About RHT Health Trust

RHT Health Trust ("RHT") is a registered Business Trust with an investment mandate to invest principally in medical and healthcare assets and services, in Asia, Australasia and emerging markets in the rest of the world. RHT may also develop medical and healthcare assets. It is expected that the medical services will be provided directly by RHT or in collaboration with third parties.

Key Information on the Portfolio

RHT's Portfolio as of 30 September 2017 comprises interest in twelve RHT Clinical Establishments, four Greenfield Clinical Establishments and two Operating Hospitals located across India.

Clinical Establishments

Amritsar
Bengaluru, BG Road
Chennai, Malar
Faridabad
Jaipur
Kolkata
Mohali (including land acquired as an extension)
Mumbai, Kalyan
Mumbai, Mulund
Noida
Gurgaon (Associate)
New Delhi, Shalimar Bagh (Associate)

Greenfield Clinical Establishments

Ludhiana
Chennai
Hyderabad
Greater Noida

Operating Hospitals

Bengaluru, Nagarbhavi
Bengaluru, Rajajinagar

Developments in FY18 Q2

During the quarter, 24 operating beds were added in Kalyan and Shalimarbagh Clinical Establishments. Part of the Out-Patient department in Kalyan was modified to wards, which increased the bed capacity from 52 to 62. Additional beds were released in Shalimarbagh as part of continuing efforts to ramp up the Mother and Child specialty programme.

Foreign exchange rate

	FY18 Q2	FY17 Q2	FY18 YTD	FY17 YTD
Average rate	47.43	49.23	47.01	49.34
Closing rate	47.82	48.86	47.82	48.86
Contracted rate	50.23	49.35	50.23	49.35
Estimated forward rate	48.37	-	48.37	-
Effective forward rate(1)	49.37	49.35	49.37	49.35

(1) The effective forward rate represent the average forward rate based on 50% of hedged distributable income and 50% of unhedged distributable income. Any difference between the actual spot rate and the estimated forward rate will be adjusted in the next distribution.

Hedging policy

Commencing 1 April 2017, the Trustee-Manager hedges a maximum of 50% of the INR cash flow which is receivable by RHT every 6 months from India. This change in hedging policy was arrived at in consultation with our stakeholders, and will serve to balance the interests of different stakeholders, while managing risks and costs more efficiently. Prior to this, the Trustee-Manager hedged 100% of the INR cash flow.

Distribution policy

RHT's policy is to distribute at least 90.0% of its distributable income on a semi-annual basis, for every six-month period ending 30 September and 31 March. For the year ending 31 March 2018, the Trustee-Manager will distribute 95.0% of its distributable income. The 5.0% which is retained will be used to fund future capital expenditure and growth.

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1 Unaudited Results for the quarter ended 30 September 2017

The Board of Directors of the Trustee-Manager announces the following unaudited results of RHT and its subsidiary companies ("RHT Group") for the quarter ended 30 September 2017.

1(a) Consolidated Statement of Comprehensive Income and Distributable Income Statement

	Notes	FY 18 Q2 S$'000	FY 17 Q2 S$'000	Var	FY 18 YTD S$'000	FY 17 YTD S$'000	Var
Revenue:							
Service fee	2	20,685	19,959	4%	41,607	39,399	6%
Hospital income	3	2,811	2,635	7%	5,352	5,167	4%
Other income	4	853	747	14%	1,903	1,272	50%
Total revenue		**24,349**	**23,341**	**4%**	**48,862**	**45,838**	**7%**
Service fee and hospital expenses:							
Medical consumables	5	(2,287)	(2,147)	7%	(4,568)	(4,149)	10%
Employee benefits expense	6	(799)	(704)	13%	(1,610)	(1,405)	15%
Doctor charges	7	(2,062)	(2,043)	1%	(4,123)	(3,896)	6%
Depreciation and amortisation	8	(3,029)	(2,908)	4%	(6,070)	(5,732)	6%
Other service fee expenses	9	(3,047)	(3,135)	-3%	(6,125)	(5,970)	3%
Hospital expenses	3	(2,348)	(2,190)	7%	(4,644)	(4,304)	8%
Total service fee and hospital expenses		**(13,572)**	**(13,127)**	**3%**	**(27,140)**	**(25,456)**	**7%**
Finance Income	10	3,975	135	n.m	8,122	239	n.m
Finance Expenses	11	(5,436)	(2,383)	n.m	(9,588)	(4,684)	n.m
Trustee-Manager Fee	12	(1,463)	(1,602)	-9%	(2,814)	(3,254)	-14%
Other Trust Expenses	13	(542)	(1,093)	-50%	(1,694)	(1,425)	19%
Foreign exchange loss	14	(1,748)	933	n.m	(5,117)	227	n.m
Total expenses		**(18,786)**	**(17,137)**	**10%**	**(38,231)**	**(34,353)**	**11%**
Share of results of an associate	1	2,312	-	n.m	5,183	-	n.m
Profit before changes in fair value of financial derivatives		**7,875**	**6,204**	**27%**	**15,814**	**11,485**	**38%**
Fair value gain/(loss) on financial derivatives	15	445	(1,855)	n.m	3,315	(1,624)	n.m
Profit before taxes		**8,320**	**4,349**	**91%**	**19,129**	**9,861**	**94%**
Income tax expense	16	(8,696)	(1,017)	755%	(10,324)	(4,106)	151%
(Loss)/profit from continuing operations		**(376)**	**3,332**	**-111%**	**8,805**	**5,755**	**53%**
Discontinued Operations							
Profit after tax for the period from discontinued operations	1	-	7,951	n.m	-	16,194	n.m
(Loss)/profit for the period attributable to Unitholders of the Trust		**(376)**	**11,283**	**-103%**	**8,805**	**21,949**	**-60%**
Other Comprehensive Income							
Items that may be reclassified subsequently to profit or loss							
Foreign currency translation		(7,478)	21,899	n.m	(12,949)	5,321	n.m
Other Comprehensive Income for the period, net of tax		(7,478)	21,899	n.m	(12,949)	5,321	n.m
Total Comprehensive Income for the period attributable to Unitholders of the Trust		**(7,854)**	**33,182**	**n.m**	**(4,144)**	**27,270**	**n.m**

^ n.m – not meaningful.

1(a) Consolidated Statement of Comprehensive Income and Distributable Income Statement (Cont'd)

Reconciliation to Unitholders Distributable Income	Notes	FY 18 Q2 S$'000	FY 17 Q2 S$'000	FY 18 YTD S$'000	FY 17 YTD S$'000
(Loss)/profit for the period attributable to Unitholders of the Trust		**(376)**	**11,283**	**8,805**	**21,949**
Distribution adjustments:					
Impact of non-cash straight-lining		(401)	(518)	(806)	(1,030)
Technology renewal fee		(165)	(159)	(332)	(316)
Depreciation and amortisation		3,029	2,908	6,070	5,732
Trustee-Manager fees payable in units	12	732	801	1,407	1,627
Deferred tax expense/(credit)	16	6,033	(2,065)	5,013	(2,011)
Foreign exchange differences	17	744	964	400	1,476
Compulsorily Convertible Debentures ("CCD") interest income	10	(3,966)	-	(7,960)	-
Non-Convertible Debentures ("NCD") interest expense	11	1,783	-	3,575	-
Non-cash adjustments of discontinued operations	1	-	1,237	-	2,161
Non-cash adjustments of an associate	1	2,180	-	3,783	-
Others		80	748	163	745
Total Distributable Income attributable to Unitholders of the Trust		**9,673**	**15,199**	**20,118**	**30,333**

Notes to Consolidated Statement of Comprehensive Income and Distributable Income Statement

1. On 12 October 2016, the Group disposed 51.0% economic interest in Fortis Hospotel Limited ("FHTL"). The results of FHTL are presented separately on the Consolidated Statement of Comprehensive Income as "Profit from discontinued operations" up to 12 October 2016. The comparative results and non-cash adjustments below represents 100.0% of FHTL for the quarter and excludes any allocation of any common expenses. As the Group retains 49.0% of economic interest in FHTL, results of FHTL will be accounted as "Share of results of an associate" post the disposal of 51.0% economic interest. The results and non-cash adjustments of 100.0% as well as 49.0% economic interest in FHTL for FY18 Q2 and FY 18 YTD have been presented below.

<u>**Results of an associate**</u>	FY 18 Q2 S$'000	FY 17 Q2 S$'000	FY 18 YTD S$'000	FY 17 YTD S$'000
Revenue:				
Total revenue	**14,704**	**13,060**	**29,503**	**25,954**
Total expenses	**(7,641)**	**(2,435)**	**(15,412)**	**(5,392)**
Profit before tax	**7,063**	**10,625**	**14,091**	**20,562**
Income tax expenses	(2,344)	(2,674)	(3,512)	(4,368)
Profit for the period	**4,719**	**7,951**	**10,579**	**16,194**
Share of 49.0% of profit for the period	**2,312**	**-**	**5,184**	**-**
Non-cash adjustments:				
Impact of non-cash straight-lining	(893)	(348)	(1,792)	(690)
Technology renewal fee	(10)	(9)	(20)	(19)
Depreciation and amortisation	1,643	350	3,297	1,439
Deferred tax expense/(credit)	86	1,560	(999)	2,061
Capital expenditure	(56)	(316)	(112)	(630)
Interest income and expense with related parties	3,679	-	7,346	-
FHTL's non-cash adjustments	**4,449**	**1,237**	**7,720**	**2,161**
Share of 49.0% of non-cash adjustment	**2,180**	**-**	**3,783**	**-**
Net cash flow from FHTL	**9,168**	**9,188**	**18,299**	**18,355**
Share of 49.0% of net cash flow from FHTL	**4,492**	**-**	**8,967**	**-**

Notes to Consolidated Statement of Comprehensive Income and Distributable Income Statement (Cont'd)

Note: The following notes do not include a performance analysis of FHTL. Please refer to relevant sections of paragraph 8 on pages 16 to 19 for FHTL's performance analysis.

2. The service fee is the aggregate of the base and variable service fees for the provision of the Clinical Establishment services, including but not limited to the Out-Patient Department services ("OPD") and the Radio Diagnostic Services ("RDS").

INR mn	FY18 Q2	FY17 Q2	Variance	FY18 YTD	FY17 YTD	Variance
Base Fee*	571	555	16	1,142	1,112	30
Variable Fee	391	402	(11)	776	781	(5)
Total Fee	**962**	**957**	**5**	**1,918**	**1,893**	25

*Excluding impact of straight-lining.

The service fee for the quarter in INR terms is higher due to the contractual 3% increase in base fee offset by slightly lower variable fee because of lower operating revenue recorded by the Operator at the Clinical Establishments. The lower operating revenue was due to the lower Average Revenue per Occupied Bed ("ARPOB") as a consequence of a decrease in number of high value specialty cases accompanied by an increase in common cases relating to dengue and viral related medical cases. It was noted that FY17 Q2 was an exceptional quarter as occupancy was above the 80% mark while ARPOB was maintained at a consistent level.

3. RHT has 2 Operating Hospitals, Bengaluru, Rajajinagar Operating Hospital and the Bengaluru, Nagarbhavi Operating Hospital. The hospital income and expenses arise solely from the provision of medical services at these hospitals.

The net hospital income for the quarter in INR terms is similar to the corresponding quarter but lower for year-to-date due to the higher cost resulting from the implementation of Goods and Services Tax ("GST"), which took effect on 1 July 2017. The regulatory cap on coronary stent prices also affected the net hospital income.

4. Other income includes income from pharmacy, cafeteria, bookshop, automated teller machines, and other amenities in the Clinical Establishments of the Group. Higher other income for the quarter is contributed by rental income from a pharmacy in Mohali Clinical Establishment, subsequent to a revised service fee arrangement.

5. Medical consumables expense in INR terms was slightly higher for both the quarter and year-to-date due to the implementation of GST.

6. Employee benefits in INR terms for the both the quarter and year-to-date was slightly higher due to an increase in headcount and annual inflationary wage increases.

7. Doctor charges in INR terms is lower against the corresponding quarter and year-to-date, which is in line with the decrease in the variable fee.

8. Higher depreciation and amortisation for the quarter and year-to-date was a result of the revaluation of fixed assets at the end of 31 March 2017.

9. Other service fee expenses mainly consist of housekeeping costs, security costs, power and fuel expenses, annual equipment maintenance charges for both medical and non-medical equipment owned by RHT Group, rent, property taxes and insurance, as well as administrative expenses. The decrease in other service fee expenses for the quarter and year-to-date is mainly due to the absence of non-recurring professional fee incurred in relation to upgrading of the information technology system.

Notes to Consolidated Statement of Comprehensive Income and Distributable Income Statement (Cont'd)

10. At the time of initial public offering, interest bearing Compulsorily Convertible Debentures ("CCDs") were issued by entities in the RHT Group including, FHTL to one of the subsidiaries for the infusion of funds to complete the acquisition of the initial portfolio by RHT. As FHTL became an associate on 13 October 2016, such interest income of the subsidiary will no longer be eliminated. However, such CCD interest income is correspondingly recognised as CCD interest expense in the results of the associate and both the CCD interest income and expense are added back for distribution purpose.

11. At the time of initial public offering, interest bearing Optionally Convertible Debentures ("OCDs") were issued by entities in the RHT Group including, one of the subsidiaries to FHTL for RHT Group's internal funding requirements. The OCDs were converted to Non-Convertible Debentures ("NCDs") as part of the disposal. As FHTL has become an associate, such interest expense of the subsidiary will no longer be eliminated. However, such NCD interest expense is correspondingly recognised as NCD interest income in the results of the associate and both the NCD interest expense and income are added back for distribution purpose.

    Excluding the interest expense to a related party, the higher finance expense for the quarter and year-to-date was due to increased borrowings.

12. The Trustee-Manager fee for the quarter is lower as compared to the corresponding periods due to the reduction in Net Asset Value and Distributable Income post the disposal of 51.0% of economic interest in FHTL.

13. The higher year-to-date other trust expense relates to the legal and professional fees arising from the refinancing activities and one-off consent exercise as mentioned in the announcements date 28 July 2017 and 8 August 2017 in the first half of FY18.

14. The foreign exchange gain/(loss) are on the account of:
    (i) unrealised differences from interest receivables denominated in INR; and
    (ii) realised differences from the settlement of forward contracts and interest received.

    The foreign exchange loss for the quarter and year-to-date arose from the depreciation in INR against SGD for the INR denominated net receivables and realised loss from the settlement of forward contracts in the first quarter of FY18.

15. RHT Group has entered into forward contracts to manage its INR denominated cash flows from India. The forward contracts are carried at fair value. The fair value gain recorded during the quarter was the result of the depreciation of the expected INR against SGD at the time of settlement compared to the contracted INR/SGD rate.

16. This relates to withholding tax expense on the offshore interest payment from the India subsidiary companies to the Singapore holding company, and deferred tax in certain India subsidiary companies for the respective periods.

INR mn	**FY18 Q2**	**FY17 Q2**	**FY18 YTD**	**FY17 YTD**
Current tax	127	152	250	302
Deferred tax	283	(102)	235	(99)

    Withholding tax expense was reduced to the extent of the interest on the CCD that was disposed in FY17. The deferred tax expense recognised in current quarter and year-to-date is mainly due to the utilisation of unabsorbed tax losses previously recognised.

Notes to Consolidated Statement of Comprehensive Income and Distributable Income Statement (Cont'd)

17. Included in foreign exchange differences are:
(i) adjustments for the distributable income based on the average forward INR/SGD rate of 49.37[1] against the INR/SGD rate of 47.01 for the translation of the Statement of Comprehensive Income, (ii) changes in fair value on financial derivatives and; (iii) foreign exchange differences recorded in the Statement of Comprehensive Income.

[1] With the change in the Group's hedging strategy, the Trustee-Manager has hedged 50% of the expected INR cash flow, leaving the remaining unhedged portion of INR cash flow to be realised at the spot rate on the date the forward contracts are settled. The Trustee-Manager assumes a forward rate in conjunction with the forward contract settlement date for the unhedged INR cashflow to determine the Distributable Income. Any difference between the actual spot rate on realisation of INR cashflow and the estimated forward rate will be adjusted in the next distribution. The average forward rate disclosed is the weighted average of the contracted forward rate and the estimated forward rate. Please see paragraph 11 for additional details.

1(b)(i) Balance Sheets

	Notes	Group		Trust	
		30 September 2017	31 March 2017	30 September 2017	31 March 2017
		S$'000	S$'000	S$'000	S$'000
ASSETS					
Non-current assets					
Intangible assets	2	91,016	94,640	-	-
Property, plant and equipment	3	549,263	562,074	-	-
Invesment in subsidiary		-	-	12,634	12,634
Loan to a subsidiary		-	-	429,111	441,959
Investment in an associate	1	357,899	352,717	-	-
Financial assets	4	31,324	30,550	-	-
Deferred tax assets	5	466	22,529	-	-
Other assets	6	24,209	25,024	-	-
Total non-current assets		1,054,177	1,087,534	441,745	454,593
Current assets					
Inventories		122	103	-	-
Financial assets	4	538	2,362	104,308	46,295
Trade receivables	7	25,518	10,606	-	-
Other assets		1,718	809	611	58
Cash and bank balances		5,708	7,246	48	255
Total current assets		33,604	21,126	104,967	46,608
Total assets		**1,087,781**	**1,108,660**	**546,712**	**501,201**
LIABILITIES					
Non-current liabilities					
Loans and borrowings		151,545	183,658	-	60,000
Other liabilities	9	13,891	12,299	-	-
Deferred tax liabilities	8	71,134	90,234	-	-
Total non-current liabilities		236,570	286,191	-	60,000
Current liabilities					
Loans and borrowings		154,101	104,607	120,313	517
Trade and other payables		7,755	5,502	360	-
Other liabilities	9	14,546	12,371	2,989	2,157
Current tax liabilities		15	-	-	-
Derivative financial instruments	10	300	3,615	-	-
Total current liabilities		176,717	126,095	123,662	2,674
Total liabilities		**413,287**	**412,286**	**123,662**	**62,674**
Net assets		**674,494**	**696,374**	**423,050**	**438,527**
Unitholders' funds					
Represented by:					
Units in issue (net of Unit issue cost)		519,488	518,114	519,488	518,114
Capital reserve	11	210,216	210,216	-	-
Foreign currency translation reserve		(31,267)	(18,318)	-	-
Revaluation reserve		42,994	43,096	-	-
Other reserves	12	(52)	(52)	-	-
Accumulated losses		(66,885)	(56,682)	(96,438)	(79,587)
Total Unitholders' fund		**674,494**	**696,374**	**423,050**	**438,527**

1(b)(i) Balance Sheets (Cont'd)

Notes to Balance Sheets

1. Investment in an associate

Following completion of the disposal of 51.0% economic interest in FHTL, the Group has a 49.0% economic interest in FHTL. FHTL is now accounted for as an associate. In addition, balances with FHTL are no longer eliminated and are recognised on the date of disposal. These balances include CCD interest receivable from an associate recognised under current financial assets (see note 4), NCD liabilities recognised under loans and borrowings (see 1(b)(ii)), and NCD interest payable recognised under non-current other liabilities (see note 9).

This increase in investment in associate relates to the recognition of the share of profits from FHTL during the period.

2. Intangible assets

Intangible assets comprises of:

(i) Customer related intangibles – arose from the Hospital and Medical Services Agreements which RHT Group entered into with the Sponsor, Fortis Healthcare Limited, to provide medical and Clinical Establishment services.

(ii) Rights to use "Fortis" brand – The two Operating Hospitals owned by RHT Group will continue to use the "Fortis" brand name for a period of 15 years from the date of transfer.

(iii) Goodwill – Goodwill mainly arose from the recognition of the deferred tax liability, being the difference between the tax effect of the value of acquired assets and liabilities and their respective tax bases. The balance of goodwill comprises the value of synergies arising from the acquisition.

The decrease in intangible assets are due to the amortisation of intangible assets for the period.

3. Property, plant and equipment

Property, plant and equipment comprises land and buildings, plant and machinery, medical equipment and other assets of the Clinical Establishment and the 2 Operating Hospitals.

Property, plant and equipment in INR terms has increased due to the additions during the quarter. The increase was negated by the depreciation of INR against SGD and depreciation charges during the period.

4. Financial assets

The non-current financial assets mainly relate to accrued income on straight-lining of the base service fee, CCD interest receivable from an associate and security deposits paid. The increase in financial assets is attributed to the recognition of accrued income on straight-lining of the base service fee and accrual of CCD interest for the period.

The current financial assets mainly relate to fixed deposit, recoverable advances as well as security deposits. The decrease is mainly due to the sale of quoted mutual funds.

5. Deferred tax assets

Deferred tax assets are made up unabsorbed tax losses to be utilised against future taxable profits. The unabsorbed tax losses was recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary difference can be utilised.

The decrease in deferred tax assets was mainly due to the utilisation of unabsorbed tax losses.

6. Other non-current assets

Other non-current assets comprise of prepaid expenses and prepaid taxes deducted at source on service fee, hospital income and interest income on inter-company debt instrument. The non-current assets have decreased due to the refund of prepaid taxes and realisation of prepaid expenses.

1(b)(i) Balance Sheets (Cont'd)

Notes to Balance Sheets (Cont'd)

7. Trade receivables

Trade receivables comprises of service fees receivable from the Operators, rent receivables and receivables from corporate clients of the 2 Operating Hospitals.

The increase is mainly due to the recognition of service fees and hospital income during the period and service fees payable but not yet paid.

8. Deferred tax liabilities

The deferred tax liabilities arose from the fair value adjustments arising on acquisition of subsidiaries at time of Initial Public Offering, revaluation of land, differences in depreciation and accrued income for tax purpose. The decrease is mainly due to reversal of deferred tax liabilities in relation to differences in depreciation.

9. Other liabilities

Other non-current liabilities comprise mainly of interest payable on NCD owing to an associate and retention amounts owing to creditors (capital in nature) as a result of ongoing capital expenditure for expansion and upgrading projects. The increase is mainly due to accrual of interest payable to an associate offset by a portion of the retention amounts becoming current.

Other current liabilities comprise of statutory dues and other creditors. The current liabilities increased due to the increase in other creditors in relation to professional fees for refinancing activities and one-off consent exercise in the first half of FY18.

10. Derivative financial instruments

RHT Group has entered into forward contracts to hedge its INR denominated cash flows from India. The forward contracts are carried at fair value.

11. Capital reserve

The capital reserve represents the excess of interest of associates in the fair value of the net identifiable assets and liabilities transferred over the consideration paid. This reserve in substance represents the Sponsor's contribution to the Group for the Sponsor's retained interest. Please refer to page A-9 of the Prospectus dated 15 October 2012 for more details.

12. Other reserves

Other reserves comprise of:

(i) Capital redemption reserve is a statutory reserve created in accordance with India's Companies Act 2013 in connection to redemption of preference shares of an India subsidiary company. The reserve is not considered a free reserve for distribution of dividend and can be utilised only for the purpose of issuing bonus shares.

(ii) Re-measurement of defined benefit plan reserve is a reserve to record the actuarial gain or loss under a defined benefit plan which is recorded in other comprehensive income.

1(b)(ii) Group's Borrowings and Debt Securities

	30 September 2017		31 March 2017	
	Secured	Unsecured	Secured	Unsecured
	S$'000	S$'000	S$'000	S$'000
Amount Repayable in One Year or Less, or on Demand	35,397	118,704	104,090	517
Amount Repayable after One Year	53,484	98,061	22,096	161,562

Details of Collateral

Singapore

Secured

The Group has loan facilities with United Overseas Bank Limited and Siemens Bank GMBH, Singapore Branch for an aggregate amount of S$55 million to refinance an existing loan facility as well as for working capital purposes. These loan facilities are due on 28 June 2020.

Each term loan facility is secured by an irrevocable pledge on the shares of Fortis Global Healthcare Infrastructure Pte Ltd ("FGHIPL") and RHT Health Trust Services Pte. Ltd. ("RHSPL") on a pari passu basis, a non-disposal undertaking on the hospital infrastructure companies owned by FGHIPL on a pari passu basis and a first pari passu legal assignment over the interest, benefits and rights over all existing and future loans granted by the borrower to its subsidiaries, a debenture over substantially all the assets of FGHIPL and RHSPL.

The amount of unamortised upfront fees as of 30 September 2017 is S$2.9 million.

Unsecured

On 24 May 2017, the Trustee-Manager issued S$60 million 4.50% fixed rate notes due 2018 payable semi-annually in arrears (the "Series 1 Tranche 2 Notes"). The Series 1 Tranche 2 Notes have been consolidated to form a single series with the existing S$60 million 4.50% fixed rate notes issued on 22 July 2015, aggregating to a total of S$120 million. The notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Trustee-Manager and at all times rank pari passu and rateably, without any preference or priority amongst themselves, and pari passu with all other present and future secured obligations (other than subordinated obligations and priorities created by law) of the Trustee-Manager.

The amount of unamortised bond expense as of 30 September 2017 is S$1.5 million.

India

Secured

The Group entered into two INR term loan facilities with Axis Bank Limited. Each of the term loans are secured by BG Road Clinical Establishment and Ludhiana Clinical Establishment respectively and a legal assignment over the interest, benefits and rights over all existing and future loans granted by the borrower to its subsidiaries. The amount utilised as of 30 September 2017 is INR 1,156.1 million (S$24.2 million).

During the quarter, the Group had replaced a DBS India overdraft facility with overdraft facilities from IndusInd Bank amounting to INR 450.3 million (S$9.4 million) as of 30 September 2017. The overdraft facilities are secured by corporate guarantees and the Malar Clinical Establishment.

One of the subsidiaries has a loan amounting to INR 58.3 million (S$1.2 million) secured against the asset purchased from the lender for which INR 7.7 million (S$0.2 million) is repayable in one year or less.

Unsecured

The Group received an unsecured and interest-free loan amounting to INR 102.1 million (S$2.1 million) from the Sponsor for the development of the Ludhiana Greenfield Clinical Establishment. This loan is repayable upon completion of the Ludhiana Greenfield Clinical Establishment. The Group also received unsecured and interest-free loans amounting to INR 27.0 million (S$ 0.6 million) from an associate.

At the time of initial public offering, unsecured and interest-bearing OCDs were issued by one of the subsidiaries in RHT Group to FHTL for RHT Group's internal funding requirements. The OCDs were converted to NCDs as part of the Disposal. As FHTL became an associate during the quarter, the liability of the subsidiary which amounted to INR 4,571.4 million (S$95.6 million) is no longer eliminated. In addition, the NCDs are subordinated to all other creditors of the subsidiary whether secured or unsecured.

1(c) Consolidated Cash Flow Statement

	Group		Group	
	FY18 Q2 S$'000	FY17 Q2 S$'000	FY18 YTD S$'000	FY17 YTD S$'000
Profit before tax from continuing operation	**8,320**	**4,349**	**19,129**	**9,861**
Profit before tax from discontinued operation	**-**	**10,625**	**-**	**20,562**
Adjustments for:				
Depreciation and amortisation expense	3,029	3,258	6,070	7,171
Finance income	(3,975)	(261)	(8,122)	(702)
Finance expenses	5,436	2,410	9,588	4,743
Unrealised gain on financial assets	-	(4)	-	(7)
Fair value gain on financial derivatives	(445)	1,855	(3,315)	1,624
Share of results of an associate	(2,312)	-	(5,183)	-
Foreign exchange loss	1,748	-	2,178	-
Foreign currency alignment	(89)	(905)	(343)	(485)
Operating cash flow before working capital changes	**11,712**	**21,327**	**20,002**	**42,767**
Changes in working capital:				
Increase in trade receivables	(6,678)	(18,750)	(15,483)	(4,851)
(Increase)/decrease in financial assets and other assets	(51)	(1,348)	5,141	(2,943)
Decrease/(increase) in inventories	11	-	(17)	-
Increase/(decrease) in trade and other payables and other liabilities	870	(9,628)	2,455	2,515
Increase in other liabilities	659	-	1,564	-
Cash flow generated from/(used in) operations	**6,523**	**(8,399)**	**13,662**	**37,488**
Interest received	9	261	162	702
Interest paid	(6,290)	-	(6,290)	-
Tax paid	(292)	(2,600)	(5,578)	(12,277)
Net cash (used in)/generated from operating activities	**(50)**	**(10,738)**	**1,956**	**25,913**
Cash flow from investing activities				
Purchase of property, plant and equipment	(3,100)	(4,499)	(9,273)	(7,734)
(Purchase)/sale of short term investments	(18)	3,979	1,980	4,595
Net cash used in investing activities	**(3,118)**	**(520)**	**(7,293)**	**(3,139)**
Cash flow from financing activities				
Distribution paid to Unitholders	-	-	(19,110)	(30,478)
Interest received/(interest paid)	3,076	(1,126)	-	(3,799)
Net proceeds from borrowings	867	9,182	22,919	11,438
Net cash generated from/(used in) financing activities	**3,943**	**8,056**	**3,809**	**(22,839)**
Net (decrease)/increase in cash and cash equivalents	**775**	**(3,202)**	**(1,528)**	**(65)**
Effects of currency translation on cash and cash equivalents	-	-	(8)	-
Cash and cash equivalent at beginning of period	4,935	8,968	7,246	5,831
Cash and cash equivalents at end of period	**5,710**	**5,766**	**5,710**	**5,766**

1(d)(i) Statement of Changes in Unitholders' Funds

Group S$'000	Units in issue (net of units issue cost)	Capital reserve	Foreign currency translation reserve	Revaluation reserve	Other reserve	(Accumulated losses)/ Revenue reserves	Total
At 1 April 2017	**518,114**	**210,216**	**(18,318)**	**43,096**	**(52)**	**(56,682)**	**696,374**
Profit for the period	-	-	-	-	-	9,181	**9,181**
Other Comprehensive Income							
Foreign currency translation	-	-	(5,471)	-	-	-	**(5,471)**
Depreciation transfer for land and building	-	-	-	103	-	(103)	**-**
Total Comprehensive Income	-	-	(5,471)	103	-	9,078	**3,710**
Payment of Trustee-Manager fees in Units	1,374	-	-	-	-	-	**1,374**
Distribution on Units in issue	-	-	-	-	-	(19,110)	**(19,110)**
At 30 June 2017	**519,488**	**210,216**	**(23,789)**	**43,199**	**(52)**	**(66,714)**	**682,348**
Profit for the period	-	-	-	-	-	(376)	**(376)**
Other Comprehensive Income							
Foreign currency translation	-	-	(7,478)	-	-	-	**(7,478)**
Net surplus revaluation of land and buildings	-	-	-	(205)	-	205	**-**
Total Comprehensive Income	-	-	(7,478)	(205)	-	(171)	**(7,854)**
At 30 September 2017	**519,488**	**210,216**	**(31,267)**	**42,994**	**(52)**	**(66,885)**	**674,494**

Group S$'000	Units in issue (net of Units issue cost)	Capital reserve	Foreign currency translation reserve	Revaluation reserve	Other reserve	(Accumulated losses)/ Revenue reserves	Total
At 1 April 2016	**510,399**	**210,216**	**(82,469)**	**142,911**	**33**	**(41,482)**	**739,608**
Profit for the period	-	-	-	-	-	10,666	**10,666**
Other Comprehensive Income							
Foreign currency translation	-	-	(16,578)	-	-	-	**(16,578)**
Depreciation transfer for land and building	-	-	-	(1,740)	-	1,740	**-**
Total Comprehensive Income	-	-	(16,578)	(1,740)	-	12,406	**(5,912)**
Payment of Trustee-Manager fees in Units	1,658	-	-	-	-	-	**1,658**
Distribution on Units in issue	-	-	-	-	-	(30,478)	**(30,478)**
At 30 June 2016	**512,057**	**210,216**	**(99,047)**	**141,171**	**33**	**(59,554)**	**704,876**
Profit for the period	-	-	-	-	-	11,283	**11,283**
Other Comprehensive Income							
Foreign currency translation	-	-	21,899	-	-	-	**21,899**
Net surplus revaluation of land and buildings	-	-	-	(287)	-	287	**-**
Total Comprehensive Income	-	-	21,899	(287)	-	11,570	**33,182**
At 30 September 2016	**512,057**	**210,216**	**(77,148)**	**140,884**	**33**	**(47,984)**	**738,058**

1(d)(i) Statement of Changes in Unitholders' Funds (Cont'd)

	Units in issue (net of Unit issue cost)	Revenue reserves/ (Accumulated losses)	Total
	S$'000	S$'000	S$'000
Trust			
At 1 April 2017	**518,114**	**(79,587)**	**438,527**
Loss for the period, representing total Comprehensive Income for the period	-	(7,847)	**(7,847)**
Payment of Trustee-Manager fees in Units	1,374	-	**1,374**
Distribution on Units in issue	-	(19,110)	**(19,110)**
At 30 June 2017	**519,488**	**(106,544)**	**412,944**
Profit for the period, representing total Comprehensive Income for the period	-	10,106	**10,106**
At 30 September 2017	**519,488**	**(96,438)**	**423,050**

	Units in issue (net of Unit issue cost)	Revenue reserves/ (Accumulated losses)	Total
	S$'000	S$'000	S$'000
Trust			
At 1 April 2016	**510,399**	**(32,972)**	**477,427**
Loss for the period, representing total Comprehensive Income for the period	-	(12,044)	**(12,044)**
Payment of Trustee-Manager fees in Units	1,658	-	**1,658**
Distribution on Units in issue	-	(30,478)	**(30,478)**
At 30 June 2016	**512,057**	**(75,494)**	**436,563**
Profit for the period, representing total Comprehensive Income for the period	-	43,705	**43,705**
At 30 September 2016	**512,057**	**(31,789)**	**480,268**

1(d)(ii) Units in issue

	FY18		FY17	
	Number of units		Number of units	
	'000	S$'000	'000	S$'000
Balance as at 1 April	**806,332**	**518,114**	**797,842**	**510,399**
Issue of new Units				
- Payment of Trustee-Manager fees in Units	1,510	1,374	1,753	1,658
Balance as at 30 June and 30 September	**807,842**	**519,488**	**799,595**	**512,057**

2 Audit

The figures in this announcement have not been audited or reviewed by our auditor.

3 Auditors' Report

Not applicable.

4 Accounting Policies

The Group has applied the same accounting policies and methods of computation as in the Group's 31 March 2017 annual financial statement dated 23 June 2017 except for the adoption of all new and revised IFRS that are effective for annual periods beginning 1 April 2017. The changes in accounting standards do not have a material impact to the Group and its financial statements.

5 Changes in Accounting Policies

There is no change in the accounting policies and methods of computation adopted except as mentioned above.

6 Earnings Per Unit ("EPU") and Distribution Per Unit ("DPU")

	Group			
	FY18 Q2	FY17 Q2	FY18 YTD	FY17 YTD
Weighted number of Units	807,841,944	799,594,944	807,181,835	798,809,447
Total Units	807,841,944	799,594,944	807,841,944	799,594,944
EPU (cents)				
Net profit	(376)	11,283	8,805	21,949
Based on weighted number of Units as at 30 September	**(0.047)**	**1.411**	**1.091**	**2.748**
Distributable Income attributable for Distribution per unit (cents)				
Distributable Income*	9,673	15,199	20,118	30,333
Distributable Income attributable for Distribution	9,189	14,439	19,112	28,816
Based on total Units as at 30 September	**1.138**	**1.806**	**2.366**	**3.604**

Diluted EPU is the same as the basic EPU as there were no dilutive instruments in issue during the financial period.

Had the disposal of FHTL occurred in the comparative period:

	FY18 Q2	FY17 Q2	FY18 YTD	FY17 YTD
Distributable Income (S$'000)	9,673	11,400	20,118	22,159

*The lower Distributable Income for both the current quarter and year-to-date is on the account of;
(a) Increase in non-recurring other trust expenses in relation to the refinancing activities in first half of FY18;
(b) Higher finance cost due to increased borrowings and higher interest rates; and
(c) Higher tax expense incurred by the associate.
Please see paragraph 8 for more details.

Provided is for illustration purposes only. No Distribution has been declared for 1HFY2018. Please see paragraph 11 for information on Distribution to Unitholders.

7 Net Asset Value ("NAV")

	Group	
	30 September 2017	31 March 2017
NAV	**674,494,000**	**696,374,000**
No. of Units in issue at end of period	**807,841,944**	**806,331,994**
NAV per Unit (S$)	**0.835**	**0.864**

The decrease in NAV per Unit by around 3.4% is mainly due to distribution to Unitholders and the depreciation of the closing INR against SGD from 47.82 to 46.94.

8 Review of Group's Performance

Quarter analysis

Portfolio							
	FY18 Q2	FY18 Q1	Variance		FY17 Q2	Variance	
	S$'000	S$'000	S$'000	%	S$'000	S$'000	%
Total Revenue (excluding straight lining)	23,948	24,108	(160)	(0.7)	22,823	1,125	4.9
Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation)	13,405	13,581	(176)	(1.3)	12,604	801	6.4
	INR'000	INR'000	INR'000	%	INR'000	INR'000	%
Total Revenue (excluding straight lining)	1,136,099	1,123,072	13,027	1.2	1,123,678	12,421	1.1
Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation)	636,031	632,644	3,387	0.5	620,561	15,470	2.5

FHTL[1]							
	FY18 Q2	FY18 Q1	Variance		FY17 Q2	Variance	
	S$'000	S$'000	S$'000	%	S$'000	S$'000	%
Total Revenue (excluding straight lining)	14,062	13,900	162	1.2	12,712	1,350	10.6
Net Service Fee (excluding straight-lining, depreciation and amortisation)	11,655	11,475	180	1.6	10,528	1,127	10.7
	INR'000	INR'000	INR'000	%	INR'000	INR'000	%
Total Revenue (excluding straight lining)	655,130	647,608	7,522	1.2	625,943	29,187	4.7
Net Service Fee (excluding straight-lining, depreciation and amortisation)	542,978	534,444	8,534	1.6	518,342	24,636	4.8

Group[2]							
	FY18 Q2	FY18 Q1	Variance		FY17 Q2	Variance	
Adjusted net service fee margin	62%[3]	62%[3]		-	65%		(3.0)
Distributable Income (S$'000)	9,673	10,445	(772)	(7.4)	15,199	(5,526)	(36.4)
Distributable Income had the disposal occurred for comparative periods (S$'000)					11,400	(1,727)	(15.1)

Note:

(1) The table showing FHTL's results represent the performance of FHTL on 100.0% basis before RHT's share. On 12 October 2016, the Group disposed 51.0% of its economic interest in FHTL and consequentially shares 49.0% of the results of FHTL going forward. Please refer to Note 1 of Paragraph 1(a) for the actual contribution from FHTL to the Group.

(2) This table takes into account the performance of FHTL which was accounted as an associate for FY18 Q2 and FY18 Q1.

(3) Considering 100.0% of FHTL, the adjusted net service fee margin would have been at around 66%.

FY18 Q2 against FY18 Q1

Exchange rate

The foreign exchange rates used to translate the results of the Indian subsidiary companies are INR/SGD 47.43 and INR/SGD 46.59 for the quarter ended 30 September 2017 and 30 June 2017 respectively.

8 Review of Group's Performance (Cont'd)

Total Revenue
Total Revenue for FY18 Q2 in INR terms is higher than FY18 Q1 mainly due to higher variable fees resulting from higher revenue recorded by the Operator at the Clinical Establishments. The higher variable fees is a consequence of higher occupancy, despite the increase in operating beds, due to an increase in common cases of dengue and viral related medical cases.

Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation)
Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation) increased slightly in INR terms due to an increase in total revenue. The margin of the portfolio excluding FHTL was similar to the previous quarter.

Contribution from FHTL
Net Service Fee from FHTL increased against FY18 Q1 mainly due to higher total revenue recorded. The increase in revenue is a combination of the contractual 3% increase in base fees and higher variable fees. The higher variable fee is a result of higher occupancy, despite the increase in operating beds, arising from an increase in common cases of dengue and viral related medical cases.

Distributable Income
Distributable Income is lower against the trailing quarter despite higher net service fee and hospital income as well as contribution from FHTL. This is due to:

(a) non-recurring other trust expenses in connection with the refinancing activities and one-off consent exercise during the quarter; and
(b) higher finance cost due to increased borrowings and higher interest rates.

<u>FY18 Q2 against FY17 Q2</u>

Exchange rate
The foreign exchange rates used to translate the results of the Indian subsidiary companies are SGD/INR 47.43 and SGD/INR 49.23 for the quarter 30 September 2017 and 30 September 2016 respectively.

Total Revenue
Total revenue for FY18 Q2 in INR terms is higher than FY17 Q2. This is due to the contractual 3% increase in base fee and other income. A slightly lower variable fee arising from lower operating revenue recorded by the Operator offsets the increase. It was noted that FY17 Q2 was an exceptional quarter as occupancy was above the 80% mark while ARPOB was maintained at a consistent level.

Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation)
Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation) has increased by 2.5% in INR terms as compared to FY17 Q2. The increase is contributed by an increase in revenue. The net service fee margin of the portfolio excluding FHTL had improved slightly against FY17 Q2 despite the increase in cost attributed to the implementation of GST, an increase in annual maintenance cost due to the ageing of equipment and provisions made for wear-and-tear of fixed assets.

Contribution from FHTL
Net Service Fee from FHTL increased against FY17 Q2 due to higher total revenue recorded. The increase in revenue is a combination of the contractual 3% increase in base fees and higher variable fees. The higher variable fee is a result of higher ARPOB and increase in number of occupied beds arising from increase in both specialty and common cases.

Distributable Income
Had the disposal taken place in FY17 Q2, Distributable Income for the current quarter is 15.1% lower despite the forward rate being consistent. This is mainly attributable to

(a) non-recurring other trust expenses in connection with the refinancing activities and one-off consent exercise during the quarter;
(b) higher finance cost from increased borrowings and higher interest rates; and
(c) higher tax expense incurred by the associate.

Year-to-date analysis

Portfolio				
	FY18 YTD	FY17 YTD	Variance	
	S$'000	S$'000	S$'000	%
Total Revenue (excluding straight lining)	48,056	44,808	3,248	7.2
Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation)	26,986	25,084	1,902	7.6
	INR'000	INR'000	INR'000	%
Total Revenue (excluding straight lining)	2,259,171	2,210,714	48,457	2.2
Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation)	1,268,674	1,237,622	31,052	2.5
FHTL[(1)]				
	FY18 YTD	FY17 YTD	Variance	
	S$'000	S$'000	S$'000	%
Total Revenue (excluding straight lining)	27,962	25,264	2,698	10.7
Net Service Fee (excluding straight-lining, depreciation and amortisation)	23,130	20,906	2,224	10.6
	INR'000	INR'000	INR'000	%
Total Revenue (excluding straight lining)	1,302,738	1,246,458	56,280	4.5
Net Service Fee (excluding straight-lining, depreciation and amortisation)	1,077,422	1,031,468	45,954	4.5

Group[(2)]				
	FY18 YTD	FY17 YTD	Variance	
Adjusted net service fee margin	62%[(3)]	66%		(4.0)
Distributable Income (S$'000)	20,118	30,333	(10,215)	(33.7)
Distributable Income had the disposal occurred for comparative periods (S$'000)		22,159	(2,041)	(9.2)

Note:

(1) The table showing FHTL's results represent the performance of FHTL on 100.0% basis before RHT's share. On 12 October 2016, the Group disposed 51.0% of its economic interest in FHTL and consequentially shares 49.0% of the results of FHTL going forward. Please refer to Note 1 of Paragraph 1(a) for actual contribution from FHTL to the Group.

(2) This table takes into account the performance of FHTL which was accounted as an associate for FY18 YTD.

(3) Considering 100.0% of FHTL, the adjusted net service fee margin would have been at around 66%

FY18 YTD against FY17 YTD

Exchange rate

The foreign exchange rates used to translate the results of the Indian subsidiary companies are SGD/INR 47.01 and SGD/INR 49.34 for the quarter 30 September 2017 and 30 September 2016 respectively.

Total Revenue

Total revenue for FY18 YTD in INR terms has increased by 2.2% against FY17 YTD. This is due to the contractual 3% increase in base fee and increase in other income. A slightly lower variable fee arising from lower operating revenue recorded by the Operator offsets the increase. It was noted that FY17 Q2 was an exceptional quarter as occupancy was above the 80% mark while ARPOB was maintained at a consistent level.

Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation)

Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation) has increased by 2.5% in INR terms as compared to FY17 YTD. The increase is contributed by an increase in revenue. The net service fee margin of the portfolio excluding FHTL had remained fairly consistent with FY17 YTD despite increased costs attributed to the implementation of GST, increase in annual maintenance cost due to the ageing of equipment and provision made for wear-and-tear of fixed assets.

Contribution from FHTL

Net Service Fee from FHTL increased against FY17 YTD due to higher total revenue recorded. The increase in revenue is a combination of the contractual 3% increase in base fees and higher variable fees. The higher variable fee is a result of higher ARPOB and increase in number of occupied beds arising from increase in both specialty and common cases.

Distributable Income

Had the disposal taken place in FY17 YTD, Distributable Income for the current quarter is 9.2% lower despite the forward rate being consistent. This is mainly attributable to

(a) non-recurring other trust expenses in connection with the refinancing activities and consent exercise during the period;
(b) higher finance cost from increased borrowings and higher interest rates; and
(c) higher tax expense incurred by the associate.

9 Variance from Forecast

No forecast has been provided.

10 Market and Industry Information

In the beginning of 2017, the National Pharmaceutical Pricing Authority ("NPPA"), India's drug pricing watchdog, took steps to fix the prices of some categories of coronary stents and knee implants. Recently. the NPPA has taken further steps to fix the margins charged by the distributors on the certain stents and knee implants. This prevents distributors and hospital operators from charging patients further costs onto the costs of the implants on patients. While such pricing regulations have the potential to affect the revenue of Fortis Healthcare Limited ("FHL") and accordingly the Variable Fee of RHT, we are not aware of any impact to date. Apart from the fixing of prices, there has not been any major development. Some of the other private healthcare operators in India have been reported in the news to the looking at expanding their operations in India, particularly in certain medical practices such as onocology and mother and child related practices. Management and FHL are working on providing the optimal medical services at the Clinical Establishments. In the last quarter, a project to build an oncology department at the Shalimar Bagh Clinical Establishment was completed, and this paves the way for FHL to commence the provision of cancer related treatments at this Clinical Establishment.

11 Information on Distribution

Any distribution declared for:

<u>Current financial period</u>

No.

<u>Corresponding period of the immediately preceding year</u>

A distribution of 3.60 Singapore cents per Common Unit was declared.

12 Distribution

The Trustee-Manager has also received an unsolicited offer from FHL for the entire portfolio of assets owned by RHT, for a cash consideration of INR46,500million (the "Purchase Consideration"). If not paid beforehand, FHL has proposed that any outstanding Service Fees due for the first half of FY2018 be paid alongside the Purchase Consideration. The Service Fees and any other outstanding amounts are in addition to the Purchase Consideration. The payment of the Trustee-Manager's fees for the 1HFY2018 will be deferred until payment of the outstanding amounts by FHL.

Any distribution for 1HFY2018 may differ from the illustrative Distributable Income attributable for Distribution per Unit in paragraph 6 as the INR received from FHL will be converted to SGD at the then current spot rate rather than 50% at the contracted forward rate.

13 Interested Person Transactions

The Group has not obtained any interested person transactions mandate from the Unitholders.

14 Confirmation by Board

The Board of Directors of RHT Health Trust Manager Pte. Ltd. has confirmed that, to the best of their knowledge, nothing has come to their attention which may render these interim financial results to be false or misleading in any material aspect.

15 Confirmation by Issuer

The issuer has procured undertakings from all its directors and executive officers under Rule 720(1).

By Order of the Board
RHT Health Trust Manager Pte. Ltd.

Gurpreet Singh Dhillon
Executive Director & Chief Executive Officer
14 November 2017