

## RHT 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  
**RHT Health Trust Manager Pte. Ltd.**

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### DRAFT ASSESSMENT ORDER AND OBJECTIONS ON TAX TREATMENT BY THR INFRASTRUCTURE ON THE DISPOSAL OF SECURITIES IN 2016

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RHT Health Trust Manager Pte. Ltd. (in its capacity as trustee-manager of RHT) (the "**Trustee-Manager**") refers to the extraordinary general meeting of unitholders ("**Unitholders**") held on 29 July 2016 ("**EGM**") during which the approval of Unitholders was sought for, *inter alia*, the proposed disposal of 51.0% of the compulsorily convertible debentures ("**CCDs**") held by Fortis Global Healthcare Infrastructure Pte. Ltd. (a wholly-owned subsidiary of RHT, now known as THR Infrastructure Pte. Ltd. ("**THR Infrastructure**")) in Fortis Hospotel Limited (the "**CCD Disposal**"). The CCD Disposal was approved by way of ordinary resolution passed by independent Unitholders at the EGM and completion of the CCD Disposal had taken place on 13 October 2016. Subsequent to the completion of the CCD Disposal, THR Infrastructure had filed its tax return for the financial year 2016-2017 on 30 November 2017 and had claimed a capital gains tax exemption of INR 6,560,800,802 (approximately S\$118 million based on the current exchange rate) under the India-Singapore Double Taxation Avoidance Agreement. The decision to claim the capital gains tax exemption was based on the advice given by tax consultants to the Trustee-Manager prior to the CCD Disposal.

The Trustee-Manager wishes to update Unitholders that India tax authorities had issued a draft assessment order to THR Infrastructure on 30 September 2021 in relation to the capital gains tax exemption claimed by THR Infrastructure ("**Draft Assessment Order**"). THR Infrastructure had subsequently filed objections to the Draft Assessment Order on 29 October 2021 ("**Objections**") and the matter is currently pending for adjudication before the Dispute Resolution Panel.

Nonetheless, following the filing of Objections, the Trustee-Manager has sought a second opinion from another tax consultant (the "**Tax Adviser**") on the Draft Assessment Order, including on the nature of tax issue involved, the current tax treatment adopted by THR Infrastructure and the likelihood that the India tax authorities will accept such tax treatment with respect to the capital gains exemption claimed on account of the capital gains arising from the CCD Disposal ("**Tax Advice**"). Based on the Tax Advice received by the Trustee-Manager, the Tax Adviser's view is that (a) the current tax treatment adopted by THR Infrastructure of claiming exemption on account of the capital gains on transfer of the CCDs is sustainable as per Indian tax laws and available judicial precedents, and may be accepted by higher appellate authorities on account of the factual and technical arguments highlighted in the Tax Advice; and (b) if the Objections filed before the Dispute Resolution Panel are unsuccessful, THR Infrastructure would need to file an appeal and a stay of demand petition on the final assessment order before the Income Tax Appellate Tribunal as THR Infrastructure may be able to defend the matter before higher appellate forums.

The Trustee-Manager will be closely monitoring any further developments in respect of the Draft Assessment Order, the Objections and matters ancillary thereto and will make the appropriate announcement(s) on SGXNET as and when there are any material milestones.

By Order of the Board

Mr. Tan Bong Lin  
Non-Executive Chairman  
**RHT Health Trust Manager Pte. Ltd.**  
(Registration Number: 201117555K)  
(as trustee-manager of RHT Health Trust)

31 January 2022