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 June 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 Q1

During the quarter, 73 operating beds were added in Jaipur, Amritsar, Shalimarbagh, Gurgaon, and Mohali Clinical Establishments. The increase in operating beds at Jaipur Clinical Establishment is due to the commencement of operations of Mother and Child as well as Orthopaedics programmes post the completion of the expansion project.

In May 2017, the Trustee-Manager refinanced the S$95.0 million of bank borrowings partially through the issuance of $60.0 million 4.5% fixed rate notes which are due in July 2018 and 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 $60.0 million 4.5% fixed rate notes issued on 22 July 2015 and due in July 2018. The remaining balance of $35.0 million was refinanced through bank borrowings of $55.0 million in June 2017 for three years, split equally between Siemens Bank GMBH and United Bank Overseas Limited. The additional $20.0 million is being used for capital expenditure and working capital requirements.

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 receivable by RHT.

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 ended 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 and year ended 30 June 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 and year ended 30 June 2017.

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

	Notes	FY 18 Q1 S$'000	FY 17 Q1 (Restated)* S$'000	Var
Revenue:				
Service fee	2	20,922	19,440	8%
Hospital income	3	2,541	2,532	0%
Other income	4	1,050	525	100%
Total revenue		**24,513**	**22,497**	**9%**
Service fee and hospital expenses:				
Medical consumables	5	(2,281)	(2,002)	14%
Employee benefits expense	6	(811)	(701)	16%
Doctor charges	7	(2,061)	(1,853)	11%
Depreciation and amortisation	8	(3,041)	(2,824)	8%
Other service fee expenses	9	(3,078)	(2,835)	9%
Hospital expenses	3	(2,296)	(2,114)	9%
Total service fee and hospital expenses		**(13,568)**	**(12,329)**	**10%**
Finance Income	10	4,147	104	n.m
Finance Expenses	11	(4,152)	(2,301)	n.m
Trustee-Manager Fee	12	(1,351)	(1,652)	-18%
Other Trust Expenses	13	(1,152)	(332)	247%
Foreign exchange loss	14	(3,369)	(706)	n.m
Total expenses		**(19,445)**	**(17,216)**	**13%**
Share of results of an associate	1	2,871	-	n.m
Profit before changes in fair value of financial derivatives		**7,939**	**5,281**	**50%**
Fair value gain on financial derivatives	15	2,870	231	n.m
Profit before taxes		**10,809**	**5,512**	**96%**
Income tax expense	16	(1,628)	(3,089)	-47%
Profit from continuing operations		**9,181**	**2,423**	**279%**
Discontinued Operations				
Profit after tax for the period from discontinued operations	1	-	8,243	n.m
Profit for the period attributable to Unitholders of the Trust		**9,181**	**10,666**	**-14%**
Other Comprehensive Income				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation		(5,471)	(16,578)	n.m
Other Comprehensive Income for the period, net of tax		**(5,471)**	**(16,578)**	**n.m**
Total Comprehensive Income for the period attributable to Unitholders of the Trust		**3,710**	**(5,912)**	**n.m**

* Prior period figures have been restated to reflect the reclassification of Fortis Hospotel Limited ("FHTL") in connection with the Disposal of 51.0% economic interest in FHTL (the "Disposal").
^ 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 Q1 S$'000	FY 17 Q1 (Restated)* S$'000
Profit for the period attributable to Unitholders of the Trust		**9,181**	**10,666**
Distribution adjustments:			
Impact of non-cash straight-lining		(405)	(512)
Technology renewal fee		(167)	(157)
Depreciation and amortisation		3,041	2,824
Trustee-Manager fees payable in units	12	675	826
Deferred tax (credit)/expense	16	(1,020)	54
Foreign exchange differences	17	(344)	512
Compulsorily Convertible Debentures ("CCD") interest income	10	(3,994)	-
Non-Convertible Debentures ("NCD") interest expense	11	1,792	-
Non-cash adjustments of discontinued operations	1	-	924
Non-cash adjustments of an associate	1	1,603	-
Others		83	(3)
Total distributable income attributable to Unitholders of the Trust		**10,445**	**15,134**

* Prior period figures have been restated to reflect the reclassification of FHTL in connection with the Disposal.

Notes to Consolidated Statement of Comprehensive Income and Distributable Income Statement

1. On 12 October 2016, the Group disposed 51.0% economic interest in 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 figures of the Group's Consolidated Statement of Comprehensive Income and Distributable Income Statement have been restated to present the results of the discontinued operations. The results and non-cash adjustments below represents 100.0% of FHTL for the quarter and excludes any allocation of any common expenses.

<u>**Results of discontinued operations**</u>	**FY 17 Q1** **S$'000**
Total revenue	**12,894**
Total expenses	**(2,957)**
Profit before tax	**9,937**
Income tax expenses	(1,694)
Profit for the period	**8,243**
Non-cash adjustments:	
Impact of non-cash straight-lining	(342)
Technology renewal fee	(10)
Depreciation and amortisation	1,089
Deferred tax	501
Capital expenditure	(314)
FHTL's non-cash adjustments	**924**
Net cash flow from FHTL	**9,167**

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

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 Q1 have been presented below:

	FY 18 Q1 S$'000
<u>Results of an associate</u>	
Revenue:	
Total revenue	**14,799**
Total expenses	**(7,771)**
Profit before tax	**7,028**
Income tax expenses	(1,168)
Profit for the period	**5,860**
Share of 49.0% of profit for the period	**2,871**
Non-cash adjustments:	
Impact of non-cash straight-lining	(899)
Technology renewal fee	(10)
Depreciation and amortisation	1,654
Deferred tax expense	(1,085)
Capital expenditure	(56)
Interest income and expense with related parties	3,667
FHTL's non-cash adjustments	**3,271**
Share of 49.0% of non-cash adjustment	**1,603**
Net cash flow from FHTL	**9,131**
Share of 49.0% of net cash flow from FHTL	**4,474**

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 Q1	FY17 Q1 (Restated)*	Variance
Base Fee*	571	557	3%
Variable Fee	385	379	2%
Total Fee	**956**	**936**	2%

*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 and higher variable fee as a result of higher operating revenue recorded by the Operator at the Clinical Establishments. The higher operating revenue was due to the higher Average Revenue per Occupied Bed ("ARPOB") as a consequence of an increase in number of high value specialty cases. Occupancy is slightly lower due to increase in number of operating beds and the lingering impact from the demonetisation policy.

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 paragraph 8 on page 15 to 17 for FHTL's performance analysis.

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 lower net hospital income for the quarter in INR terms is attributed to lower ARPOB of INR 8.30 million as compared to INR 8.47 million in FY17Q1. In addition, the personnel cost has increased due to revised wages following annual inflationary wage increase. There was also an increase in housekeeping expenses following an increase in purchases of housekeeping supplies before 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 revised service fee arrangement.

5. Medical consumables expense in INR terms was higher for the quarter following management's decision to increase the medical consumables purchase before the implementation of GST.

6. Employee benefits in INR terms for the quarter was higher than FY 17 due to an increase in headcount post FY17 Q1 and annual inflationary wage increases.

7. Doctor charges in INR terms is higher against the corresponding quarter, which in line with the increase in the variable fee, as a result of higher OPD revenue recorded in the Clinical Establishments as well as an increase in the doctor headcounts in certain Clinical Establishments post FY 17 Q1.

8. Higher depreciation and amortisation for the quarter 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 increase in other service fee expenses for the quarter is mainly due to higher than expected annual maintenance cost due to the aging of the equipment. In addition, provision were made for wear-and-tear of fixed assets.

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 lower finance expense for the quarter was due to the replacement of floating interest rate loan facilities with fixed rate bond of 4.5%.

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

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 other trust expense relates to the legal and professional fees arising from the refinancing activities in first quarter of FY18.

14. The foreign exchange differences 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 arose from the depreciation in INR against SGD for the INR denominated net receivables and realised loss from the settlement of forward contracts.

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	FY 18 Q1	FY 17 Q1
Current tax	123	150
Deferred tax	(48)	2

Withholding tax expense was reduced to the extent of the interest on the CCD that was disposed in FY 2017. The deferred tax credit recognised in current quarter is mainly due to the recognition of unabsorbed tax losses.

17. Included in foreign exchange differences are:
    (i) adjustments for the distributable income based on the average forward INR/SGD rate of 49.35[1] against INR/SGD rate of 46.59 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.

1(b)(i) Balance Sheets

	Notes	Group		Trust	
		30 June 2017	31 March 2017	30 June 2017	31 March 2017
		S$'000	S$'000	S$'000	S$'000
ASSETS					
Non-current assets					
Intangible assets	2	93,169	94,640	-	-
Property, plant and equipment	3	559,514	562,074	-	-
Invesment in subsidiary		-	-	12,634	12,634
Loan to a subsidiary		-	-	437,153	441,959
Investment in an associate	1	355,588	352,717	-	-
Financial assets	4	28,834	30,550	-	-
Deferred tax assets	5	23,591	22,529	-	-
Other assets	6	24,607	25,024	-	-
Total non-current assets		1,085,303	1,087,534	449,787	454,593
Current assets					
Inventories		132	103	-	-
Financial assets	4	464	2,362	86,303	46,295
Trade receivables	7	19,230	10,606	-	-
Other assets		890	809	321	58
Cash and bank balances		4,935	7,246	37	255
Total current assets		25,651	21,126	86,661	46,608
Total assets		**1,110,954**	**1,108,660**	**536,448**	**501,201**
LIABILITIES					
Non-current liabilities					
Loans and borrowings		300,238	183,658	119,042	60,000
Other liabilities	9	11,611	12,299	-	-
Deferred tax liabilities	8	89,547	90,234	-	-
Total non-current liabilities		401,396	286,191	119,042	60,000
Current liabilities					
Loans and borrowings		9,854	104,607	2,371	517
Trade and other payables		7,015	5,502	-	-
Other liabilities	9	9,596	12,371	2,091	2,157
Derivative financial instruments	10	745	3,615	-	-
Total current liabilities		27,210	126,095	4,462	2,674
Total liabilities		**428,606**	**412,286**	**123,504**	**62,674**
Net assets		**682,348**	**696,374**	**412,944**	**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		(23,789)	(18,318)	-	-
Revaluation reserve		43,199	43,096	-	-
Other reserves	12	(52)	(52)	-	-
Accumulated losses		(66,714)	(56,682)	(106,544)	(79,587)
Total unitholders' fund		**682,348**	**696,374**	**412,944**	**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).

2. Intangible assets

Intangible assets comprises of:

(i) Customer related intangible – 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 is offset by the 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 decrease in financial assets is attributed by receipts of CCD interest. However, the drop was offset by the recognition of accrued income on straight-lining of the base service fee.

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

5. Deferred tax assets

Deferred tax assets are made up of

(i) Minimum Alternate Tax ("MAT") credit paid to the India tax authorities. If the tax liability computed under the normal provisions of the India Income Tax Act is less than 18.5% of the book profits shown in the profit or loss account, after making certain specified adjustments, an entity is to pay MAT at an effective rate of around 21.34% of the book profits. MAT paid is creditable for a period of 10 years against future tax liabilities arising under the normal provisions of the India Income Tax Act.

(ii) 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 increase in deferred tax assets was mainly due to increase in 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.

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 decrease is mainly due to some of the retention amounts becoming current.

Other current liabilities comprise of statutory dues and other creditors. The current liabilities decreased due to payment of statutory dues.

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 June 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	7,483	2,371	104,090	517
Amount Repayable after One Year	78,881	221,357	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$55.0 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 June 2017 is S$2.9 million.

Unsecured

On 24 May 2017, the Trustee-Manager issued S$60.0 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$60.0 million 4.50% fixed rate notes issued on 22 July 2015 and due in July 2018, aggregating to a total of S$120.0 million. The notes constitute direct, unconditional, unsubordinated and unsecured obligations of the 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 June 2017 is S$1.0 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 June 2017 is INR 1,104.9 million (S$23.5 million).

The Group had drawdown a bank overdraft facilities with DBS India amounting to INR 343.0 million (S$7.3 million) as of 30 June 2017. The overdraft facilities are secured by corporate guarantees and the Malar Clinical Establishment.

One of the subsidiary has a loan amounting to INR 67.3 million (S$1.4 million) secured against the asset purchased from the lender for which INR 7.0 million (S$0.1 million) is repayable in one year or less.

Unsecured

The Group received an unsecured and interest-free loan amounting to INR 98.2 million (S$2.1 million) from the Sponsor for the development of the Ludhiana Greenfield Clinical Establishment. This loan is repayable upon completion of the Ludhiana Greenfield Clinical Establishment. The Group also received unsecured and interest-free loans amounting to INR 90.0 million (S$ 1.9 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 4,704.7 million (S$100.2 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	
	FY 18 Q1 **S$'000**	**FY 17 Q1** **S$'000**
Profit before tax from continuing operation	**10,809**	**5,512**
Profit before tax from discontinued operation	**-**	**9,937**
Adjustments for:		
Depreciation and amortisation expense	3,041	3,869
Finance income	(4,147)	(441)
Finance expenses	4,152	2,333
Unrealised gain on financial assets	-	(3)
Fair value gain on financial derivatives	(2,870)	(231)
Share of results of an associate	(2,871)	-
Foreign exchange loss	430	-
Foreign currency alignment	(254)	464
Operating cash flow before working capital changes	**8,290**	**21,440**
Changes in working capital:		
(Increase)/Decrease in trade receivables	(8,805)	13,899
Decrease/(Increase) in financial assets and other assets	5,192	(1,595)
Increase in inventories	(28)	-
Increase in trade and other payables and other liabilities	1,585	12,143
Increase in other liabilities	905	-
Cash flow generated from operations	**7,139**	**45,887**
Interest received	153	441
Tax paid	(5,286)	(9,677)
Net cash generated from operating activities	**2,006**	**36,651**
Cash flow from investing activities		
Purchase of property, plant and equipment	(6,173)	(3,235)
Sale of short term investments	1,998	616
Net cash used in investing activities	**(4,175)**	**(2,619)**
Cash flow from financing activities		
Distribution paid to unitholders	(19,110)	(30,478)
Interest paid	(3,076)	(2,673)
Net proceeds from borrowings	22,052	2,256
Net cash used in financing activities	**(134)**	**(30,895)**
Net (decrease)/increase in cash and cash equivalents	**(2,303)**	**3,137**
Effects of currency translation on cash and cash equivalents	(8)	-
Cash and cash equivalent at beginning of period	7,246	5,831
Cash and cash equivalents at end of period	**4,935**	**8,968**

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**

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**

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**

	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**

1(d)(ii) Units in issue

	FY 18		FY 17	
	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	**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	
	FY 18 Q1	FY 17 Q1
Weighted number of units	806,514,471	798,015,318
Total units	807,841,944	799,594,944
EPU (cents)		
Net profit	9,181	10,666
Based on weighted number of units as at 30 June	**1.138**	**1.337**
DPU based on income available for distribution (cents)		
Distributable income	10,445	15,134
Distribution	9,923	14,377
Based on total units as at 30 June	**1.228**	**1.798**

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:

	FY 18 Q1	FY 17 Q1
Distributable Income (S$'000)	10,445	10,759

The lower DPU for both the current quarter is on the account of;
(a) Increase in non-recurring other trust expenses in relation to the refinancing activities in FY18 Q1; and
(b) Higher tax expense incurred by the associate.

Please see paragraph 8 for more details.

The DPU provided is for illustration purpose only. Please see paragraph 11 for information on distribution to unitholders.

7 Net Asset Value ("NAV")

	Group	
	30 June 2017	31 March 2017
NAV	**682,348,000**	**696,374,000**
No. of units in issue at end of period	**807,841,944**	**806,331,994**
NAV per unit (S$)	**0.845**	**0.864**

The decrease in NAV per unit by around 2.2% is mainly due to distribution to Unitholders and the depreciation of the closing INR against SGD from 46.43 to 46.94.

8 Review of Group Performance

Quarter analysis

Portfolio							
	FY 18 Q1	FY 17 Q4	Variance		FY17 Q1	Variance	
	S$'000	S$'000	S$'000	%	S$'000	S$'000	%
Total Revenue (excluding straight lining)	24,108	22,567	1,541	6.8	21,985	2,123	9.7
Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation)	13,581	13,059	522	4.0	12,480	1,101	8.8
	INR'000	INR'000	INR'000	%	INR'000	INR'000	%
Total Revenue (excluding straight lining)	1,123,072	1,068,248	54,824	5.1	1,087,036	36,036	3.3
Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation)	632,644	618,598	14,046	2.3	617,061	15,583	2.5

FHTL(1)							
	FY 18 Q1	FY 17 Q4	Variance		FY17 Q1	Variance	
	S$'000	S$'000	S$'000	%	S$'000	S$'000	%
Total Revenue (excluding straight lining)	13,900	13,053	847	6.5	12,552	1,348	10.7
Net Service Fee (excluding straight-lining, depreciation and amortisation)	11,475	10,621	854	8.0	10,380	1,095	10.5
	INR'000	INR'000	INR'000	%	INR'000	INR'000	%
Total Revenue (excluding straight lining)	647,608	618,138	29,470	4.8	620,515	27,093	4.4
Net Service Fee (excluding straight-lining, depreciation and amortisation)	534,444	502,852	31,592	6.3	513,126	21,318	4.2

Group(2)							
	FY 18 Q1	FY 17 Q4	Variance		FY17 Q1	Variance	
Adjusted net service fee margin	62%(3)	63%(3)		(1)	66%		(4)
Distributable Income (S$'000)	10,445	9,524	921	9.7	15,134	(4,689)	(31.0)
Distributable Income had the disposal occurred for comparative periods (S$'000)					10,759	(314)	(2.9)

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 of 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.
3. Considering 100.0% of FHTL, the adjusted net service fee margin would have been at around 66% and 65%.

FY 18 Q1 against FY 17 Q4

Exchange rate

The foreign exchange rates used to translate the results of the Indian subsidiary companies are INR/SGD 46.59 and INR/SGD 47.33 for the quarter ended 30 June 2017 and 31 March 2017 respectively.

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

Total Revenue
Total Revenue for FY 18 Q1 in INR terms is higher than FY 17 Q4 mainly due to the contractual 3% increase in base fees and higher variable fees resulting from higher revenue recorded by the Operator at the Clinical Establishments. The higher variable fees is evident by higher ARPOB contributed by the increase in specialty cases. The occupancy for the quarter had remained consistent despite anincrease in operating beds, resulting from increase in occupied beds as the healthcare market has slowly recovered from the demonetisation policy introduced by the India government in November 2016. However, there are still some lingering impact from the demonetisation policy.

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 by 2.3% in INR terms due to an increase in total revenue. However, the margin was slightly lower because of an increase in purchase of medical consumables before the implementation of GST, a higher than expected increase in annual maintenance cost due to the aging of equipment and provision made for wear-and-tear of fixed assets. The current quarter margin is consistent with last financial year-to-date margin.

Contribution from FHTL
Net Service Fee from FHTL increased against FY17 Q4 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 ARPOB and occupancy arising from an increase in specialty cases and recovery from the effect of the demonetisation policy.

Distributable Income
Distributable Income is higher compared to trailing quarter due to improvements in the forward rate from 52.03 to 49.35, higher net service fee and hospital income as well as contribution from FHTL. The increase is offset by non-recurring other trust expenses in connection with the refinancing activities during the quarter and higher tax expense incurred by the associate.

FY 18 Q1 against FY 17 Q1

Exchange rate
The foreign exchange rates used to translate the results of the Indian subsidiary companies are SGD/INR 46.59 and SGD/INR 49.44 for the quarter 30 June 2017 and 30 June 2016 respectively.

Total Revenue
Total revenue for FY 18 Q1 in INR terms has increased by 3% against FY 17 Q1. This is due to the contractual 3% increase in base fee, higher variable fee as a result of higher operating revenue recorded by Fortis as well as the increase in other income. The higher operating revenue is evident by the increase in ARPOB arising from the increase in number of specialty cases. Occupancy is slightly lower resulting from the increase in number of operating beds and the lingering impact from the demonetisation policy.

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 Q1. The increase is contributed by increase in revenue. The net service fee margin had remained fairly consistent with FY17 Q1 even though there were increased costs attributed to the increase in purchase of medical consumables before the implementation of GST, a higher than expected increase in annual maintenance cost due to the aging of equipment and provision were made for wear-and-tear of fixed assets.

Contribution from FHTL
Net Service Fee from FHTL increased against FY17 Q1 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 occupancy arising from an increase in specialty cases.

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

Distributable Income

Had the disposal taken place in FY17 Q1, Distributable Income for the current quarter is 2.9% lower despite the forward rate remaining consistent. This is mainly attributable to non-recurring other trust expenses in connection with the refinancing activities during the quarter and higher tax expense incurred by the associate.

9 Variance from Forecast

No forecast has been provided.

10 Market and Industry Information

A Goods and Services Tax ("GST") was introduced in India on the 1 July 2017. The long awaited GST is a major overhaul of India's tax system, and is aimed at reducing tax leakages in India's complex tax system while boosting India's gross domestic product. Under the new GST legislation, healthcare services and education are sectors which have been exempted. However, the full impact on RHT remains to be seen. The National Pharmaceutical Pricing Authority-India's drug pricing watchdog has implemented pricing controls on two categories of coronary stents. This may have an impact on the revenue of FHL, which may in turn affect RHT's Variable Fee. However, it remains to be seen how significant an impact it may have on RHT. Apart from the aforementioned new developments, there have not been any new material developments.

11 Information on Distribution

Any distribution declared for:

Current financial period

No.

Corresponding period of the immediately preceding year

No.

12 Distribution

Please refer to paragraph 11.

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).

Disclaimer:

This release 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. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

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

Gurpreet Singh Dhillon
Executive Director & Chief Executive Officer
3 August 2017