



(a business trust constituted on 29 July 2011 and registered on 25 September 2012
under the laws of the Republic of Singapore)
managed by
RHT Health Trust Manager Pte. Ltd.

RHT Health Trust Announces Results for the 4th quarter and Full Year Ended 31 March 2018 (“FY2018”)

- Total Revenue was up 5.0% in FY2018 compared to the previous financial year (“FY2017”). This was due to the annual increase in Base Service Fee of 3% and the inclusion of the interest charges for late payment of Service Fees in FY2018 by the operator. The increase in Total Revenue for FY2018 was slightly dampened due to reduction in Variable Fee during the 4QFY2018 as the operator’s revenue was affected by lower occupancy at the Clinical Establishments.
- Net Service Fee and Hospital Income was higher by 5.5% for the full year, in line with that of Total Revenue. At the same time, the net service fee and hospital income margin remained fairly constant during the year.
- A Distributable Income per Unit (“DPU”) of 1.06 cents was recorded for 4QFY2018. For FY2018, the amount of DPU recorded was 4.51 cents, of which 2.36 cents had been or will be paid out.

Summary of RHT Results S\$ ‘000

	4Q FY2018	4Q FY2017	4Q FY2018 vs 4Q FY2017	FY2018	FY2017 ¹	FY2018 vs FY2017
Total Revenue ²	23,128	22,567	2.5%	94,422	89,919	5.0%
Net Service Fee and Hospital Income ³	13,678	13,059	4.7%	53,707	50,924	5.5%
Cash flow from FHTL ⁴	5,381	4,207	27.9%	18,532	17,717	4.6%
RHT Income available for distribution	3,710	5,317	(30.2%)	19,898	24,214	(17.8%)
Total Distributable Income	9,091	9,524	(4.5%)	38,430	41,931	(8.3%)
Distributable Income attributable for Distribution	8,636	9,048	(4.5%)	36,509	39,834	(8.3%)
Distributable Income attributable for Distribution - Per Unit (“DPU”)⁵	1.06	1.12	(5.4%)	4.51	4.94	(8.7%)
INR/SGD exchange rate used for translating the financial results	49.17	47.33		47.72	48.39	

¹ Assuming that the Disposal and Related Arrangements relating to Fortis Hospotel Limited (“FHTL”) had occurred at the beginning of FY2017.

² Total Revenue figures excludes straight lining.

³ Net Service Fee and Hospital Income excludes straight lining, depreciation and amortisation

⁴ RHT’s share of cashflow from FHTL, where it owns 49.0%.

⁵ For illustrative purposes only. No distribution has been declared in respect of 4QFY2018.

24 May 2018, Singapore – RHT Health Trust Manager Pte. Ltd. (“RHT TM”), the Trustee-Manager of RHT Health Trust (“RHT” or the “Trust”), is pleased to announce the Trust’s fourth quarter and full year results ended 31 March 2018 (“4QFY2018” and “FY2018” respectively).

For 4QFY18, Total Revenue was up 2.5% against the corresponding quarter of last financial year due to the 3% annual increase in Base Fee. Apart from the Base Fee increase, RHT has also accrued interest charges payable by Fortis Healthcare Limited (“FHL or “Fortis”) for the late payment of Service Fees in FY2018 (“Service Fee Interest”). As per the Hospital and Medical Services Agreement (“HMSA”) between the relevant RHT entities and the relevant Fortis entities, RHT is entitled to this Service Fee Interest. The increase in Total Revenue was offset by a drop in the Variable Fee. Variable Fees in 4QFY2018 came in lower as Fortis saw lower occupancy levels at its Clinical Establishments. On a full year basis, RHT’s Service Fees was up by 5.0% over the previous financial year ended 31 March 2017 (“FY2017”).

The Net Service Fee and Hospital Income in INR terms was higher by 8.6% against 4QFY17, in line with that of the increase in Total Revenue. The Adjusted¹ Net Service Fee margin was fairly constant in 4QFY2018 as it was in 4QFY2017. On a full year basis, Net Service Fee and Hospital Income was up by 5.5% in SGD terms, as Total Revenue grew arising from the 3% annual increase in Base Fee and the Service Fee Interest charged in 4QFY18.

Total Distributable Income attributable for Distribution for 4QFY2018 was S\$8.6 million against S\$9.05 million in the previous corresponding quarter. This can be accounted for by an increase in borrowings and an increase in interest rates which led to higher interest expenses. There was also an increase in trust related expenses due to refinancing activities as well as the consent solicitation exercise conducted with the noteholders. On a full year basis, the Total Distributable Income was also lower by 8.3%² due to these reasons.

In the last update announcement provided on the 9 May 2018, the Trustee-Manager had informed that INR 144 million remained outstanding in respect of the interest income on the compulsorily convertible debentures (“CCDs”) due for the nine months ended 31 December 2017 (“9MFY2018”). As of today, we have received further payments from the relevant Fortis entities amounting to INR550.9 million. There is no more amount outstanding in respect of the 9MFY2018.

In FY2018, RHT had faced delays in receipt of the Service Fees due from Fortis. As a result, the Trustee-Manager was not able to pay out the Distributable Income available for distribution to Unitholders on a bi-annual basis, which was the usual policy. The Trustee-Manager had followed up closely with Fortis on the outstanding payments which allowed us to declare and payout 1.22 cents on 1 March 2018. For the entire FY2018, based on the Distributable Income, the amount of Distributable Income attributable for distribution to Unitholders is 4.51 cents² (the “Distributable Amount”). We have declared a further 1.14 cents referable to the Distributable Amount payable for the 2nd quarter of FY2018, which will be paid on 14 June 2018. This will bring the total amount paid out of the 4.51 cents to 2.36 cents. The Trustee-Manager will consider the distribution of the remaining amount of the Distributable Amount for FY2018 when the payments from Fortis are stabilized, resulting in more stable cashflow for RHT. Unitholders should however note that the remaining amount to be paid will fluctuate depending on the prevailing INR to Singapore dollar exchange rate at the time of the payment.

As at 31 March 2018, RHT’s gearing was at 25.4%.

¹ Adjusted to include that of Fortis Hospotel Limited (“FHTL”)

² For comparison purposes, assuming that the disposal of FHTL had taken place at the beginning of FY2017.

Mr. Gurpreet Dhillon, Chief Executive Officer of RHT TM said, "While we have been closely following up with Fortis on making the payments to RHT current, we have also been working on the proposed disposal of the portfolio of assets of RHT to Fortis (the "Proposed Disposal"). We see the Proposed Disposal as being important and beneficial to RHT's unitholders, in enabling them to realise their investment in RHT at an attractive rate. We note that Fortis has obtained their shareholders' approval for the acquisition of the portfolio of asset of RHT on the 5 May 2018, and we hope to be able to put the Proposed Disposal for our Unitholders' votes shortly".

Outlook for the Coming Year

Over the last 12 months, there have been various new measures rolled out by the Indian government which are relevant for the healthcare industry. While some of these measures are aimed at enhancing the standard of healthcare in India, others serve to help meet some of the healthcare demand in the country. These include:

- The medical devices rule which took effect in January 2018, aims to bring in price control on critical medical devices such as stents and orthopaedic implants and certain diagnostic equipment.
- The capping of prices charged by hospitals for cardiac stents and knee implants procedures.
- The Clinical Establishment Act, 2010 ("Act") and the Amendment Bills have taken effect in some states within India. The Act has been enacted by the Central Government to provide for the registration and regulation of all clinical establishments in the country, with a view to prescribe the minimum standards of facilities and services provided by them.
- The private healthcare hospitals have been directed to increase the number of designated free/ subsidized beds in their hospitals for the downtrodden and poor.
- The Government's recent budget encourages the corporates to make corporate social responsibility funds available for programmes to address health goals.

The various measures may have an effect on the margins of the healthcare operators and make the operating environment more challenging. At the same time, some of the increased challenges for healthcare operators in India to meet higher standards can also provide opportunities for operators who are already working towards such goals to move ahead of their competitors. We continue to monitor the situation and as and when there are new developments in the industry, we will keep you informed.

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About RHT Health Trust

RHT is the first business trust with an initial portfolio comprising of healthcare assets in India to be listed on the Main Board of the Singapore Exchange Securities Trading Limited. Its focus is to invest into medical and healthcare assets and services in Asia, Australasia and emerging markets in the rest of the world. RHT may also from time to time be involved in the development of medical and healthcare assets.

RHT's current portfolio comprises interests in 12 RHT Clinical Establishments, 4 Greenfield Clinical Establishments and 2 Operating Hospitals throughout India, which were valued at approximately S\$1,120.8 million as at 31 March 2017 (after adjusting for the disposal of 51% economic interests in Fortis Hospotel Limited).

About the Trustee-Manager - RHT Health Trust Manager Pte. Ltd.

The Trustee-Manager is an indirect wholly-owned subsidiary of Stellant Capital Advisory Services Private Limited ("Stellant"). Stellant is a Category I Merchant Banker registered with Securities and Exchange Board of India ("SEBI") and engaged in Management of Issues, Determination of Financial Structure, Underwriting of Issues, Investment Advisory Services and Corporate Advisory Services, specifically in Healthcare Arena. Stellant is a wholly-owned step down subsidiary of Fortis Healthcare Limited, which is a key integrated healthcare delivery service provider in India with a leading presence in hospital business and diagnostics. Stellant, being engaged in the merchant banking activities primarily focus on imparting advisory services in the "healthcare sector" arena and providing consultancy services across the healthcare delivery services.

About Fortis Healthcare Limited

Fortis Healthcare Limited is a leading integrated healthcare delivery service provider in India. The healthcare verticals of the company primarily comprise hospitals, diagnostics and day care speciality facilities. Fortis Healthcare Limited operates its healthcare delivery services in India, Dubai, Mauritius and Sri Lanka with 54 healthcare facilities (including projects under development), approximately 10,000 potential beds and over 350 diagnostic centres.