Amendment Agreement**”);
  - (ii) the amendments to the FHTL Shareholders’ Agreement on the terms of the amended and restated shareholders’ agreement dated 8 July 2016 between FHML, FHL and FHTL (the “**Amended and Restated FHTL Shareholders’ Agreement**”);

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<sup>1</sup> This is equal to 5.0% of the net current assets of FHTL at completion.

<sup>2</sup> Please refer to paragraph 1.1 of Appendix A to this Circular for further information.

- (iii) the redemption of a number of OCDs to be determined at completion of the Proposed Disposal and payment of accrued interest under all the OCDs in IHL held by FHTL using part of the proceeds from the CCPS Disposal (the “**OCDs Redemption and Payment**”)<sup>1 2</sup>.
- (iv) the amendments to the investment agreements dated 17 September 2012 pursuant to which FHTL subscribed for 3,262,500 OCDs issued by KHL and 3,989,000 OCDs issued by EHSSIL<sup>3</sup> (collectively, the “**IHL OCD Investment Agreements**”), including the amendment to provide for the waiver by FHTL of its right to convert the OCDs in IHL held by FHTL into equity shares of IHL, as a result of which all remaining outstanding OCDs in IHL after the OCDs Redemption and Payment will be deemed to be Lender NCDs, pursuant to an amendment agreement dated 8 July 2016 between FHTL, IHL and FGHIPL (the “**OCD Amendment Agreement**”);
- (v) a corporate guarantee provided by FGHIPL in favour of FHTL as security for the obligations of IHL in respect of the Lender NCDs (the “**FGHIPL Guarantee**”);
- (vi) the subscription by FHTL for NCDs in FHsL (the “**NCDs Subscription**”)<sup>2</sup> for a consideration equivalent to the amount paid for the OCDs Redemption and Payment<sup>2</sup> (the “**OCDs Redemption and Payment Amount**”) pursuant to a subscription agreement dated 8 July 2016 between FHsL, FHTL and FHL (the “**NCDs Subscription Agreement**”); and
- (vii) a corporate guarantee provided by FHL in favour of FHTL as security for the obligations of FHsL in respect of the NCDs in FHsL (the “**FHL Guarantee**”),

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<sup>1</sup> The amount to be paid for the OCDs Redemption and Payment is equivalent to 51.0% of the total outstanding liability on all the OCDs in IHL held by FHTL (comprising the principal amount outstanding and all accrued interest thereon, excluding interest between completion of the CCDs Disposal and the OCDs Redemption and Payment, which amount will be waived) (“**Outstanding OCDs Liability**”), which shall be applied first, in payment of all the interest accrued on the OCDs in IHL held by FHTL and any balance shall then be applied to redeem such number of OCDs.

<sup>2</sup> The total principal and interest outstanding on the OCDs was ₹9,242.8 million (S\$184.6 million) as at 31 March 2016. For illustrative purposes only, as at 31 March 2016, the total of the interest repayment and redemption of 2,622,542 OCDs would have amounted to ₹4,713.8 million (S\$94.2 million), which represents 51.0% of the total principal and interest outstanding on the OCDs as at 31 March 2016. The NCDs Subscription would have been for a similar amount of ₹4,713.8 million (S\$94.2 million). Following the completion of the OCDs Redemption and Payment and the NCDs Subscription, the principal amount of OCDs held by FHTL in IHL (a wholly-owned subsidiary of RHT) and the principal amount of NCDs held by FHTL in FHsL (a wholly-owned subsidiary of FHL) will be proportionate to RHT and FHL's interest in FHTL. Accordingly, as each of IHL and FHsL currently have gross earnings before interest and tax (EBIT) of less than ₹30,000 million (S\$599.0 million), then FHTL will receive interest of 9.3% per annum from each of IHL and FHsL in proportion to FHTL and FHL's interest in FHTL. FHsL and/or IHL (as the case may be) will be required to pay a higher rate of interest (on a continuing basis) if it achieves EBIT equivalent or in excess of ₹30,000 million (S\$599.0 million). Please see paragraphs 1.5 and 1.7 of Appendix A for more information.

<sup>3</sup> Please refer to footnote 1 on page 4 of the Circular. 100,000 OCDs were cancelled immediately after the IPO.

(collectively, the “**Related Arrangements**”).

To the best of the Trustee-Manager’s knowledge, as at 1 July 2016, being the latest practicable date prior to the printing of this Circular (the “**Latest Practicable Date**”), Fortis Healthcare International Limited (“**FHIL**”), a wholly-owned subsidiary of FHL, holds 220,676,944 Units in RHT, which is equivalent to approximately 27.6% of the total number of Units in issue in RHT (the “**FHIL Units**”). FHL is deemed to be interested in the FHIL Units. FHL is therefore regarded as a “Controlling Unitholder” and an “interested person” of RHT under Chapter 9 of the Listing Manual. In addition, FHsL and EHIRCL are wholly-owned subsidiaries of FHL. FHsL and EHIRCL are therefore regarded as associates of a “Controlling Unitholder” and “interested persons” under Chapter 9 of the Listing Manual. Further, FHTL is a subsidiary of FHL and is regarded as an associate of a “Controlling Unitholder” and an “interested person”. FHTL is also an unlisted associated company of RHT over which the RHT Group and FHL, an “interested person” of RHT, have control. Accordingly, FHTL is also an “entity at risk” under Chapter 9 of the Listing Manual.

In accordance with the above, the transactions contemplated pursuant to the Proposed Disposal and the Related Arrangements will constitute “interested person transactions” under Chapter 9 of the Listing Manual.

#### **Background to the Approvals Sought in Respect of the Proposed Whitewash Resolution**

Pursuant to Clause 12.9 of the Trust Deed, the Trustee-Manager may elect to receive fees payable to it, including the management fee, comprising a base fee of 0.4% of the value of the trust property of RHT at the relevant time and a performance fee of 4.5% of distributable income determined by the Trustee-Manager to be distributable for the relevant distribution period (the “**Management Fee**”), and the trustee fee, calculated at the rate of 0.03% per annum of the value of the trust property of RHT (the “**Trustee Fee**”), in the form of cash and/or Units.

Subject to and after completion of the Proposed Disposal and the Related Arrangements, the Trustee-Manager proposes to pay a special cash distribution (the “**Special Distribution**”) to Unitholders of 100.0% of the net proceeds of the Proposed Disposal and the Related Arrangements after deducting expenses incurred in undertaking the Proposed Disposal and the Related Arrangements and, if applicable, 50.0% of the Performance Fee payable to the Trustee-Manager in cash if the Proposed Whitewash Resolution is not approved by Independent Unitholders, as at a record date following completion of the Proposed Disposal and the Related Arrangements. As a result of the Special Distribution of approximately S\$191.8 million, the Trustee-Manager will be entitled to receive a performance fee of S\$8.6 million (the “**Performance Fee**”). The Trustee-Manager proposes to elect to receive 50.0%

of the Performance Fee in the form of Units (the “**Performance Fee Units**”), and proposes to waive the remaining 50.0% of the Performance Fee it is entitled to receive.

The issuance of the Performance Fee Units to the Trustee-Manager is expected to cause the aggregated unitholding of the Trustee-Manager and parties presumed to be acting in concert with the Trustee-Manager to exceed the threshold under Rule 14.1(a) of the Singapore Code on Takeovers and Mergers (the “**Code**”). Pursuant to Rule 14.1(a) of the Code, the Trustee-Manager and parties acting in concert with it would then be required to make a mandatory general offer (“**Mandatory Offer**”) for all of the Units in RHT other than those already owned, controlled or agreed to be acquired by the Trustee-Manager and parties acting in concert with it.

The Trustee-Manager thus proposes to seek approval from Unitholders other than the Trustee-Manager, parties acting in concert with the Trustee-Manager (as defined in the Code) and parties who are not independent of them (the “**Independent Unitholders**”) for a waiver of their right to receive a Mandatory Offer from the Trustee-Manager and parties acting in concert with the Trustee-Manager, in the event that the Trustee-Manager and its concert parties incur an obligation to make a Mandatory Offer as a result of the receipt of the Performance Fee Units by the Trustee-Manager in its personal capacity.

This IFA Letter to be included in the Circular to Unitholders sets out, *inter alia*, our evaluation of the Proposed Disposal and the Related Arrangements and the Proposed Whitewash Resolution and our advice to the Independent Directors of the Trustee-Manager.

## **2. TERMS OF REFERENCE**

KPMG Corporate Finance was appointed by the Independent Directors to advise on the Proposed Disposal and the Related Arrangements and the Proposed Whitewash Resolution. We were neither a party to any negotiations in relation to the Proposed Disposal and the Related Arrangements or the Proposed Whitewash Resolution, nor were we involved in any deliberations leading up to the decision by the Independent Directors to approve the transactions and their subsequent actions relating thereof. This letter is addressed to the Independent Directors for their benefit in connection with and for the purposes of their consideration of the Proposed Disposal and the Related Arrangements and the Proposed Whitewash Resolution, and any recommendations made by them to the Unitholders shall remain the responsibility of the Independent Directors.

In rendering our advice and giving our opinions, we did not have regard to the specific investment objectives, financial situation or unique needs and constraints of any Unitholder or any specific group of Unitholders. We recommend that any individual Unitholder or group of Unitholders who may require specific advice in relation to their investment portfolio consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

Our views are based upon market, economic, industry, monetary, and other conditions in effect on, as well as the information provided to us by the Company, as at the Latest Practicable Date. As such conditions can change significantly over a relatively short period of time, we assume no responsibility to update, revise or reaffirm our opinions in the light of any subsequent development after the Latest Practicable Date even if it might affect our opinions contained herein.

We have not conducted a comprehensive review of the business, operations or financial condition of RHT. Our terms of reference also do not require us to evaluate or comment on the merits and/or risk, whether strategic, commercial, financial or otherwise, of the Proposed Disposal and the Related Arrangements or the Proposed Whitewash Resolution, or on the future prospects of RHT and as such, we do not express opinions thereon. Such evaluations or comments remain the sole responsibility of the Independent Directors.

The evaluation of the legal, strategic, and/or commercial merits and/or associated risks of the Proposed Disposal and the Related Arrangements and the Proposed Whitewash Resolution, and any comparisons to any alternative transaction previously considered by RHT or transactions that RHT may consider in the future remain the sole responsibility of the management of the Company, although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinions.

In formulating our advice and opinions, we have relied to a considerable extent on the information set out in this Circular, other public information collated by us and the information, opinions and facts provided to us by the management of RHT, and its other professional advisers. We have also relied on the information contained in the various announcements made by RHT, as well as other public announcements, in relation to the Proposed Disposal and the Related Arrangements and the Proposed Whitewash Resolution. For the avoidance of doubt, we have not made any independent evaluation or appraisal of the assets and liabilities (including without limitation, real properties if any) of RHT or any of its subsidiaries.

We have relied upon and assumed the accuracy of the relevant information, both written and verbal, provided to us by RHT. Whilst care has been exercised in reviewing the information we have relied upon, we have not independently verified the accuracy or completeness of such information, whether written or verbal, and accordingly cannot and do not warrant, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information.

Nevertheless, we have made reasonable enquiries and exercised our judgment on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of such information. We have also relied on the responsibility statement by the Directors of the Company that this Circular and all documents relating to this Circular have been seen and approved by them and they collectively and individually accept responsibility for the information given, and confirm that, having made all reasonable enquiries, to the best of their knowledge and belief, the facts stated and opinions expressed in this Circular are fair and accurate and constitutes a full and true disclosure, in all material respects, of all material facts relating to the Proposed Disposal and the Related Arrangements and the Proposed Whitewash Resolution and that there is no other material fact the omission of which would make any statement in this Circular inaccurate, incomplete or misleading in any material respect. Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information.

The Company has also been advised by its own professional advisers in the preparation of this Circular (other than this letter). We have no role or involvement and have not provided any advice, financial or otherwise, whatsoever, in the preparation, review and verification of this Circular (other than this letter). Accordingly, we take no responsibility for and express no views, whether expressed or implied, on the contents of this Circular (other than this letter).

This letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.



Our opinions in relation to the Proposed Disposal and the Related Arrangements and the Proposed Whitewash Resolution should be considered in the context of the entirety of our letter and this Circular.

### **3. ASSESSMENT OF THE PROPOSED DISPOSAL AND THE RELATED ARRANGEMENTS**

In our assessment of the Proposed Disposal and the Related Arrangements, we have given due consideration to the following:

#### **3.1 The Rationale for the Proposed Disposal and the Related Arrangements**

The Trustee-Manager has provided its rationale for the Proposed Disposal and the Related Arrangements. The following rationale is extracted from section 2.2 of the Circular:

*As disclosed in the Prospectus, there is no assurance that the local regulatory authorities would not consider the abovementioned contractual arrangements as being contrary to applicable laws (including state laws, regulations and bye-laws pertaining to immovable property applicable in the State of Haryana) or unenforceable. In the event that the local regulatory authorities consider such transactions to be against applicable laws or unenforceable, they may, amongst others, impose financial and other penalties in accordance with the provisions of applicable laws and regulations. In case of any governmental or regulatory action with respect to the Gurgaon Plot as indicated above, the business, financial condition, results of operations and prospects of RHT would be materially and adversely affected.*

*Whilst FHL had submitted an application on 12 June 2013 to the Relevant Land Authority for approval to transfer the 51.0% equity interest in FHTL to FHML, no approval had been received as at the Latest Practicable Date. As it was a specific condition imposed by the Relevant Land Authority in a letter dated 19 May 2011 to FHTL that FHL would have to own at least 51.0% interest in the land or FHTL, only a waiver from this condition or approval from the Relevant Land Authority will allow FHL sell its 51.0% interest in FHTL to FHML.*

*The approval for the acquisition of the 51.0% interest in the FHTL has been delayed beyond the Trustee-Manager's expectations. The Trustee-Manager therefore deemed it timely to evaluate RHT's options with respect to its interests in FHTL. In view of the uncertainty of obtaining the requisite approvals, the Trustee-Manager and FHL commenced discussions with respect to the proposed unwinding of the transaction structure which had been put in place at the time of IPO and it was agreed that the transaction structure would be unwound.*

*Apart from the regulatory uncertainty which will be significantly reduced as a result of the Proposed Disposal and the Related Arrangements, from the financial point of view of RHT, the Trustee-Manager had negotiated and FHL had agreed to a consideration which is an attractive return on RHT's 51.0% interest in FHTL as compared to the enterprise valuations of the Gurgaon Clinical Establishment and the Shalimar Bagh Clinical Establishment at the time of the IPO. The enterprise value of 100% of the Gurgaon Clinical Establishment and*

*the Shalimar Bagh Clinical Establishment disclosed in the Prospectus were ₹8,401.0 million (S\$187.1 million)<sup>1</sup> and ₹5,343.0 million (S\$119.0 million)<sup>1</sup>, respectively. From the Listing Date to 31 March 2016, the 51.0% interest in the Gurgaon Clinical Establishment and the Shalimar Bagh Clinical Establishment have contributed approximately S\$36.7 million to the distributable income of RHT. For illustrative purposes, taken together with the net proceeds of the Proposed Disposal and the Related Arrangements of ₹9,610.2 million (S\$191.8 million), the IRR on 51.0% interest in FHTL is approximately 14.5% in Singapore dollar terms and 18.9% in Indian rupee terms. In addition, there is no certainty or assurance that RHT would be able to unwind the transaction structure on similar terms or conditions in the future.*

*Following the completion of the Proposed Disposal and the Related Arrangements, RHT will continue to have an interest in FHTL through its holding of 49.0% of the equity share capital of FHTL and its holding of 49.0% of the CCDs in FHTL. FHTL will no longer be accounted for by RHT on a consolidated basis.*

### **3.2 The CCDs Disposal Agreement, the CCDs Amendment Agreement and the Amended and Restated FHTL Shareholders' Agreement**

RHT, through its wholly owned subsidiaries FHML and FGHIPL, has the following interests in respect of FHTL:

#### Equity interests in FHTL

- a 49% equity interest in FHTL, acquired pursuant to a Share Purchase Agreement dated 9 January 2012;
- the following rights, pursuant to the FHTL Shareholders' Agreement,
  - a call option over the remaining 51% equity interest in FHTL, which is held by FHL ("**FHTL Call Option**"). RHT was also provided with a put option to require FHL to purchase all its securities in FHTL including its 49.0% shareholding in FHTL, exercisable if FHML is unable to acquire 100% of the issued and paid-up share capital of FHTL within 5 years from the date of the FHTL Shareholders' Agreement for any reason outside the control of FHML ("**FHTL Put Option**");
  - the right to appoint 50% of the directors of FHTL, including the chairman of the board of directors who will have the casting vote in case of deadlock on any matter brought to the board of directors for its approval; and
  - the right to receive 100% of the dividends from FHTL.

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<sup>1</sup> Based on the foreign exchange rate of S\$1.00 = ₹44.9 as at 19 October 2012.

By virtue of the availability of the above rights under the FHTL Shareholders' Agreement, FHTL was consolidated 100%. In connection with this, during the initial public offering and listing of RHT on the SGX-ST, the RHT Group recognised a liability of ₹3,000 million (S\$59.9 million) in connection with the FHTL Call Option.

Debt interests in FHTL

Through its wholly owned subsidiary, FGHIPL, RHT subscribed for 8,704,000 CCDs issued by FHTL for an aggregate face value ₹8,704 million (S\$173.8 million). The CCDs earn interest at the rate of 17.5% per annum and are convertible into 267,400,000 equity shares of FHTL of a face value of ₹10.0 (S\$0.20) each with one vote per equity share ("**Conversion Ratio**"), representing 47.7% fully diluted equity of FHTL.

Pursuant to the CCDs Disposal Agreement, the CCDs Amendment Agreement and the Amended and Restated FHTL Shareholders' Agreement, RHT intends to:

- transfer 51% of the CCDs in FHTL to FHL at the CCDs Consideration; and
- relinquish the rights that it attained pursuant to the FHTL Shareholders' Agreement, including the FHTL Put Option and the FHTL Call Option.

The CCDs Disposal Agreement, the CCDs Amendment Agreement and the Amended and Restated FHTL Shareholders' Agreement were negotiated on a willing buyer-willing seller basis, having taken into account the independent valuation undertaken by Duff & Phelps India Pvt Ltd ("**Duff & Phelps**" or the "**Independent Valuer**") ("**FHTL CCD Valuation**").

In the process of determining the fair value of 51% of the CCDs, the Independent Valuer estimated the fair market value of FHTL by applying equal weighting to both the discounted cash flow method ("**Income Approach**" or "**DCF**") and the comparable company analysis method ("**Market Approach**"). We have assessed the suitability of the valuation approaches and consider them to be appropriate.

We also undertook basic procedures to check the FHTL CCD Valuation, including basic checks as to the assumptions underlying the FHTL CCD Valuation (revenue assumptions, cash flows assumptions and discount rate assumptions); however we have neither undertaken a review nor an audit of the historical financials and projections of FHTL. Nothing came to our attention that indicated the assumptions underlying the FHTL CCD Valuation were unreasonable.

We have reproduced the findings of the Independent Valuer below, separately indicating the amounts attributable to the 51.0% interest.

<b>FHTL CCD Valuation (in INR Mn)</b>	<b>100%</b>	<b>51%</b>
Income Approach - Discounted Cash Flow Analysis	27,040.0	-
Market Approach - Comparable Company Analysis	18,730.0	-
<b>FHTL Enterprise Value</b>	<b>22,885.0</b>	<b>11,671.4</b>
<b>FHTL Equity Value<sup>(1)</sup></b>	<b>32,090.0</b>	<b>16,365.9</b>
CCDs Interest Payment <sup>(2)</sup>	11,425.9	5,827.2
CCDs Principal Amount <sup>(2)</sup>	9,846.5	5,021.7
<b>FHTL Residual Value</b>	<b>10,817.6</b>	<b>5,517.0</b>

Notes:

- (1) The difference between the FHTL Enterprise Value and FHTL Equity Value is largely attributable to CCDs held by FHTL in IHL, the total value of which is ₹9,242.8 million (S\$184.6 million) as of 31 March 2016.
- (2) The total fair value of 100% of the CCDs is comprised of: (a) the sum of the present value of the future interest payments (including accrued interest amounts, being ₹11,425.9 million (S\$228.2 million); and (b) the resultant equity value of a 47.7% fully diluted equity interest in FHT, being ₹9,846.5 million (S\$196.6 million). In accordance with this:
  - a. The total fair value of 51% of the CCDs is valued at ₹10,848.9 million (S\$216.6 million).
  - b. The total fair value of 49% of the CCDs is valued at ₹10,423.5 million (S\$208.1 million).

The consideration will comprise:

- ₹10,848.9 million (S\$216.6 million), in the form of cash; and
- ₹5,517.0 million (S\$110.2 million), in the form of the extinguishment of liabilities. This comprises: (a) ₹3,000 million (S\$59.9 million) recognised during the initial public offering and listing of RHT on the SGX-ST; and an additional (b) ₹2,517.0 million (S\$50.3 million) based on the fair value of the FHTL Call Option as at 31 March 2016 (the overall liability quantum is based on the consideration for the FHTL Call Option, which was initially agreed at ₹3,000 million (S\$59.9 million), subject to minimum price permissible under applicable law. The consideration of the FHTL Call Option based on the fair value is now ₹5,517.0 million (S\$110.2 million)).

The consideration is in line with the findings in the FHTL CCD Valuation.

### **3.3 The CCPS Disposal Agreement**

RHT, through IHL, is the holder of 401,769 CCPS in EHIRCL of face value ₹10 (S\$0.20) each, convertible into 401,769 equity shares on conversion representing 16.7% of the fully diluted equity of EHIRCL.

Pursuant to the CCPS Disposal Agreement, RHT intends to sell all of the CCPS in EHIRCL to FHsL for a consideration of ₹3,566.9 million (S\$71.2 million).

The CCPS Disposal Agreement was negotiated on a willing buyer-willing seller basis, having taken into account the independent valuation undertaken by Duff & Phelps (“CCPS Valuation”).

The Independent Valuer estimated the fair value of the CCPS by applying equal weighting to both the Income Approach and the Market Approach to determine the fair value of EHIRCL, then applying a 16.7% proportion of this amount, based on the fully diluted equity entitlement applicable to the CCPS. We have assessed the suitability of the valuation approaches and consider them to be appropriate.

We also undertook basic procedures to check the CCPS Valuation, including basic checks as to the assumptions underlying the CCPS Valuation (revenue assumptions, cash flows assumptions and discount rate assumptions); however we have neither undertaken a review nor an audit of the historical financials and projections of EHIRCL. Nothing came to our attention that indicated the assumptions underlying the CCPS Valuation were unreasonable.

The Independent Valuer made the following determination:

CCPS Valuation (in INR Mn)	
Concluded Fair Value of Equity of EHIRCL	21,410.0
Fully Diluted Stake of CCPS	16.7%
<b>Value of CCPS based on Fair Value of Equity of EHIRCL</b>	<b>3,566.9</b>
Investment Value	3,000.0
Concluded Fair Value of CCPS	3,566.9

The aggregate consideration payable by FHsL to IHL for the purchase of 401,769 CCPS in EHIRCL is ₹3,566.9 million (\$\$71.2 million). We note that this is in line with the CCPS Valuation.

### **3.4 The OCDs Redemption and Payment and the NCDs Subscription**

The OCDs Redemption and Payment and the NCDs Subscription are intended to facilitate the intentions of RHT and FHL that their subsidiaries, IHL and FHsL respectively, be permitted to facilitate their funding requirements through FHTL. The objective of RHT and FHL is that the principal amount of OCDs held by FHTL in IHL and the principal amount of NCDs held by FHTL in FHsL be proportionate to RHT and FHL's interests in FHTL.

#### **The OCDs Redemption and Payment**

FHTL will redeem a number of OCDs to be determined at completion of the Proposed Disposal and pay the accrued interest under all the OCDs in IHL held by FHTL, excluding interest extracted from the date of completion of the CCDs Disposal to the date of the OCDs Redemption and Payment, which amount will be waived pursuant to the OCD Amendment Agreement.

Following the OCDs Redemption and Payment, FHTL, IHL and FGHIPL will enter into the OCD Amendment Agreement to provide for the waiver by FHTL of its right to convert the OCDs in IHL held by FHTL into equity shares of IHL, as a result of which all remaining outstanding OCDs in IHL after the OCDs Redemption and Payment will be deemed to be Lender NCDs.

The Lender NCDs shall be secured by way of a corporate guarantee provided by FGHIPL to FHTL.

#### The NCDs Subscription

Pursuant to the NCDs Subscription Agreement between FHsL, FHTL and FHL, FHTL will subscribe for such number of unrated, unlisted, redeemable NCDs in FHsL aggregating to the OCDs Redemption and Payment Amount.

The NCDs in FHsL shall be secured by way of a corporate guarantee provided by FHL to FHTL.

Our observations in relation to the OCDs Redemption and Payment and the NCDs Subscription, as well as incidental arrangements, are as follows:

- In accordance with the intentions of RHT and FHL, following the completion of the OCDs Redemption and Payment and the NCDs Subscription, the principal amount of Lender NCDs held by FHTL in IHL and the principal amount of NCDs held by FHTL in FHsL will be proportionate to RHT and FHL's interest in FHTL.

The interest rates payable on the Lender NCDs and the NCDs in FHsL are such that, assuming each of IHL and FHsL have similar gross earnings before interest and tax (EBIT), then FHTL will receive interest from each of IHL and FHsL in proportion to FHTL and FHL's interest in FHTL.

We note that the key terms of the OCDs and the NCDs are similar.

- Both the Lender NCDs and the NCDs in FHsL are supported by corporate guarantees from FGHIPL and FHL respectively.

### **3.5 Estimated Proceeds from the Proposed Disposal and the Related Arrangements**

The Trustee-Manager has provided a summary of the estimated proceeds for the Proposed Disposal and the Related Arrangements, the following information extracted from section 2.7 of the Circular:

*The gross proceeds in respect of the Proposed Disposal and the Related Arrangements are currently estimated to be ₹14,415.8 million (S\$287.8 million), comprising the following:*

- (a) the CCPS Consideration of ₹3,566.9 million (S\$71.2 million) receivable from FHL pursuant to the CCPS in EHIRCL held by IHL to FHL; and*
- (b) the CCDs Consideration of ₹10,848.9 million (S\$216.6 million) receivable from FHL pursuant to the CCDs in FHTL held by FGHIPL to FHL. The CCDs Consideration payable on completion of the Proposed Disposal will be adjusted as follows:*
  - (i) if the net current assets of FHTL as at completion exceeds the net current assets of FHTL as at 31 March 2016 by more than ₹85.1 million (S\$1.7 million), the CCDs Consideration will be increased by an amount equal to the Pro Rata portion of the difference between the two; and*
  - (i) if the net current assets of FHTL as at completion is less than the net current assets of FHTL as at 31 March 2016 by more than ₹85.1 million (S\$1.7 million), the CCDs Consideration will be reduced by an amount equal to the Pro Rata portion of the difference between the two.<sup>1</sup>*

*The net proceeds in respect of the Proposed Disposal and the Related Arrangements after completion of the OCDs Redemption and Payment and the NCDs Subscription is estimated to be ₹9,610.2 million (S\$191.8 million), having taken into account:*

- (a) based on the Outstanding OCDs Liability as at 31 March 2016 (for illustrative purposes), the redemption of OCDs in IHL held by FHTL of ₹2,622.5 million (S\$52.4 million) and the interest thereon of ₹2,091.3 million (S\$41.8 million) payable to FHTL of which ₹4,713.8 million (S\$94.2 million) will be used by FHTL to subscribe for NCDs in FHsL pursuant to the NCDs Subscription Agreement; and*

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<sup>1</sup> Please refer to paragraph 1.1 of Appendix A to this Circular for further information.



- (b) *the total costs to be incurred in respect of the Proposed Disposal and the Related Arrangements, estimated to be ₹91.8 million (S\$1.8 million), which comprises professional fees and other transaction expenses, including costs expected to be incurred for the consent solicitation exercise in respect of the Noteholders.*

*In addition, the fees to be paid to the Trustee-Manager in respect of the Proposed Disposal and the Related Arrangements is S\$4.3 million, which represents 50.0% of Performance Fee (as defined herein), all of which will be paid to the Trustee-Manager in the form of Units.*

### **3.6 Pro Forma Financial Effects of the Proposed Disposal and the Related Arrangements**

The Trustee-Manager has provided a summary of the Pro Forma Financial Effects for the Proposed Disposal and the Related Arrangements, the following information extracted from section 3.1 of the Circular:

#### **3.1 Pro Forma Financial Effects of the Proposed Disposal and the Related Arrangements**

*The pro forma financial effects of the Proposed Disposal and the Related Arrangements on the Net Service Fee and Hospital Income, EPU, DPU and NAV per Unit presented below are strictly for illustrative purposes. Certain assumptions, including but not limited to the following, have been taken into consideration:*

- (i) *the closing INR/SGD exchange rate for FY2016 was ₹49.17:S\$1.00;*
- (ii) *an indicative sales consideration comprising the CCPS Consideration and CCDs Consideration of ₹14,415.8 million (approximately S\$293.2 million);*
- (iii) *sales proceeds received are partially used to redeem ₹2,622.5 million (S\$53.3 million) of the OCDs in IHL and to settle an interest payment of ₹2,091.3 million (S\$42.5 million);*
- (iv) *50.0% of the Performance Fee, amounting to S\$4.4 million, will be paid to the Trustee-Manager in Units and the Trustee-Manager will waive the remaining 50.0% of the Performance Fee it is entitled to receive;*
- (v) *the liability in respect of the FHTL Call Option is adjusted to its fair value of ₹5,517.0 million (S\$112.2 million) and will be extinguished with the relinquishment of the FHTL Call Option;*

- (vi) *there is no tax arising from the CCPS Disposal and the CCDs Disposal; and*
- (vii) *the retained interest in FHTL will be accounted for as an associate using the equity method.*

**3.1.1 Pro Forma Net Service Fee and Hospital Income, EPU and DPU of the Proposed Disposal and the Related Arrangements**

**FY2016**

*The table below sets out the pro forma financial effects of the Proposed Disposal and the Related Arrangements on the Net Service Fee and Hospital Income, EPU and DPU for FY2016, as if the Proposed Disposal was completed on 1 April 2015.*

*In addition to the general assumptions made in Paragraph 3.1 above, the following assumptions were made in preparing the pro forma Net Service Fee and Hospital Income, EPU and DPU of the Proposed Disposal and the Related Arrangements for the period from 1 April 2015 to 31 March 2016:*

- (i) *the average INR/SGD exchange rate for FY2015 was ₹47.36:S\$1.00;*
- (ii) *the net proceeds from the Proposed Disposal and the Related Arrangements of approximately S\$195.4 million (based on the closing rate for FY2016) will be distributed;*
- (iii) *50.0% of the Performance Fee, amounting to approximately S\$4.4 million, is payable to the Trustee-Manager in the form of Performance Fee Units, with an assumed issue price of S\$1.00 per Performance Fee Unit, and the Trustee-Manager waives its right to the remaining 50.0% of the Performance Fee it is entitled to receive;*
- (iv) *a reduction of withholding tax expense of ₹116.5 million (approximately S\$2.5 million) in connection with the CCDs Disposal;*
- (v) *the impact on distributable income of the Proposed Disposal and the Related Arrangements for the period from 1 April 2015 to 31 March 2016 is S\$17.0 million;*
- (vi) *the Proposed Disposal and the Related Arrangements result in a loss of control and as such FHTL is being equity accounted for instead of consolidated. Based on this:*

- (A) the impact on net service fee and hospital income and net profit as a result of loss of control is ₹2,051.3 million (S\$43.3 million) and ₹1,522.4 million (S\$32.1 million) respectively;*
  - (B) the impact on net profit as a result of the retained interest being equity accounted for is ₹1,167.2 million (S\$24.6 million);*
  - (C) the impact on net profit as a result of a gain on disposal and gain on retained interest is ₹3,974.0 million (S\$83.9 million) and ₹1,411.8 million (S\$29.8 million) respectively; and*
  - (D) the interest amounting to ₹421.2 million (S\$8.9 million) on Lender NCDs owing from IHL to FHTL is being reflected within the RHT Group's accounts; and*
- (vii) the professional fees and other transaction expenses to be incurred in respect of the Proposed Disposal and the Related Arrangements, including costs expected to be incurred for the consent solicitation exercise in respect of the Noteholders, amounting to ₹91.8 million (S\$1.9 million).*

***Pro Forma Effects of the  
Proposed Disposal and the Related  
Arrangements for FY2016***

	<b><i>Before the Proposed Disposal and the Related Arrangements</i></b>	<b><i>After the Proposed Disposal and the Related Arrangements</i></b>
<b><i>Net Service Fee and Hospital Income (S\$ million)</i></b>	81.7 <sup>(1)</sup>	43.1
<b><i>Net Profit (S\$ million)</i></b>	43.5	23.3 <sup>(2)</sup>
<b><i>Distributable Income (S\$ million)</i></b>	61.6 <sup>(3)</sup>	44.6 <sup>(4)</sup>
<b><u><i>Units in issue (million)</i></u></b>		
<b><i>Weighted number of Units in issue</i></b>	796.4 <sup>(5)</sup>	800.8
<b><i>Total Units in issue (million)</i></b>	797.8 <sup>(5)</sup>	802.2 <sup>(6)</sup>
<b><u><i>EPU (cents)</i></u></b>		
<b><i>Based on Weighted Units</i></b>	5.46	2.91 <sup>(7)</sup>
<b><u><i>DPU (cents)</i></u></b>		
<b><i>Based on Total Units</i></b>	7.72	5.56 <sup>(8)</sup>

***Notes:***

- (1) Based on the total revenue less total service fee and hospital expenses derived from the audited financial statements of RHT Group and its subsidiaries for FY2016.*
- (2) Excludes gain on disposal in connection with the CCDs Disposal and gain on retained interest in FHTL (see Paragraph 3.1.1(vi) above). With such gains, the net profit will be S\$137.0 million.*
- (3) Based on the Distributable Income and DPU as announced by RHT on 25 May 2016.*
- (4) Excludes distribution of sale proceeds (see Paragraph 3.1.1(ii) above). With such one-off distribution, the distributable income will be S\$240.0 million.*
- (5) Weighted and total number of Units in issue as at 31 March 2016.*
- (6) Assuming 50.0% of the Performance Fee payable to the Trustee-Manager is paid in the form of Performance Fee Units (see Paragraph 3.1.1(iii) above).*
- (7) Including the gain on disposal in connection with the CCDs Disposal and gain on retained interest in FHTL, the EPU is 17.11 cents.*
- (8) The one-off distribution amounts to a DPU of 24.40 cents before considering the Performance Fee Units.*

### 3.1.2 *Pro Forma NAV of the Proposed Disposal and the Related Arrangements*

The table below sets out the pro forma financial effects of the Proposed Disposal and the Related Arrangements on the NAV of the RHT Group as at 31 March 2016, as if the Proposed Disposal were completed on 1 April 2015.

***Pro Forma Effects of the  
Proposed Disposal and the Related Arrangements  
as at 31 March 2016***

	<b><i>Before the Proposed Disposal and the Related Arrangements</i></b>	<b><i>After the Proposed Disposal and the Related Arrangements</i></b>
<b><i>NAV (S\$'000)</i></b>	739.6 <sup>(1)</sup>	655.8 <sup>(4)</sup>
<b><i>Units in issue (million)</i></b>	797.8 <sup>(2)</sup>	802.2 <sup>(3)</sup>
<b><i>NAV per Unit (\$)</i></b>	0.93	0.82

***Notes:***

- (1) Based on the audited financial statements of RHT Group for 31 March 2016.*
- (2) Total number of Units in issue as at 31 March 2016.*
- (3) Assuming 50.0% of the Performance Fee payable to the Trustee-Manager is paid in the form of Performance Fee Units (see Paragraph 3.1.1(iii) above).*
- (4) Assuming 100.0% of the net proceeds from the Proposed Disposal and the Related Arrangements is distributed to Unitholders.*

### **3.1.3 Pro Forma Capitalisation of the Proposed Disposal and the Related Arrangements**

The table below sets out the pro forma financial effect of the Proposed Disposal and the Related Arrangements on the capitalisation of RHT as at 31 March 2016.

	<b>Pro Forma Effects of the Proposed Disposal and the Related Arrangements as at 31 March 2016</b>	
	<b>Actual<sup>(1)</sup> (S\$ millions)</b>	<b>As Adjusted for the Proposed Disposal and the Related Arrangements (S\$ millions)</b>
<b>Short-term debt:</b>		
Secured debt	3.4	2.4
Unsecured debt	-	92.1
<b>Total short-term debt</b>	<b>3.4</b>	<b>94.5</b>
<b>Long-term debt:</b>		
Secured debt	166.6	166.4
Unsecured debt	-	-
<b>Total long-term debt</b>	<b>166.6</b>	<b>166.4</b>
<b>Total debt:</b>	<b>170.0</b>	<b>260.9</b>
<b>Unitholders' funds</b>	<b>739.6</b>	<b>655.8</b>
<b>Total Unitholders' funds</b>	<b>739.6</b>	<b>655.8</b>
<b>Total Capitalisation</b>	<b>909.6</b>	<b>916.7</b>

**Note:**

(1) Based on the audited financial statements of RHT Group for FY2016.

#### **4. ASSESSMENT OF THE PROPOSED WHITEWASH RESOLUTION**

In our assessment of the Proposed Whitewash Resolution, we have given due consideration to the following:

##### **4.1 The Rationale for the Proposed Whitewash Resolution**

The Trustee-Manager has provided its rationale for the Proposed Whitewash Resolution, the following rationale extracted from section 4.4 of the Circular:

*The Whitewash Resolution is to enable the Trustee-Manager to receive the Performance Fee Units in its personal capacity and the rationale for allowing the Trustee-Manager to do so is set out as follows.*

*Pursuant to Clause 12.9 of the Trust Deed, the Trustee-Manager may elect to receive fees payable to it under the Trust Deed in the form of cash and/or Units (as the Trustee-Manager may elect). Accordingly, without the Whitewash Resolution, and in view of Rule 14.1(a) of the Code, the Trustee-Manager will not be able to receive the Performance Fee that it is entitled to in the form of Units.*

*Since the Listing Date, the Trustee-Manager has been receiving 50.0% of its Management Fee in the form of Units, with the remaining 50.0% in cash. The election by the Trustee-Manager to receive 50.0% of the Performance Fee in the form of Units is consistent with past practice. Furthermore, the Trustee-Manager is of the view that electing to receive the Performance Fee Units as part payment of the Performance Fee will demonstrate the long-term commitment of the Trustee-Manager and of FHL to RHT. It will also further align the interests of the Trustee-Manager with Unitholders.*

*In addition, it is imperative for the Trustee-Manager, acting in the interests of the Unitholders, to conserve RHT's cash wherever and whenever possible in order to ensure that the cash flow needs of RHT continue to be met. As such, the Trustee-Manager has elected to receive part of the Performance Fee in the form of Units as part of RHT's cash capital management strategy to improve RHT's cash flow and is not intended to be part of any arrangement to increase the Trustee-Manager's unitholding in RHT to gain or consolidate control.*

##### **4.2 Fees Payable to the Trustee-Manager**

The Trustee-Manager has provided an overview of the fees payable to the Trustee-Manager, the following information extracted from section 2.12 of the Circular:

*As a result of the Special Distribution described in Paragraph 2.11, the Trustee-Manager will be entitled under Clause 12.1.2 of the Trust Deed to receive the Performance Fee of S\$8.6 million. The Trustee-Manager proposes to elect to receive 50.0% of the Performance Fee in the form of Performance Fee Units, and proposes to waive the remaining 50.0% of*

*the Performance Fee it is entitled to receive. Assuming that the Performance Fee Units are issued at S\$1.00 per Performance Fee Unit (purely for illustrative purposes only and based on the closing price of Units on the SGX-ST on the Latest Practicable Date), approximately 4.3 million Units will be issued to the Trustee-Manager, comprising 0.5% of the number of Units in issue at the Latest Practicable Date.*

*The issue price of the Performance Fee Units will be determined based on the volume weighted average price for a Unit for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the period of 10 business days immediately preceding the date of issue of the Performance Fee Units.*

*It should be noted that pursuant to Clause 12.2.2 of the Trust Deed, the Trustee-Manager is entitled to receive a divestment fee for any investment sold, transferred or otherwise disposed of by RHT other than in connection with the divestment by the RHT Group to FHL of (i) all its securities in FHTL pursuant to FHTL Put Option and (ii) the CCPS in EHIRCL pursuant to the CCPS Put Option (the “**Divestment Fee**”). The CCDs Disposal and the CCPS Disposal will not be effected pursuant to the FHTL Put Option or the CCPS Put Option and accordingly, the Trustee-Manager would be entitled to receive a Divestment Fee in respect of the CCDs Disposal and the CCPS Disposal. However, the Trustee-Manager intends to waive any Divestment Fee it is entitled to receive in respect of the CCDs Disposal and the CCPS Disposal.*

We have reviewed the data available from other similar issuances of units by real estate investment trusts (“**REITs**”) and Business Trusts (“**BTs**”) below:



Similar unit issuances by Singapore REITs and BTs from June 2015 until the Latest Practicable Date			
Announcement Date	REITs And BTs	Fee Type	Determination of the Issue Price
<b><u>Issuances of management fee units</u></b>			
9-Jun-16	IREIT Global	Management fee for the quarter ended 31 March 2016	Based on 10-business day VWAP immediately preceding 31 March 2016, being the last business day for the relevant period
18-May-16	Ascendas India Trust	Performance fee for the year ended 31 March 2016	Based on 10-business day VWAP immediately preceding 31 March 2016, being the last business day for the relevant period
17-May-16	Mapletree Commercial Trust	Management fee for the quarter ended 31 March 2016	Based on 10-business day VWAP immediately preceding 31 March 2016, being the last business day for the relevant period
13-May-16	OUE Commercial REIT	Management fee for the quarter ended 31 March 2016	Based on 10-business day VWAP immediately preceding 31 March 2016, being the last business day for the relevant period
29-Apr-16	Keppel REIT	Management fee for the quarter ended 31 March 2016	Based on 10-business day VWAP immediately preceding 31 March 2016, being the last business day for the relevant period
25-Apr-16	Frasers Centrepoint Trust	Management fee for the quarter ended 31 March 2016	Based on 10-business day VWAP immediately preceding 31 March 2016, being the last business day for the relevant period
11-Apr-16	IREIT Global	Management fee for the quarter ended 31 December 2015	Based on 10-business day VWAP immediately preceding 31 December 2015, being the last business day for the relevant period
3-Mar-16	Lippo Malls Indonesia Retail Trust	Management fee for the quarter ended 31 December 2015	Based on 10-business day VWAP immediately preceding 31 December 2015, being the last business day for the relevant period
19-Feb-16	Mapletree Commercial Trust	Management fee for the quarter ended 31 December 2015	Based on 10-business day VWAP immediately preceding 31 December 2015, being the last business day for the relevant period
29-Jan-16	Keppel REIT	Management fee for the quarter ended 31 December 2015	Based on 10-business day VWAP immediately preceding 31 December 2015, being the last business day for the relevant period
26-Jan-16	Ascendas India Trust	Management fee for the quarter ended 31 December 2015	Based on 10-business day VWAP immediately preceding 31 December 2015, being the last business day for the relevant period
25-Jan-16	Frasers Centrepoint Trust	Management fee for the quarter ended 31 December 2015	Based on 10-business day VWAP immediately preceding 31 December 2015, being the last business day for the relevant period
10-Dec-15	IREIT Global	Management fee for the 6 months ended 30 September 2015	Based on 10-business day VWAP immediately preceding 30 June 2015 and 30 September 2015, being the last business day for each relevant period
16-Nov-15	Lippo Malls Indonesia Retail Trust	Management fee for the quarter ended 30 September 2015	Based on 10-business day VWAP immediately preceding 30 September 2015, being the last business day for the relevant period
16-Nov-15	OUE Commercial REIT	Management fee for the quarter ended 30 September 2015	Based on 10-business day VWAP immediately preceding 30 September 2015, being the last business day for the relevant period
03-Nov-15	Mapletree Commercial Trust	Management fee for the quarter ended 30 September 2015	Based on 10-business day VWAP immediately preceding 30 September 2015, being the last business day for the relevant period
30-Oct-15	Keppel REIT	Management fee for the quarter ended 30 September 2015	Based on 10-business day VWAP immediately preceding 30 September 2015, being the last business day for the relevant period
28-Oct-15	Ascendas India Trust	Management fee for the quarter ended 30 September 2015	Based on 10-business day VWAP immediately preceding 30 September 2015, being the last business day for the relevant period
27-Oct-15	Cambridge Industrial Trust	Management fee for the quarter ended 30 September 2015	Based on 10-business day VWAP immediately preceding 22 October 2015, being the date of CIT's result announcement for 3Q2015
26-Oct-15	Frasers Centrepoint Trust	Management fee for the quarter ended 30 September 2015	Based on 10-business day VWAP immediately preceding 30 September 2015, being the last business day for the relevant period
<b><u>Issuances of acquisition fee units</u></b>			
19-Nov-15	First REIT	Acquisition fee for the acquisition of PT Nusa Bahana Niaga	Based on 10-business day VWAP immediately preceding the acquisition completion date
29-Jun-15	Lippo Malls Indonesia Retail Trust	Acquisition fee for the acquisition of Lippo Plaza Batu and Palembang Icon	Based on issue price of S\$0.37 per consideration unit in the value of S\$25.0 million
27-Mar-15	Cambridge Industrial Trust	Acquisition fee for the acquisition of 40% interest in Cambridge SPV1	Based on 10-business day VWAP immediately preceding 19 March 2015, being the acquisition completion date
13-Feb-15	OUE Hospitality Trust	Acquisition fee for the acquisition of Crowne Plaza Changi Airport	Based on 10-business day VWAP immediately preceding 30 January 2015, being the acquisition completion date
30-Dec-14	Keppel REIT	Acquisition fee for the acquisition of one-third interest in Marina Bay Financial Centre Tower 3	Based on 10-business day VWAP immediately preceding 16 December 2014, being the acquisition completion date
09-Oct-13	Fortune REIT	Acquisition fee for the acquisition of Kingswood Ginza Property	Based on units issue price pursuant to the unit placement
23-Apr-13	Ascendas REIT	Acquisition fee for the acquisition of The Galen	Based on 10-business day VWAP immediately preceding 23 April 2013, being the date of unit issuance
03-Dec-12	Mapletree Commercial Trust	Acquisition fee for the acquisition of Mapletree Anson	Based on fixed new unit price agreed by the manager and the joint bookrunners

Source: Company Filings

The Independent Directors should note that certain circumstances and terms relating to the other similar issuances of units by REITs and BTs are unique and might not be identical to the issuances made in respect of the Performance Fee Units, and may be dependent on the market sentiments prevailing at the time of such issuances.

The selected REITs and BTs which had carried out the unit issuances might be different from RHT in terms of composition of business activities, scale of operations, risk profile, geographical spread of activities, track record, future prospects and other relevant criteria. In addition, the list of selected comparable unit issuances by REITs and BTs is by no means exhaustive and information relating to the selected companies was compiled from publicly available information.

The Independent Directors should note that the above comparison merely is for illustrative purposes and serves as a general guide only.

We understand from the management of the Trustee-Manager that the issue price of the Performance Fee Units will be determined based on the volume weighted average price for a Unit for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the period of 10 business days immediately preceding the date of issue of the Performance Fee Units.

We observe from the above that the majority of the similar unit issuances were based on 10-business day volume weighted average price ("VWAP") pricing formula, which is similar to the approach to be adopted by the Trustee-Manager.

In addition to the above, we note Listing Rule 811(1) of the Listing Manual, which allows companies to issue shares at up to a 10% discount to the weighted average price of trades done on the exchange for the full market day on which the placement or subscription agreement is signed.

#### **4.3 Potential dilution arising from the issuance of the Performance Fee Units**

The Trustee-Manager intends to receive 50% of the Performance Fee in the form of Units. Assuming an issue price of S\$1.00 per Performance Fee Unit, approximately 4,300,000 Performance Fee Units will be issued to the Trustee-Manager. The Trustee-Manager currently estimates that the issue of 4,300,000 Performance Fee Units would bring the aggregate unitholding of the Trustee-Manager and its concert parties in RHT to approximately 30.35%, thereby crossing the threshold set out in Rule 14.1(a) of the Code.

The following table sets out the respective unitholdings of the Trustee Manager and parties acting in concert with the Trustee-Manager if the Trustee-Manager receives the Performance Fee Units:

Unitholdings of the Trustee-Manager and parties acting in concert with it		
	Before the issue of the Performance Fee Units <sup>(1)</sup>	Immediately after the issue of the Performance Fee Units <sup>(1)</sup>
Issued Units	799,594,944	803,894,944
Number of Units held by the Trustee-Manager	11,463,000	15,763,000
Number of Units held by the Trustee-Manager and parties acting in concert with it	239,716,944 <sup>(2)</sup>	244,016,944 <sup>(2)</sup>
% of issued Units held by the Trustee-Manager and parties acting in concert with it	29.98%	30.35%
% of issued Units held by the Unitholders, other than the Trustee-Manager and parties acting in concert with it	70.02%	69.65%

Source: Circular

Notes:

- (1) Includes the total number of Units held by the Executive Directors of the Trustee-Manager.
- (2) The number of Performance Fee Units (being 4,300,000 Units) is calculated based on the assumption that the Performance Fee Units would be issued at an issue price of S\$1.00 per Performance Fee Unit (purely for illustrative purposes only and based on the closing price of Units on the SGX-ST on Latest Practicable Date).

The Independent Directors should note that in the event that the Proposed Whitewash Resolution is passed, the Sponsor and parties acting in concert with it may increase their unitholdings in RHT in accordance with the table shown above.

#### **4.4 Nature of the Performance Fee Units**

The new Units issued under the Performance Fee Units will rank *pari passu* in all respects with the existing Units in issue.

## 5. OPINIONS

### **The Proposed Disposal and the Related Arrangements**

In arriving at our opinion in respect of the Proposed Disposal and the Related Arrangements, we have reviewed and examined all factors which we consider to be pertinent in our assessment, including the following key considerations:

- The rationale for the Proposed Disposal and the Related Arrangements is reasonable.
- The FHTL CCD Valuation being in accordance with the consideration to be given for 51% of the CCDs in FHTL and the consideration to be given for the relinquishment of the rights attained pursuant to the FHTL Shareholders' Agreement.

In particular, we note that, in our assessment of the FHTL CCD Valuation, nothing came to our attention that indicated that the approaches and assumptions underlying the FHTL CCD Valuation were unreasonable.

- The CCPS Valuation being in accordance with the consideration to be given for 401,769 CCPS in EHIRCL.

In particular, we note that, in our assessment of the CCPS Valuation, nothing came to our attention that indicated the approaches and assumptions underlying the independent valuation were unreasonable.

- The OCDs Redemption and Payment and the NCDs Subscription being, in accordance with the intentions of RHT and FHL, proportionate to RHT and FHL's equity interests in FHTL. Additionally, we note that: (a) the interest rates payable on the Lender NCDs and the NCDs in FHsL are such that, assuming each of IHL and FHsL have similar gross earnings before interest and tax (EBIT), then FHTL will receive interest from each of IHL and FHsL in proportion to FHL and FHL's interest in FHTL; and (b) both the Lender NCDs and the NCDs in FHsL are supported by corporate guarantees from FGHIPL and FHL respectively.

After carefully considering the information available to us as at the Latest Practicable Date, and based upon the monetary, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date, we are of the opinion that the Proposed Disposal and the Related Arrangements are on normal commercial terms and are not prejudicial to RHT and its minority Unitholders.

### **The Proposed Whitewash Resolution**

In arriving at our opinion in respect of the Proposed Whitewash Resolution, we have reviewed and examined all factors which we consider to be pertinent in our assessment, including the following key considerations:

- The rationale for the Proposed Whitewash Resolution is reasonable.
- We observe from the above that majority of the similar unit issuances were based on 10-business day VWAP pricing formula, which is similar to the approach to be adopted by the Trustee-Manager.
- The new Units issued under the Performance Fee Units will rank *pari passu* in all respects with the Units then in issue.

After carefully considering the information available to us as at the Latest Practicable Date, and based upon the monetary, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date, we are of the opinion that the Proposed Whitewash Resolution is fair and reasonable.

These Opinions are addressed to the Independent Directors of the Trustee-Manager for their use and benefit, in connection with and for the purpose of their consideration of:

- the Proposed Disposal and the Related Arrangements; and
- the Proposed Whitewash Resolution.

The recommendations to be made by the Independent Directors to the Independent Unitholders shall remain their responsibility.

A copy of this letter may be reproduced in this Circular.

This Opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours sincerely

Vishal Sharma  
Executive Director, Corporate Finance

Jeremy Bogue  
Director, Corporate Finance

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## VALUATION SUMMARY LETTER

DUFF &amp; PHELPS

The Board of Directors  
Fortis Global Healthcare and Infrastructure Pte Ltd  
Singapore

July 5, 2016

**Re: Valuation of Compulsory Convertible Debentures issued by Fortis Hospotel Limited and Compulsory Convertible Preference Shares issued by Escorts Heart Institute and Research Center Limited**

Dear Sirs,

**Engagement Background**

Duff & Phelps India Pvt Ltd ("Duff & Phelps", formerly known as American Appraisal India Pvt Ltd) has been engaged by Fortis Global Healthcare and Infrastructure Pte Ltd ("FGHIPL") to assess the valuation of the Compulsorily Convertible Debentures ("CCDs") issued by Fortis Hospotel Limited ("FHTL") and Compulsorily Convertible Preference Shares ("CCPS") issued by Escorts Heart Institute and Research Center Limited ("EHIRCL") (collectively referred to as "Financial Instruments") as at March 31, 2016 ("Valuation Date").

This Valuation Summary Report ("Valuation Summary Letter")<sup>1</sup> is a summary of full valuation report that Duff & Phelps has provided and it does not contain all the necessary information and assumptions that are necessary to determine the value of the Financial Instruments. The valuation has been performed as of the Valuation Date, and reflects the information available to Duff & Phelps as at the date of the report, which they are instructed would have been available as at the Valuation Date. Economic conditions, market factors and performance change may result in the conclusions becoming quickly outdated.

The term 'Fair Value' as used in the context of this valuation is defined as "the amount at which the subject asset might be expected to exchange between a willing buyer and a willing seller, neither being under compulsion, each having reasonable knowledge of all relevant facts". Fair value has been established based on premises of value and underlying analytical approaches appropriate to the facts and circumstances pertaining to the various classes of assets valued.

**Basis of Preparation**

Duff & Phelps' analysis is based on financial information provided by Religare Health Trust Limited ("RHT") and Fortis Healthcare Limited ("FHL"). Duff & Phelps has relied on the accuracy and completeness of that financial information without having performed any independent verification thereof. Duff & Phelps' analysis is subject in all respects to the assumptions and limiting conditions set forth herein. In regard to the information provided, Duff & Phelps has not carried

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<sup>1</sup> This Valuation Summary Letter is in conjunction with the Draft Valuation Report submitted to FGHIPL on July 5, 2016.

out any form of audit, independent confirmation or verification of the reliability, accuracy or completeness of the information. Accordingly, Duff & Phelps assumes no responsibility and make no representations with respect to the accuracy or completeness of the information provided to them.

Duff & Phelps notes that the valuation has been performed as of the Valuation Date, and reflects the information available to them as at the date of the report, which they are instructed would have been available as at the Valuation Date. Economic conditions, market factors and performance change may result in their conclusions becoming quickly outdated.

The scope of Duff & Phelps' engagement does not require them to express, and they do not express, view on the future prospects of Religare Healthcare Trust ("RHT"), parent company of FGHIPL. Duff & Phelps, therefore does not express any views on the future trading price of the units or the financial condition of RHT.

The valuation of companies and businesses is not a precise science and the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgment. There is therefore no indisputable single value and Duff & Phelps normally express their opinion on the value as falling within a likely range. However, to comply with the requirements of this engagement, Duff & Phelps has provided with a single point estimate, being a figure within that likely range. Whilst Duff & Phelps considers the valuation to be both reasonable and defensible based on the information available to them, others may place a different value on the Financial Instruments.

This document has been prepared solely for its client, Fortis Global Healthcare and Infrastructure Pte Ltd ("FGHIPL" or the "Client"), and solely for the purposes stated herein and should not be relied upon by any person other than its Client, or for any purpose other than the purpose stated herein. Unless required by law it shall not be provided to any third party or used for any other purpose. In no event, regardless of whether consent has been provided, shall Duff & Phelps assume any responsibility to any third party to which the report is disclosed or otherwise made available.

Duff & Phelps expressly disclaims all liability for any loss or damage of whatever kind which may arise from any person acting on any information and opinions relating to the investments contained in this report. Full terms and conditions of the contractual basis for Duff & Phelps' analysis are included in the engagement letter dated September 14, 2015 and the addendum engagement letter dated May 31, 2016 (the "Engagement Letter").

## **Scope of Analysis**

The historical financial data and other records and documents pertaining to EHIRCL and FHTL have been accepted without verification as proper representation of their operations and conditions.

The valuation is also based on prospective financial information ("PFI") that was prepared by RHT's and FHL's management as of the Valuation Date. The PFI was compared to the historical trends of revenues and expenses of EHIRCL and FHTL, as well as guideline company margins and growth rates for each respectively. Duff & Phelps has relied on the accuracy and completeness of that financial information without having performed any independent verification thereof.



# Valuation Methodology

## Approaches to Value

In developing valuation opinions, all three approaches to value the business have been applied and the most appropriate approach or approaches has been chosen. Duff & Phelps' conclusion relies on the approaches judged to be most appropriate for the purpose and scope of the analysis, as well as the nature and reliability of the data available. The three approaches to value are summarized as follows:

### **Income (Income Capitalization) approach**

The income (income capitalization) approach explicitly recognizes that the current value of a business is premised on the expected receipt of future economic benefits from the business. These benefits can be in the form of earnings, net income, cash flow, or other measures of profitability and should include the perpetuity value as well as cost savings and tax deductions. Value indications are developed by discounting expected benefits to their present value at the required rate of return that incorporates the time value of money and risks associated with the particular business. The discount rate selected is generally based on expected rates of return available from alternative investments of similar type, quality, and risk as of the Valuation Date.

### **Market Approach**

The market approach is a technique used to estimate value from an analysis of actual transactions or offerings for economically comparable assets/ businesses available as of the Valuation Date. The process is essentially that of comparison and correlation between the subject business and similar businesses that has been recently sold or is offered for sale in the market. The transaction or offering prices of the comparable businesses are adjusted for dissimilarities in characteristics including location, age, time of sale, size, and utility, among others. The adjusted prices of the comparable assets provide an indication of value for the subject business

### **Cost (NAV) approach**

The cost approach is a technique that uses the reproduction or replacement cost as an initial basis for value. The cost to reproduce or replace the subject business/asset with a new business/asset, either identical (reproduction) or having the same utility (replacement), establishes the highest amount a prudent investor is likely to pay.

To the extent that the assets being valued provides less utility than a new one, due to physical deterioration, functional obsolescence, and/ or economic obsolescence, the value of the subject assets is adjusted for those reductions in value. Adjustments may be made for age, physical wear and tear, technological inefficiencies, changes in price levels, and reduced demand, among other factors.

The valuation exercise may be carried out using the above generally accepted methodologies, the relative emphasis of each often varying with the factors such as:

- Specific nature of the business
- Industry to which the entity belongs
- Economic life cycle in which the industry or the company is operating
- Extent to which industry and comparable company information is available, and
- Past track record of the business and estimates of future profits

For the purposes of this analysis, the income and market approaches were utilized in estimating the fair value of the underlying businesses. Then the fair value of equity of the FHTL and EHIRCL has been estimated and then estimated the fair value of the Financial Instruments by multiplying the equity value with fully diluted stakes and adjusting it for the present value of interest, if any.

# Valuation Analysis

## A. Income Approach - Discounted Cash Flow Method

A Discounted Cash Flow (“DCF”) analysis provides an indication of the value of a business/ asset by reference to the present value of the future cash flows which are expected to arise from the business asset’s operations.

Free Cash Flow to Firm (“FCFF”) method is used to arrive at the fair value of FHTL and EHIRCL owing to the nature of its operations. This method involves discounting of the future forecasted free cash flows to the firm holders using cost of capital to arrive at the firm value. The firm value is further adjusted with cash and other non-operating assets and debt and other liabilities.

Since cash flow projections can only be prepared for a definite period, the valuation will not capture the cash generating capacity of the business beyond the projection period and also the whole concept of going concern will not be considered. Hence, a terminal value is considered to capture value beyond the projection period through to perpetuity.

The terminal value is estimated taking into consideration the past growth rates of the business, economic life cycle of the business, expected growth rates in future, sustainable capital investments required for the business as well as the estimated growth rate of the industry and economy.

### Derivation of Discount Rate

When applying the DCF approach, the cash flows expected to be generated by a business are discounted to their present value equivalent using a rate of return that reflects the relative risk of the investment, as well as the time value of money.

Since Duff & Phelps is discounting free cash flows available to all the stake holders, they are using Weighted Average Cost of Capital (“WACC”) as the discount rate. WACC is calculated by multiplying cost of equity and cost of debt with their respective weights in the overall capital structure of FHTL and EHIRCL and adding both.

### WACC

WACC provides an expected rate of return based on the capital structure, the required return on the equity, and the required yield on the interest-bearing debt. Since value is premised on a current transaction between willing parties, industry specific estimates relative to capital structure, required return on equity, and required yield on interest-bearing debt have been applied.

The formula for calculating the weighted average cost of capital is:

$$\begin{aligned} \text{WACC} &= k_e * W_e + k_d * (1-t) * W_d \\ k_e &= \text{Cost of equity has been further explained in detailed below} \end{aligned}$$

We	=	Equity to Capital ratio of 75.0 percent is applied based on average capital structure of comparable companies and the current capital structure
Kd	=	Cost of debt of 7.2 percent has been applied based on actual cost of debt incurred
t	=	Effective tax rate of 34.6 percent has been applied based on marginal statutory tax rate for the entities
Wd	=	Debt to Capital ratio of 25.0 percent is applied based on average capital structure of comparable companies and the current capital structure

#### Cost of Equity (Ke)

The cost of equity has been estimated using Capital Asset Pricing Model (CAPM). Duff & Phelps looked at the financial return data for other similar firms in the industry to arrive at the estimated required return on equity holder would expect for his investment. The CAPM can be expressed as follows:

$$K_e = RFR + \beta \times (MRP) + CSR$$

where:

RFR	=	Risk-free rate
$\beta$	=	Security's beta statistic
CSR	=	Company Specific Risk Premium

All factors relevant (except CSR) to the Ke calculation are based on publicly available sources and considered reliable. CSR considers factors such as company profile, stage risk, diversity of product lines, perceived risk of achieving projections, etc. The company specific risk includes size premium and risk based on the fundamentals of FHTL and EHIRCL including riskiness of the projections.

The cost of equity for FHTL (Singapore based) and EHIRCL (India based) is shown below:

Company	RFR	$\beta$	MRP	CSR	Ke
FHTL	1.8%	0.74	6.0%	-	6.3%
EHIRCL	7.5%	0.90	7.0%	2.0%	16.0%

#### International Cost of Capital Analysis (ICOC)

While valuing businesses in other countries, international discount rates need to consider as different countries have their own riskiness. Typically these risks are classified as economic risks, political risks, and financial risks.

Duff & Phelps has used the Singapore based cost of equity developed above as the starting point to estimate an international cost of capital ("ICOC") for FHTL. A Country Credit Rating ("CCR") model has been used to estimate the ICOC.

To arrive at the estimated ICOC for a particular country/ geography, the CCR of the respective country/ geography added to the Singapore based cost of equity to arrive at the adjusted cost of equity for the respective country ("Risk adjusted Cost of Equity").

#### **Risk adjusted Cost of Equity**

The Country Credit Rating published by Duff & Phelps, in their International Valuation Handbook - Guide to Cost of Capital, 2015:

Ke (Singapore)	=	6.3%
Country Credit Rating	=	6.4%
Indicated Cost of Equity (India based)	=	12.7%
Concluded Ke (India)	=	13.0%

The result of the foregoing calculations is an indication of the return required by equity investors, based on the selected guideline companies. After consideration of the CAPM method, the cost of equity is concluded to be 13.0 percent for FHTL.

Company	Ke (base country)	CCR	Ke (India based)
FHTL	6.3%	6.4%	13.0%
EHIRCL	16.0%	-	16.0%

#### **Conclusion**

Based on these inputs, division level WACC is concluded at 12.0 percent and 14.0 percent for FHTL and EHIRCL respectively.

#### **Terminal Capitalization Rate**

The terminal value has been computed using the Gordon Growth model and has been applied to normalized cash flows. Considering the industry growth and projected growth of Indian economy, as well as contracted annual increment on the base fee lease, a terminal growth rate of 3.5 percent for FHTL has been assumed. Considering the healthcare industry growth and projected growth of Indian economy, as well as other demographic factors such as population growth rate, increasing income levels etc., a terminal growth rate of 4.0 percent for EHIRCL has been assumed. A capitalization rate of 8.5 percent to FHTL and 10.0 percent to EHIRCL has been adopted in the analysis.

#### Summary – Discounted Cash Flow Method

The indicated fair value as implied by income approach for FHTL is INR 27,040.0 Mn and EHIRCL is INR 16,490.0 Mn.

#### B. Market approach - Comparable Company Analysis Method

In assessing the value of the businesses by Comparable Company Analysis Method, Duff & Phelps has analyzed the trading multiples of companies they consider comparable to FHTL and EHIRCL.

#### Fortis Hospotel Limited (FHTL)

Revenue and EBITDA multiples has been applied to 2016 and 2017 financial metrics of FHTL.

Since FHTL is an indirect subsidiary of RHT which is listed on Singapore Stock Exchange, RHT's trading multiples have been applied to value FHTL.

The Selected Multiples are as follows:

	2016	2017e
EV/ Revenue	6.0x	5.4x
EV/ EBITDA	9.6x	8.4x

The weighted average of the values based on the revenue multiple and EBITDA multiples for 2016 and 2017 have been considered to be the estimated value under this approach.

Adjustment for control has been made as the trading multiples in the analysis is based on the trading of small parcels of shares rather than a controlling interest. Based on Mergermarket analysis, transactions in the Real Estate Investment Trusts industry indicate that the average takeover premium has been in the range of 16.2 percent to 32.1 percent over the period 2010-2015. However, this varies widely depending on the circumstances and often includes an element reflecting a strategic premium paid by the purchasers. An appropriate premium is applied to the trading multiples to be in the order of 20.0 percent.

#### Escorts Heart Institute and Research Center Limited

Revenue and EBITDA multiples has been applied to 2016 and 2017 financial metrics of FHTL.

The Selected Multiples are as follows:

	2016	2017e
EV/ Revenue	2.2x	2.1x
EV/ EBITDA	13.8x	12.9x

EHIRCL is projected to grow at revenue CAGR of 20.1 percent over the next 5 years and margins are also expected to improve to 25.9 percent by FY25 from 10.6 percent in FY16. However, the industry is expected to grow at an average range of 6.4 – 15.6 percent and the median EBITDA margins are in the range of 12.1 – 13.3 percent. Hence, we have applied upper quartile revenue multiples.

For EBITDA multiples, weightage has been given to FY17 forward looking multiples. EBITDA is expected to increase to INR 849.4 Mn in FY17 from INR 395.0 Mn in FY16, increasing by 115.0 percent in FY17.

The weighted average of the values based on the revenue and EBITDA multiples for 2016 and 2017 have been considered to be the estimated value under this approach.

An adjustment for control has been applied as the trading multiples in the analysis is based on the trading of small parcels of shares rather than a large block of minority shares. Based on CapitalIQ analysis, transactions involving significant minority stake sales in the hospital industry indicate that the average takeover premium has been in the range of 9.2 percent to 22.8 percent over the period 2010-2015. However, this varies widely depending on the circumstances and often includes an element reflecting a strategic premium paid by the purchasers. An appropriate premium is applied to the trading multiples to be in the order of 16.0 percent based on the median 1 month premium.

#### **Summary – Comparable Company Analysis**

The indicated fair value of the firm as implied by comparable company analysis method for FHTL is INR 18,730.0 Mn and for EHIRCL is INR 12,410.0 Mn after applying equal weights to EV/Revenue and EV/EBITDA Multiples respectively.

# Valuation Conclusion

## Valuation Conclusion

### Fortis Hospotel Limited

After estimating the values of FHTL under the two methods (DCF and Market approach), we applied equal weights to these estimates to arrive at the concluded value.

The estimated fair enterprise value of the firm for FHTL is INR 22,885.0 Mn and fair value of equity of FHTL is INR 32,090.0 Mn. The results of our analysis are summarized below:

Equity Value	Weights	Value (INR Mn)
Income Approach : Discounted Cash Flow Method	50.0%	27,040.0
Market Approach: Comparable Company Analysis	50.0%	18,730.0
<b>Estimated Enterprise Value of FHTL</b>		<b>22,885.0</b>
Less: Other current liabilities		39.9
Less: Short-term provisions		-
Less: Debts (Current)		52.1
Less: Debts (Non-current)		10.9
Less: Payable to group companies		-
Less: Other liabilities		7.3
Less: Retirement benefit obligations		3.5
<b>Estimated Value of Operating Equity</b>		<b>22,771.3</b>
Plus: Financial Asset (Non-current)		5.8
Plus: Other assets		0.1
Plus: Current Investments		-
Plus: Cash and bank balances		18.6
Plus: Short-term loans & advances		-
Plus: Short-term investments		17.2
Plus: Other current assets		5.8
Plus: Financial asset (Current)		30.0
Plus: Optionally Convertible Debentures (Interest)		2,091.3
Plus: Optionally Convertible Debentures (Principal)		7,151.5
<b>Concluded Fair Value of Equity of FHTL (rounded)</b>		<b>32,090.0</b>



#### Compulsory Convertible Debentures issued by Fortis Hospotel Limited

The CCDs issued by Fortis Hospotel Limited have coupon rate of 17.5 percent. However as per discussions with the management, we understand that interest to the extent of about 13.0 percent has been actually remitted to the instrument holders. Hence, a discount rate of 13.0 percent has been applied for valuing these CCDs.

The estimated fair value of the Compulsory Convertible Debentures issued by Fortis Hospotel Limited as of the Valuation Date as set out below:

Particulars	Value (INR Mn)
<b>Concluded Fair Value of Equity of FHTL</b>	<b>32,090.0</b>
Less: Present Value of future interest payments on CCDs	10,030.0
Less: Accrued Interest on CCDs	1,395.9
<b>Net Fair Value of Equity of FHTL excluding Interest on CCDs</b>	<b>20,664.1</b>
Fully Diluted Stake of CCDs	47.7%
<b>Value of CCDs based on Net Fair Value of Equity of FHTL</b>	<b>9,846.5</b>
Plus: Present Value of future interest payments on CCDs	10,030.0
Plus: Accrued Interest on CCDs	1,395.9
<b>Total Fair Value of CCDs</b>	<b>21,272.3</b>
<b>Concluded Fair Value of 51% of CCDs</b>	<b>10,848.9</b>

#### Escorts Heart Institute and Research Center Limited

After estimating the values of EHIRCL under the two methods (DCF and Market approach), we applied weights to these estimates to arrive at the concluded value.

The estimated fair enterprise value of the firm for EHIRCL is INR 14,450.0 Mn and fair value of equity of EHIRCL is INR 21,410.0 Mn. The results of our analysis are summarized below:

Equity Value	Weights	Value (INR Mn)
Income Approach : Discounted Cash Flow Method	50.0%	16,490.0
Market Approach: Comparable Company Analysis	50.0%	12,410.0
<b>Estimated Enterprise Value of EHIRCL</b>		<b>14,450.0</b>
Less: Short-term borrowings		763.0
Less: Long-term borrowings		280.0
Less: Current maturities of long-term debt		120.0
Less: Interest accrued but not due on borrowings		15.8
Less: Other long-term liabilities		0.7
Less: Long-term provisions		102.7
<b>Estimated Fair Value of Operating Equity</b>		<b>13,167.8</b>
Plus: Non-current investments		4,617.5
Plus: Long-term loans and advances		279.1
Plus: Other non-current assets		68.2
Plus: Interest accrued but not due on loans & deposits		457.1

Plus: Cash and bank balances	47.8
Plus: Short-term loans and advances	2,777.2
<b>Concluded Fair Value of Equity of EHIRCL (rounded)</b>	<b>21,410.0</b>

**Compulsory Convertible Preference Shares issued by Escorts Heart Institute and Research Center Limited**

The estimated fair value of the Compulsory Convertible Preference Shares issued by Escorts Heart Institute and Research Centre Limited as of the Valuation Date as set out below:

Particulars	Value (INR Mn)
<b>Concluded Fair Value of Equity of EHIRCL</b>	<b>21,410.0</b>
Fully Diluted Stake of CCPS	16.7%
<b>Value of CCPS based on Fair Value of Equity of EHIRCL</b>	<b>3,566.9</b>
Investment Value	3,000.0
<b>Concluded Fair Value of CCPS</b>	<b>3,566.9</b>

# Assumptions & Limiting Conditions

## Assumptions & Limiting Conditions

This service was performed with the following general assumptions and limiting conditions.

Duff & Phelps's valuation report of valuation services does not constitute an audit in accordance with Auditing Standards. Duff & Phelps has relied on explanations and information provided by the management of RHT and FHL and accepted the information and projections provided to us as true and accurate. Although, Duff & Phelps has reviewed such data for consistency and reasonableness, Duff & Phelps has not independently investigated or otherwise verified the data provided. Nothing has come to our attention to indicate that the information provided had material misstatements or would not afford reasonable grounds upon which to base the report. Duff & Phelps' valuation is primarily from a business perspective and has not taken into account various legal and other corporate structures beyond the limited information made available.

The responsibility for forecasts and the assumptions on which they are based is solely that of the management of RHT and FHL. It must be emphasized that revenue and profit forecasts necessarily depend upon subjective judgment. They are to a greater or lesser extent, according to the nature of the business and the period covered by the forecasts, subject to substantial inherent uncertainties. In consequence, they are not capable of being audited or substantiated in the same way as financial statements, which present the results of completed periods. Duff & Phelps has relied on management judgment and has not done in-depth market assessment.

Similarly, Duff & Phelps has relied on data from external sources. These sources are considered to be reliable and therefore, Duff & Phelps assumes no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where Duff & Phelps has relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure the accuracy of such data and that such data has been accurately and correctly extracted from those sources and /or reproduced in its proper form and context. Duff & Phelps has assumed that the business continues normally without any disruptions due to statutory or other external/internal occurrences.

The scope of work has been limited both in terms of the areas of the business and operations which have been reviewed. There may be matters, other than those noted in this report, which might be relevant in the context of the transaction and which a wider scope might uncover.

This report is issued on the understanding that management of FGHIPL has drawn Duff & Phelps' attention to all matters of which they are aware concerning the financial position of the businesses appraised, which may have an impact on this

report up to the date of issue. Duff & Phelps has no responsibility to update this report for events and circumstances occurring after the Valuation Date.

Duff & Phelps has acted as an independent third party and, as such, shall not be considered an advocate for any concerned party should any dispute arise.

The valuation has been carried out independently to assess the valuation services. Duff & Phelps has no present or planned future interest in FGH IPL or any of its group companies and the fee for this report is not contingent upon outcome of the transaction. Duff & Phelps' Valuation should not be construed as investment advice; specifically, Duff & Phelps does not express any opinion on the suitability or otherwise of entering into any transaction with FGH IPL.

These are the conditions and Assumptions upon which Duff & Phelps reports are normally prepared and form an integral part of the appointment together with the related Engagement Letter and Terms of Engagement. These conditions and Assumptions apply to the report that is the subject of this instruction. Duff & Phelps has made certain Assumptions in relation to facts, conditions or situations affecting the subject of, or approach to, this exercise that has not been verified as part of the engagement but rather, treated as "a supposition taken to be true". In the event that any of these Assumptions prove to be incorrect then our opinion on value will need to be reviewed.

This report has been prepared exclusively for the Board of Directors of FGH IPL for the purpose as set out above, and accordingly the report should not be used, reproduced, circulated or relied upon by, whether in whole or in part nor confer any benefit to, any other person. However, Duff & Phelps authorizes and consents to FGH IPL including a copy of this Valuation Summary Letter (and where relevant, the Full Valuation Report) in Religare Health Trust's Circular or related Announcements on the Proposed Transaction for informational purposes and with the intent that FGH IPL may rely upon it. This disclosure is authorized in consideration of the condition that Duff & Phelps shall have a reasonable opportunity to review and approve any references to Duff & Phelps, its work, this engagement or the report prior to disclosure.

Yours faithfully,  
For and on behalf of  
**Duff & Phelps India Pvt Ltd**



Varun Gupta  
Managing Director

## DIRECTORS' AND SUBSTANTIAL UNITHOLDERS' INTEREST

Based on the Register of Directors' Unitholdings maintained by the Trustee-Manager and save as disclosed below, none of the Directors currently holds a direct or deemed interest in the Units as at the Latest Practicable Date:

Name of Directors	Direct Interest		Deemed Interest		Total No. of Units Held	%
	No. of Units	%	No. of Units	%		
Mr Ravi Mehrotra	–	–	1,000,000	0.13	1,000,000	0.13
Mr Gurpreet Singh Dhillon	–	–	1,777,000	0.22	1,777,000	0.22
Mr Pawanpreet Singh	–	–	300,000	0.04	300,000	0.04
Mr Peter Joseph Seymour Rowe	–	–	–	–	–	–
Dr Yogendra Nath Mathur	–	–	–	–	–	–
Mr Eng Meng Leong	–	–	–	–	–	–
Mr Sydney Michael Hwang	–	–	1,000,000	0.13	1,000,000	0.13

Based on the Register of Substantial Unitholders' Unitholdings maintained by the Trustee-Manager, the Substantial Unitholders and their interests in the Units as at the Latest Practicable Date are as follows:

Name of Substantial Unitholders	Direct Interest		Deemed Interest		Total Interest	%
	No. of Units	%	No. of Units	%		
Fortis Healthcare International Limited	220,676,944	27.6	–	–	220,676,944	27.6
Fortis Healthcare Limited <sup>(1)</sup>	–	–	232,139,944	29.03	232,139,944	29.03
Fortis Healthcare Holdings Ltd <sup>(1)</sup>	–	–	232,139,944	29.03	232,139,944	29.03
RHC Holding Private Limited <sup>(1)</sup>	–	–	232,139,944	29.03	232,139,944	29.03
Malav Holdings Pvt. Ltd. <sup>(1)</sup>	–	–	232,139,944	29.03	232,139,944	29.03
Malvinder Mohan Singh <sup>(1)</sup>	4,500,000	0.56	232,139,944	29.03	236,639,944	29.59
Japna Malvinder Singh <sup>(1)</sup>	–	–	232,139,944	29.03	232,139,944	29.03
Shivi Holdings Pvt. Ltd. <sup>(1)</sup>	–	–	232,139,944	29.03	232,139,944	29.03
Shivinder Mohan Singh <sup>(1)</sup>	–	–	232,139,944	29.03	232,139,944	29.03
Aditi Shivinder Singh <sup>(1)</sup>	–	–	232,139,944	29.03	232,139,944	29.03

Note:

- (1) Each of Fortis Healthcare Limited, Fortis Healthcare Holdings Ltd, RHC Holding Private Limited, Malav Holdings Pvt. Ltd., Shivi Holdings Pvt. Ltd., Malvinder Mohan Singh, Japna Malvinder Singh, Shivinder Mohan Singh and Aditi Shivinder Singh are deemed interested in the Units held by Fortis Healthcare International Limited and the Trustee-Manager.

None of the Directors has any interest, direct or indirect, in the Proposed Disposal and the Related Arrangements, other than through their respective unitholdings in RHT.

FHL, a controlling unitholder of RHT, holds a 100.0% interest in FHsL and EHIRCL, and a 51.0% interest in FHTL. Fortis Healthcare Holdings Ltd, RHC Holdings Private Limited, Malav Holdings Pvt. Ltd., Shivi Holdings Pvt. Ltd., Malvinder Mohan Singh, Japna Malvinder Singh, Shivinder Mohan Singh and Aditi Shivinder Singh are controlling unitholders of RHT and controlling shareholders of FHL, and accordingly, are interested in the Proposed Disposal and the Related Arrangements.

## RELIGARE HEALTH TRUST

(Registration No. 2012006)

(a business trust constituted on 29 July 2011

under the laws of the Republic of Singapore)

Managed by Religare Health Trust Trustee Manager Pte. Ltd.

(Company Registration No. 201117555K)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting (the “**EGM**”) of Religare Health Trust (“**RHT**”) will be held at Suntec Singapore International Convention & Exhibition Centre, Room MR 330, 1 Raffles Boulevard, Singapore 039593 on 29 July 2016 at 10.30 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the Annual General Meeting of RHT to be held at 10.00 a.m. on the same day and at the same venue) for the purpose of considering and, if thought fit, passing, with or without modifications, the following ordinary resolutions:

#### ORDINARY RESOLUTIONS

#### **RESOLUTION 1 – THE PROPOSED DISPOSAL OF THE RELEVANT SECURITIES TO, AND RELATED ARRANGEMENTS WITH, INTERESTED PERSONS**

That:

(1) approval be and is hereby given for:

(a) the disposal of the following securities (the “**Relevant Securities**”):

- (i) the disposal by Fortis Global Healthcare Infrastructure Pte Ltd (“**FGHIPL**”), a wholly-owned subsidiary of RHT, of 51.0% of the compulsorily convertible debentures (“**CCDs**”) in Fortis Hospotel Limited (“**FHTL**”) which are held by FGHIPL, to Fortis Healthcare Limited (“**FHL**”), on the terms and conditions set out in the CCDs Disposal Agreement (as defined in the Circular to Unitholders of RHT dated 8 July 2016 (the “**Circular**”)); and
- (ii) the disposal by International Hospitals Ltd (“**IHL**”), a wholly-owned subsidiary of RHT, of all of the compulsorily convertible preference shares in Escorts Heart Institute and Research Centre Limited held by IHL, to FHL, on the terms and conditions set out in the CCPS Disposal Agreement (as defined in the Circular);

(collectively, the “**Proposed Disposal**”); and

(b) the following arrangements entered into in connection with the Proposed Disposal:

- (i) the amendments to FHTL CCDs Investment Agreement (as defined in the Circular), on the terms of the CCDs Amendment Agreement (as defined in the Circular);
- (ii) the amendments to the FHTL Shareholders’ Agreement (as defined in the Circular), on the terms of the Amended and Restated FHTL Shareholders’ Agreement (as defined in the Circular);

- (iii) the partial redemption of optionally convertible debentures ("**OCDs**") and payment of accrued interest under all the OCDs in IHL held by FHTL using part of the proceeds from the CCPS Disposal (as defined in the Circular), such redemption and payment amount being based on 51.0% of the total outstanding liability on the OCDs as at the date of completion, with all of the accrued interest to be paid and the remaining amount used to partially redeem the principal amount of the OCDs;
- (iv) the amendments to the IHL OCD Investment Agreements (as defined in the Circular), including the amendment to provide for the waiver by FHTL of its right to convert its OCDs in IHL into equity shares of IHL, as a result of which all remaining outstanding OCDs in IHL will be deemed to be non-convertible debentures (the "**Lender NCDs**") on the terms and conditions set out in OCD Amendment Agreement (as defined in the Circular);
- (v) a corporate guarantee executed by FGHIPL in favour of FHTL as security for the obligations of IHL in respect of the Lender NCDs;
- (vi) the subscription by FHTL for non-convertible debentures ("**NCDs**") in Fortis Hospitals Limited ("**FHsL**"), a wholly-owned subsidiary of FHL on the terms and conditions set out in the NCDs Subscription Agreement (as defined in the Circular); and
- (vii) the corporate guarantee executed by FHL in favour of FHTL as security for the obligations of FHsL in respect of the NCDs in FHsL,

as more particularly described in the Circular;

- (2) approval be and is hereby given for the payment of all fees and expenses relating to or arising from the Proposed Disposal and the Related Arrangements; and
- (3) the Trustee-Manager and any director of the Trustee-Manager ("**Director**") be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Trustee-Manager or such Director may consider necessary or expedient or in the interests of RHT to give effect to this resolution.



## **RESOLUTION 2 – THE WHITEWASH RESOLUTION**

That subject to the conditions in the letter from the Securities Industry Council dated 27 April 2016 being fulfilled, the Unitholders other than the Trustee-Manager, parties acting in concert with the Trustee-Manager and parties who are not independent of the Trustee-Manager do hereby, by way of a poll, waive their rights to receive a mandatory general offer from the Trustee-Manager and parties acting in concert with it for all the Units not already owned or controlled by the Trustee-Manager and parties acting in concert with the Trustee-Manager, in the event that they incur a mandatory bid obligation pursuant to Rule 14 of the Singapore Code on Take-overs and Mergers as a result of the receipt of the Performance Fee Units (as defined in the Circular) pursuant to Clause 12 of the trust deed dated 29 July 2011 constituting RHT, as amended and restated on 25 September 2012 and supplemented on 27 September 2012.

The foregoing items of business are more fully described in the Circular.

BY ORDER OF THE BOARD

**Religare Health Trust Trustee Manager Pte. Ltd.**

(Company Registration No. 201117555K)

(as trustee-manager of Religare Health Trust)

**Abdul Jabbar Bin Karam Din**

**Chan Poh Kuan**

Joint Company Secretaries

Singapore, 8 July 2016

### **Important Notice**

1. A Unitholder entitled to attend and vote at the EGM is entitled to appoint not more than two proxies to attend and vote in his/her stead at the same meeting. A proxy need not be a Unitholder.
2. A corporation which is a Unitholder may, by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Unitholders and the person so authorised shall be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
3. The instrument appointing a proxy must be lodged at the office of RHT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for the EGM.

## Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Trustee-Manager (or its agents or service providers) for the purpose of the processing, administration and analysis by the Trustee-Manager (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Trustee-Manager (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Trustee-Manager (or its agents or service providers), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Trustee-Manager (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Trustee-Manager in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

# RELIGARE HEALTH TRUST

(Registration No. 2012006)

(a business trust constituted on 29 July 2011  
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Managed by Religare Health Trust Trustee Manager Pte. Ltd.  
(Company Registration No. 201117555K)

## PROXY FORM EXTRAORDINARY GENERAL MEETING

I/We \_\_\_\_\_ (Name)

of \_\_\_\_\_ (Address)

being a Unitholder/Unitholders of Religare Health Trust ("RHT"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Unitholdings	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Unitholdings	
			No. of Units	%

or, both of whom failing, the Chairman of the Extraordinary General Meeting as my/our proxy/proxies to attend and vote for me/us on my/our behalf and if necessary, to demand a poll, at the Extraordinary General Meeting of RHT to be held on 29 July 2016 at 10.30 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the Annual General Meeting of RHT to be held at 10.00 a.m. on the same day and at the same venue) at Suntec Singapore International Convention & Exhibition Centre, Room MR 330, 1 Raffles Boulevard, Singapore 039593 and any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Extraordinary General Meeting in accordance with my/our directions as indicated hereunder. Where no such direction is given, the proxy/proxies may vote or abstain from voting at his/their discretion, as he/they will on any matter arising at the Extraordinary General Meeting.

	Resolutions	No. of Votes For*	No. of Votes Against*
1	To approve the Proposed Disposal of the Relevant Securities to, and the Related Arrangements with, Interested Persons (Ordinary Resolution)		
2	To approve the Whitewash Resolution (Ordinary Resolution)		

\*\* If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Total number of Units held

Signature(s) of Unitholder(s)/Common Seal

## IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

### Notes to Proxy Form

1. In accordance with the Business Trusts Act and the Trust Deed, a Unitholder of Religare Health Trust (“RHT”, and a Unitholder of RHT, “Unitholder”) entitled to attend, speak and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend, speak and vote at the Extraordinary General Meeting. Where such Unitholder’s form of proxy appoints more than one proxy, the proportion of the unitholding concerned to be represented by each proxy shall be specified in the form of proxy. Where a Unitholder appoints two proxies and does not specify the number of Units to be represented by each proxy, the Units held by the Unitholder are deemed to be equally divided between the proxies.
2. A proxy need not be a Unitholder.
3. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against his/her name in the Depository Register maintained by The Central Depository (Pte) Limited (“CDP”), he/she should insert that number of Units. If the Unitholder has Units registered in his/her name in the Register of Unitholders of RHT, he/she should insert that number of Units. If the Unitholder has Units entered against his/her name in the said Depository Register and Units registered in his/her name in the Register of Unitholders, he/she should insert the aggregate number of Units entered against his/her name in the said Depository Register and registered in his/her name in the Register of Unitholders. If no number is inserted, this form of proxy appointing a proxy or proxies will be deemed to relate to all the Units held by the Unitholder.
4. The instrument appointing a proxy or proxies (the “Proxy Form”) must be in writing under the hand of the appointor or his/her attorney duly authorised in writing or if the appointor is a corporation, it must be executed either under the common seal or under the hand of an officer or attorney so authorised.
5. A corporation which is a Unitholder, may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of Unitholders and the person so authorised shall be entitled to exercise the power on behalf of the corporation so represented as the corporation could exercise in person if it were an individual. The Trustee-Manager shall be entitled to treat a copy of such resolution certified by a director of the corporation to be a true copy, or a certificate under the seal of the corporation as conclusive evidence of the appointment or revocation of appointment of a representative under this paragraph.
6. This Proxy Form (together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority) must be deposited at the office of RHT’s Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, not less than 48 hours before the time fixed for holding the Extraordinary General Meeting or adjourned meeting, at which the person named in the Proxy Form appointing a proxy or proxies proposes to vote, and in default the Proxy Form shall not be treated as valid.
7. Any alteration made in this Proxy Form should be initialled by the person who signs it.
8. The Trustee-Manager shall be entitled to reject a Proxy Form appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Unitholders whose Units are entered in the Depository Register, the Trustee-Manager shall be entitled and bound:
  - (a) to reject any Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against the name of the Unitholder in the Depository Register as at 48 hours before the time appointed for holding the Extraordinary General Meeting, as certified by CDP to the Trustee-Manager; and
  - (b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Unitholder is or are able to cast on a poll a number which is the number of Units entered against the name of that Unitholder in the Depository Register as at 48 hours before the time of the relevant meeting as certified by CDP to the Trustee-Manager, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Unitholder.

No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution.

9. All Unitholders will be bound by the outcome of the Extraordinary General Meeting regardless of whether they have attended or voted at the Extraordinary General Meeting.

### Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder’s personal data by the Trustee-Manager (or its agents or service providers) for the purpose of the processing, administration and analysis by the Trustee-Manager (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Trustee-Manager (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the “Purposes”), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder’s proxy(ies) and/or representative(s) to the Trustee-Manager (or its agents or service providers), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Trustee-Manager (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Trustee-Manager in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder’s breach of warranty.

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