

RELIGARE HEALTH TRUST

Values that bind

Growing Momentum
Growing Organically

Annual Report FY2016

We endeavor to provide regular and stable returns to investors by investing into healthcare assets providing attractive yields with a potential for long term growth.

About Religare Health Trust

Religare Health Trust ("RHT") is the first business trust listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") with India based healthcare assets.

Our investment mandate is principally to invest 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.

RHT has a portfolio of strategically located Clinical Establishments* and Operating Hospitals across India, currently comprising 12 Clinical Establishments, four Greenfield Clinical Establishments and two Operating Hospitals. The value of these assets is approximately S$1,129 million^ as at 31 March 2016.

* Clinical Establishment refers to a fully centrally air-conditioned institution established and specifically customised and fitted with all fixtures, fittings, medical equipment and infrastructure required for running and operating a hospital, offering (1) services for diagnosis and treatment for illness, disease, injury, deformity and/or abnormality; (2) diagnosis of diseases through radiological and other diagnostic and investigative services with the aid of laboratory or other medical equipment; and (3) beds for in-patient treatment.

^ Based on an exchange rate of S$1 = INR 49.20 as at 31 March 2016.

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12 RHT CLINICAL ESTABLISHMENTS

13 STATES ACROSS INDIA

2 HOSPITALS MANAGED AND OPERATED BY RHT

6 BASES IN TIER-I CITIES IN INDIA

4 GREENFIELD CLINICAL ESTABLISHMENTS

We are pleased to report another year of strong growth. With a depth of expertise and strong brand, RHT is well positioned for sustainable expansion as we expand our portfolio organically in India.

Financial Highlights

Long term contracts coupled with a fee structure with downside protection provides stable distributions for unitholders.

NET SERVICE FEE AND HOSPITAL INCOME*†

FY16

S$93.61m ▲2%

FY15 91.56m

DISTRIBUTABLE INCOME

FY16

S$61.58m ▲6%

FY15 58.17m

OCCUPANCY

FY16

75%

FY15 74%

DISTRIBUTION PER UNIT

FY16

7.72¢ ▲6%

FY15 7.32¢

AVERAGE REVENUE PER OPERATING BED

FY16

INR13.37m ▲5%

FY15 12.76m

BUSINESS VALUE

FY16

S$1,129m ▲14%

FY15 991m

WEIGHTED AVERAGE CONTRACT EXPIRY

FY16^

11.3 years

FY15 12.3 years

RETURN ON EQUITY

FY16

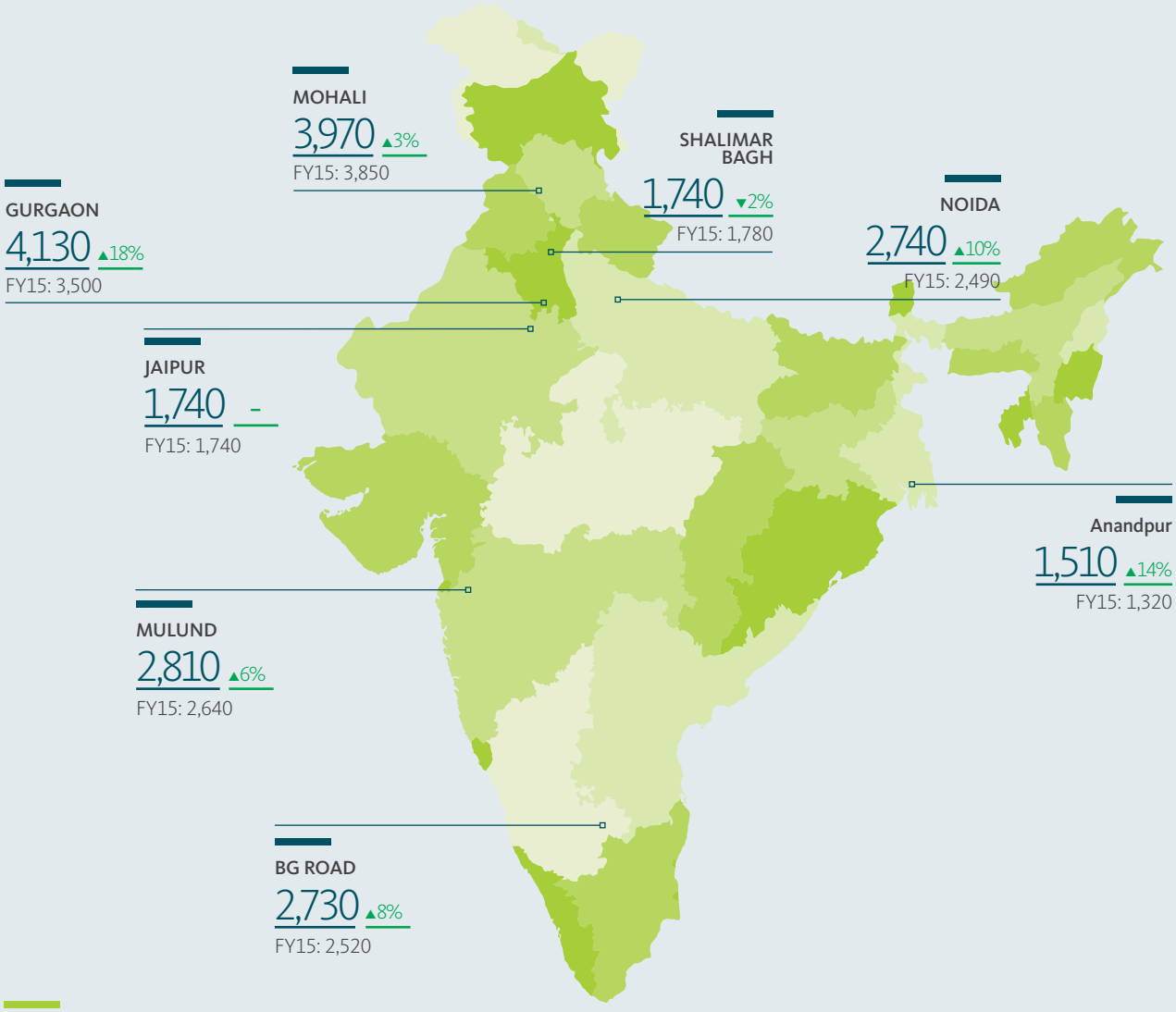
8.33%

FY15 7.56%

* Exchange rate for actual FY15 and FY16 was INR47.41 and INR47.36 respectively.
† Excludes straight-lining, depreciation and amortization
^ No new contract was entered into in FY16

Performance Highlights

REVENUE PER CLINICAL ESTABLISHMENT (INR MILLION)



OCCUPANCY LEVEL (%)



BG ROAD		GURGAON		JAIPUR		ANANDPUR	
75%	74%	61%	62%	78%	72%	81%	77%
FY16	FY15	FY16	FY15	FY16	FY15	FY16	FY15

MOHALI		MULUND		NOIDA		SHALIMAR BAGH	
79%	79%	81%	78%	81%	77%	72%	70%
FY16	FY15	FY16	FY15	FY16	FY15	FY16	FY15

Source: Fortis Investor Presentation for the quarter and year ended March 2016

Performance Highlights

RECONCILIATION OF NET PROFIT TO UNITHOLDERS DISTRIBUTION

	Notes	FY16 S$'000	FY15 S$'000
Net profit for the period attributable to unitholders of the Trust		**43,476**	**37,423**
Distribution adjustments:			
Impact of non-cash straight-lining		(4,472)	(5,451)
Technology renewal fee		(699)	(694)
Depreciation and amortisation		16,344	13,908
Amortisation of debt arrangement fee		336	607
Trustee-Manager fees payable in units		3,296	3,619
Deferred tax		5,141	6,842
Foreign exchange differences	I	(1,660)	(2,392)
Capital expenditure	II	(1,148)	(944)
Transaction cost capital in nature	III	967	5,494
Unrealised gain on financial asset		2	(246)
Total distributable income attributable to unitholders of the Trust		**61,583**	**58,166**

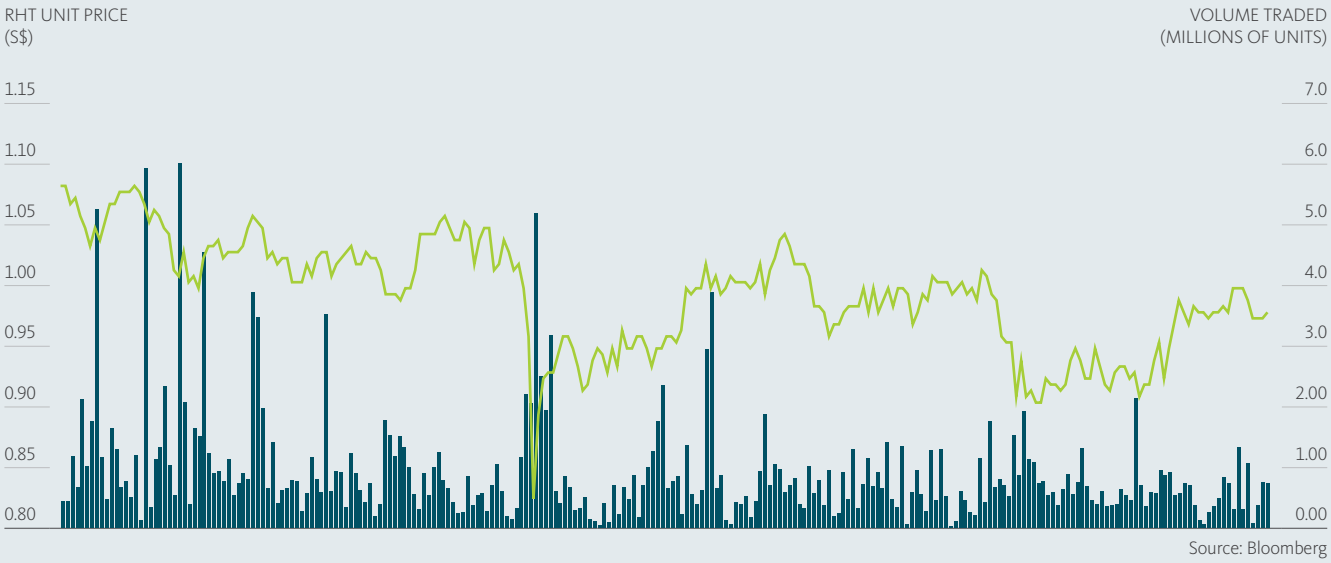
Notes:

I Included in foreign exchange differences are (i) adjustments for the distributable income based on the average forward contracted INR/SGD rate against INR/SGD 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.

II This relates to operating cash flow being used to partially fund capital expenditure.

III In FY15, this amount relates to the one-off stamp duty and professional fees incurred in connection to the acquisition of the Mohali Clinical Establishment. These transaction costs which were treated as capital in nature and were offset with the non-cash gain recognised in connection with the Mohali acquisition. In FY16, the amount relates to expenses recognised in connection with the potential sale of 51% interest in Fortis Hospotel Limited ("FHTL") which are expected to be deducted against the sale proceeds.

RHT UNIT PRICE AND TRADING VOLUME 1 APRIL 2015 TO 31 MARCH 2016



Source: Bloomberg

Financial and Operational Review

SUMMARY OF FINANCIAL RESULTS (FY16 ACTUAL VS FY15 ACTUAL)

	FY16 S$'000	FY15 S$'000	Variance %	FY16 INR'000	FY15 INR'000	Variance %
Total Revenue (excluding straight-lining) [a]	138,447	130,590	6%	6,556,651	6,189,120	6%
Net Service and Hospital Income excluding straight-lining, depreciation and amortisation) [b]	93,612	91,561	2%	4,433,325	4,338,714	2%
Distributable Income	61,583	58,166	6%	–	–	–

[a] FY15 numbers excludes gain on acquisition in connection with the acquisition of the Mohali Clinical Establishment.
[b] FY15 numbers excludes one off stamp duty and gain on acquisition in connection with the acquisition of the Mohali Clinical Establishment.

Total Revenue grew 6% in INR terms between FY15 and FY16, mainly due to the increase in Service Fee. This increase stemmed from the contractual upward revision in Base Fees by 3%, and higher revenue recorded by Fortis which led to an increase in RHT's Variable Fees.

Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation) increased by 2% due to increase in Total Revenue. This was offset by higher operating cost in connection with the expansion of the out-patient departments.

DISTRIBUTABLE INCOME

The growth of the Net Service Fee and Hospital Income of 2% in INR terms, as well as an improved average forward INR/SGD (50.07 compared to 52.28) translated to a 6% growth in Distributable Income over FY15. This was after taking into higher finance costs in FY16.

FUNDING AND BORROWINGS

During the year, the Trustee-Manager issued S$60 million fixed rate notes at 4.5%, which will mature on 22 July 2018. The proceeds from the issuance of notes were used for early repayment of the S$60 million DBS facility. This served to convert a floating rate loan into a fixed rate loan.

In Q3FY16, the Group utilised a S$30 million facility with United Overseas Bank for the acquisition of land and expansion projects. As at 31 March 2016, RHT's outstanding loans and borrowings are at S$164,023,000.

Details of the bank loans are set out under Note 24 of the Annual Financial Statements which can be found on page 110 of the Annual Report.

ACQUISITION OF MOHALI LAND

In August 2015, the Group, through its wholly owned subsidiary, successfully bid for a freehold piece of land designated for hospital use during a public auction held by the Greater Mohali Area Development Authority ("GMADA") (the "Land"). The acquisition of the Land was completed on 10 February 2016. The Land will be used to extend the Mohali Clinical Establishment.

PROPOSED DIVESTMENT OF 51% INTEREST IN FHTL

On 4 February 2016, Religare Health Trust Trustee Manager Pte. Ltd. ("RHT TM" or the "Trustee-Manager") on behalf of Religare Health Trust ("RHT") made an SGXNET announcement regarding the Proposed Disposal of Relevant Securities to, as well as Related Arrangements with, members of the Fortis group (the "Proposed Transaction"). This Proposed Transaction, if completed, will result in a reduction of 51% in RHT's economic interest in FHTL.

The consideration represents an estimated 15% internal rate of return, and 100% of the net proceeds will be distributed to unitholders. This translates to a special distribution of S$0.245* per unit.

* Based on an exchange rate of S$1 = INR49.22

Capital Risk Management

CAPITAL RISK MANAGEMENT

The Trustee-Manager employs an appropriate mix of debt and equity for the financing of the acquisition and enhancement initiatives of the medical and healthcare assets in the RHT portfolio.

As at 31 March 2016, RHT has a net debt of S$164.2 million with a gearing approximately 18%. RHT may increase its borrowings by S$445.7 million before reaching its internally set limit of 45% which is in line with the gearing limits set out under the MAS REIT guidelines in Singapore, leaving room for future growth opportunities. A S$500m Medium Term Note Programme ("MTN Programme") was established for RHT in FY2015.

In view of ongoing and future asset enhancement initiatives like that for BG Road CE, Ludhiana CE, FY16 projects and acquisition of land for the expansion of the Mohali CE, RHT's gearing ratio will rise to approximately 21.9% if the expected capital expenditures were fully incurred.

REFINANCING RISK

During the year, the Trustee-Manager issued S$60m fixed rate notes at 4.5% for the repayment of the S$60m DBS facility. RHT has a weighted average debt maturity profile of 1.7 years. We believe that there is minimal refinancing risk with the establishment of the MTN Programme.

INTEREST RATE RISKS

As at 31 March 2016, around 64% of RHT's loans and borrowings are exposed to interest rates risk as they are pegged to the Singapore Swap Offer Rate ("SOR") and Indian Base Rate. In view of the current volatility of the SOR, the Trustee-Manager issued S$60m fixed rate notes to refinance an existing S$60m floating rate facility. RHT has benefit from the decreasing Indian Base Rate since utilising the Rupee loan during the year. We will continue to monitor the cost of entering into interest rate swaps to mitigate the interest rate risks.

CURRENCY RISK

All of RHT's assets and operations are currently within India, thereby deriving all its revenue from India. At the same time, the distributions to unitholders are paid in Singapore dollars. In recognition of the consequential currency risk, Management has adopted the policy of hedging the anticipated amount of cash flows coming from India to Singapore. Distributions are paid out to unitholders on a semi-annual basis and forward contracts locking in the currency conversion rates are entered into one year before the cash flows are repatriated from India to Singapore. This mitigates the risk of any Indian rupee volatility in the period before income is repatriated to Singapore.

RHT takes on Rupee borrowings for major expansion and Greenfield development projects as natural hedge to the currency mismatch. Based on its current policy, RHT will refinance the Rupee borrowings with Singapore Dollar borrowing to take advantage of the lower cost of borrowings upon the commencement of operations of the completed expansion and Greenfield development projects. RHT does not hedge currency exposure on the capital due to the cost of such long term currency swaps and fluctuation of valuation of underlying assets which are carried at fair value. The Trustee-Manager will continue to monitor the policy and make adjustments if the prevailing market conditions warrant it.

LIQUIDITY RISK

The Trustee-Manager monitors and maintains a level of cash and cash equivalents, through a balance between continuity funding and flexibility through the use of stand-by credit facilities against RHT's financial obligations deemed adequate to meet RHT's financial obligations. The Trustee-Manager intends to retain a portion of RHT's Distributable Income, amongst other things, to mitigate such liquidity risk. The cash generated from India operations are placed in bank fixed deposit and mutual funds to maximise interest income prior to the intended repatriation.

DISTRIBUTION POLICY

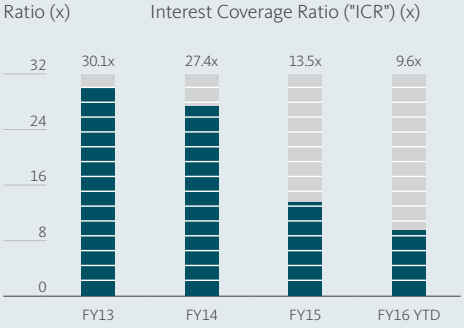
RHT's current policy is to distribute at least 90% of its Distributable Income. The Trustee-Manager has distributed 100% of RHT's Distributable Income since its Initial Public Offering. The Trustee-Manager intends to distribute 95% of its Distributable Income for the period ending 31 March 2017.

OVERVIEW

KEY INDICATORS

Indicator	As at 31 March 2016
Gearing Ratio	18.1%
Interest Coverage Ratio	9.6 times
Percentage of Fixed Rate Debt	36.1%
Effective Weighted Average Cost of Debt	4.88%
Average Hedged Rates	
Jun 16	49.58
Dec 16	49.35

HEALTHY INTEREST COVERAGE RATIO[1]



1 Interest Coverage Ratio is defined as the ratio between EBITDA divided by Financial Expense including interest capitalized during the year

Market Review and Outlook

THE INDIAN HEALTHCARE MARKET

Investments in India's healthcare sector have been for many years, on a growth trajectory, particularly driven by the private sector introducing leading technologies and quality healthcare delivery services to the industry. There are a few key factors contributing to this growth.

Lagging Investments

The chart below on the expenditure on healthcare by country shows that India's healthcare spending as a percentage of the country's Gross Domestic Product ("GDP") is low in comparison to developed economies such as the United States of America, United Kingdom as well as against other regional peers. Indian healthcare is considered to be one of the key drivers behind the country's economic growth and contributes significantly to its country's employment. The sector has been forecasted to reach USD 160 billion to USD 280 billion between 2017 and 2020, and is expected to record a CAGR of 16.5% during 2008-20[1].

India, with a population of approximately 1.2 billion people, is the second largest populous country in the world, and is expected to surpass China as the world's most populous nation by 2030[2]. In spite of its large population, spending on healthcare in India continues to remain low at 3.8% of its Gross Domestic Product (GDP), with government expenditure on health at 4.3% of the total government expenditure[3]. The absence of universal health coverage and limited social health coverage has led to India having one of the world's highest out-of-pocket (OOP) spending at 87.2%[4] of private expenditure on healthcare.

Increasing Demand; Rising Living Standards and Population Aging

Apart from a fast growing population, there is a growing trend of longer life expectancy and a growing elderly population in India, which has contributed to a rise in chronic illnesses and demand for acute hospital care and long term care.

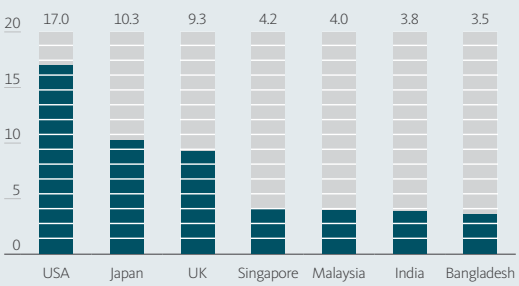
The proportion of working population in India made up of persons aged 15-60 years old, is expected to increase from approximately 58.0% in 2001 to almost 64.0% in 2026[5]. A growing young working population sees the rise of sedentary lifestyles which contributes to increasing lifestyle related diseases. Infectious diseases such as tuberculosis, pneumonia and malaria which had once been the top causes of India's disease burden, have now been replaced by growing incidences of lifestyle related diseases associated with growing affluence such as diabetes, heart disease and cancer related illnesses. According to the International Diabetic Federation, the current number of people with diabetes globally stands at 387 million and is expected to increase to 592 million by 2035[6]. China and India currently have the largest number of diabetes sufferers in the world, at more than 96 million and 66 million respectively. Such lifestyle diseases tend to require surgical intervention and in-patient medical care, which leads to an increase in hospitalisation. This demand for healthcare is further driven by the growing literacy of the population and their increasing awareness of medical treatments available.

Increasing Access to Health Insurance

The Indian healthcare sector is at an inflection point as it sees a surge in health insurance both social as well as private. As per latest data, less than 15.0%[1] of the Indian population is covered through health insurance. However, that is changing along with (i) increasing appreciation of need for medical care (ii) growing awareness of availability of health insurance (iii) rising healthcare costs and burden of new diseases (iv) government funding for health insurance, has raised the demand for health insurance coverage.

Over the past few years, there has been a marked increase in individual health insurance premiums collected – increasing from 35.0% in 2010-11 to 44.4% in 2014-15[7]. An increase in health insurance penetration would result in greater affordability of quality medical treatments. A new health protection scheme was announced in the Union Budget 2016[8], covering INR 100,000

HEALTHCARE EXPENDITURE AS A % OF GDP (2012)



(Source: World Health Statistics 2015)



Total expenditure on health as a % of GDP[3]

3.8%

Government expenditure on health as % of total government expenditure[3]

4.3%

Private healthcare accounts for almost

74% of India's total healthcare expenditure[1]

Market Review and Outlook

per family, particularly the poor and economically weaker sections of society. In addition, senior citizens aged 60 and above would receive an additional benefit of INR 30,000.

Growing Medical Tourism

India is acknowledged as one of the leading destination for medical tourism, providing quality healthcare services at competitive prices. According to The Economic Times, India ranks among the top three medical tourism destinations in Asia alongside Thailand and Singapore[9]. In the last decade, India has seen a shift towards patients travelling from developed nations to developing nations due to lower costs, shorter waiting periods and easy accessibility to information on the internet. The medical tourism market is forecasted to reach approximately USD 11 billion in 2019 at a CAGR of 30.0% from approximately USD 3 billion in 2014[4]. India's cost advantage gives it an edge over other countries such as Singapore and Malaysia, allowing medical tourists to save 30.0%-70.0%[4] of their treatment costs compared to seeking treatment in other developed countries. Popular treatment options include cardiology, orthopaedics, neurology, oncology and nephrology.

The Indian government recognises the potential of this sector and has since looked to establishing a Medical Intelligence Tourism Board to further develop India as a medical tourism hub[10]. Medical tourists from Bangladesh and Afghanistan form majority of the Indian Medical Value Travel (MVT) with a 34.0%[11] share. Medical tourists from Africa, GCC and the CIS regions, currently make up 30.0% and present the maximum possible opportunity for the Indian healthcare sector. Within India, Chennai, Mumbai, Andhra Pradesh and the National Capital Region ("NCR") form the more popular medical tourism destinations for the floating medical population who seek treatment in India.

India's medical tourism has been lifted by the emergence of premium hotel chains offering special facilities as well as customised packages and services to cater to medical tourists.

All of the above factors point a sustainable demand for more and better quality healthcare facilities and treatment in India.

OPPORTUNITIES IN THE INDIAN HEALTHCARE SECTOR

GOVERNMENT INITIATIVES FOR THE HEALTHCARE SECTOR IN INDIA

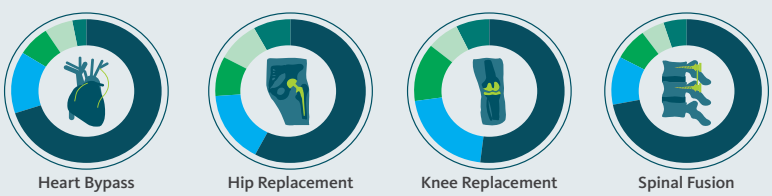
The healthcare infrastructure required to meet a growing disease burden of the country requires further investment. India continues to face a widening demand-supply gap of medically-trained staff alongside growing incidences of age- and lifestyle related chronic diseases due to a growing middle class and affluence. In comparison to the global World Health Organisation (WHO) average of 2.5 doctors, 2.5 nurses and 2.9 beds per 1,000 persons[1], India has 0.7 doctors and 1.5 nurses per 1,000 persons[1]. Currently, an additional 1.5 million more doctors, 2.4 million nurses and 3.0 million beds are required to fulfil the current healthcare workforce gap to meet the global average[1]. The shortage of qualified medical professionals remains one of the key challenges which the healthcare sector faces.

The new Bharatiya Janata Party (BJP) – led government has accorded priority to further development of the healthcare industry through the National Health Policy (NHP) 2015 and its Union Budget 2015-16. The government introduced the NHP in early 2015 with an aim to provide universal health coverage and address the need for improving health systems in India. Under the NHP 2015, the new policy would allow for greater freedom in designing and delivering health programmes to include non-communicable diseases in addition to the existing primary care services provided. The Indian government announced in its recent Union Budget 2016, an allocation of INR 395 billion[8] to the Ministry of Health and Family Welfare, and approximate 13% increase from the last budget. This is consistent with the government's underlying theme of its current year Budget built around nine pillars with healthcare as one of the social pillars.

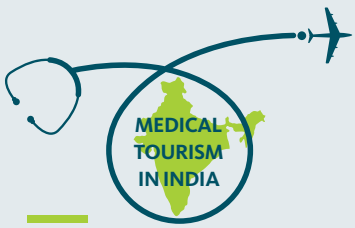
PRIVATE INVESTMENTS

The private sector has a strong presence in India's healthcare sector, forming the substantial portion of its growth. Hospitals and diagnostic centres saw Foreign Direct Investments (FDIs) of approximately USD 3[1] billion between April 2000 and September

COST OF SURGERIES IN DIFFERENT COUNTRIES (USD), 2014[1]



	Heart Bypass	Hip Replacement	Knee Replacement	Spinal Fusion
USA	144.0	50.0	50.0	100.0
Korea	28.9	14.1	19.8	15.4
Thailand	15.1	7.9	12.3	9.1
Malaysia	11.4	7.5	7.0	7.0
India	5.2	7.0	6.2	6.5



The medical tourism market is forecasted to reach approximately

USD 11 billion

in 2019 at a CAGR of 30.0% from approximately USD 3 billion in 2014[4]





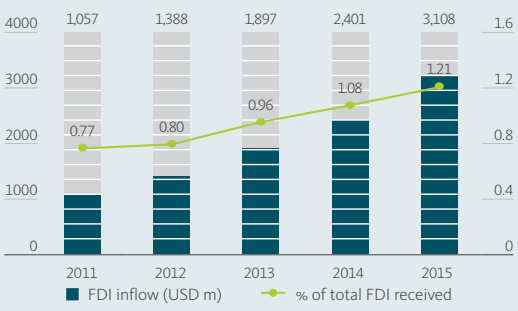
2015, constituting approximately 1.2% of the total FDI in India[4].

Inadequate public investment in health infrastructure, a growing disease burden and a widening demand-supply gap of medically trained labour has led to opportunities for private players to capture a share of the growing healthcare market.

We expect to see the private sector continuing to play a key role in the Indian healthcare market, given the opportunities and conducive investment environment.

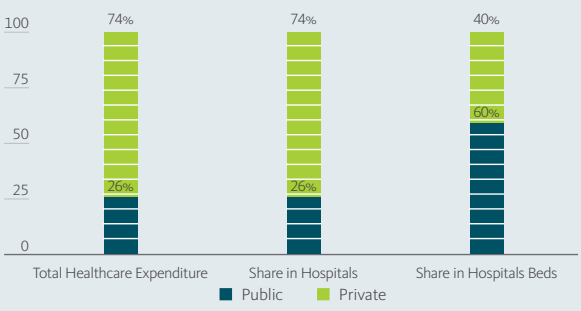
1 India Brand Equity Foundation (2016). IBEF Healthcare Report
2 www.investindia.gov.in/healthcare-sector
3 World Health Statistics 2015
4 KPMG-CII. (2015). The Indian Services Sector: Poised for Global Ascendancy
5 HDFC Bank Investment Advisory Group (2015). Indian Healthcare Industry – Hospital Sector, Sector Update.
6 Deloitte (2016). 2016 Global Health Care Outlook.
7 Insurance Regulatory & Development Authority of India (2015). Annual Report 2014-15. Accessed 13 May 2016.
8 KPMG (2016) Union Budget 2016 Post-Budget Sectoral point of view
9 Economic Times (2014). India Ranks among Top 3 Medical Tourism Destinations in Asia.
10 Economic Times (2015). 'Government to set up Medical Intelligence Tourism Board'. Retrieved from http://articles.economictimes.indiatimes.com/2015-12-11/news/68960025_1_union-minister-mahesh-sharma-medical-tourists-countries
11 CII-Grant Thornton (2015). Transformative Evolution. From 'wellness' to 'medical wellness' tourism in Kerala.

FDI RECEIVED BY THE HEALTHCARE SECTOR[4]
(hospitals and diagnostic chains)



Source: KPMG-CII (2015). The Indian Services sector: Poised for Global Ascendency

INDIA'S PRIVATE HEALTHCARE SECTOR[1]



(Source: IBEF Report 2016)

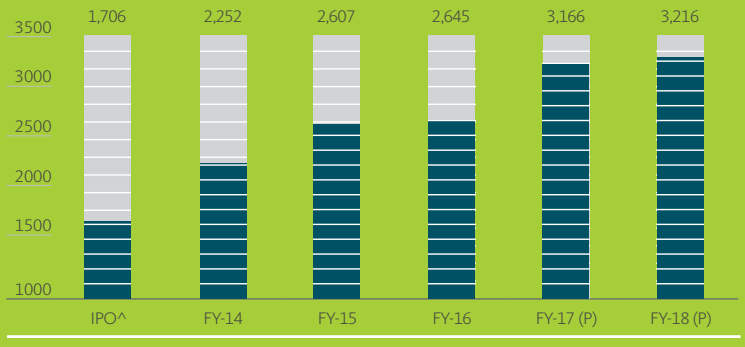
Growing in Strength
Strength in Depth



Our capital structure allows the group to tap on opportunities within the private healthcare market in India that provide attractive returns.

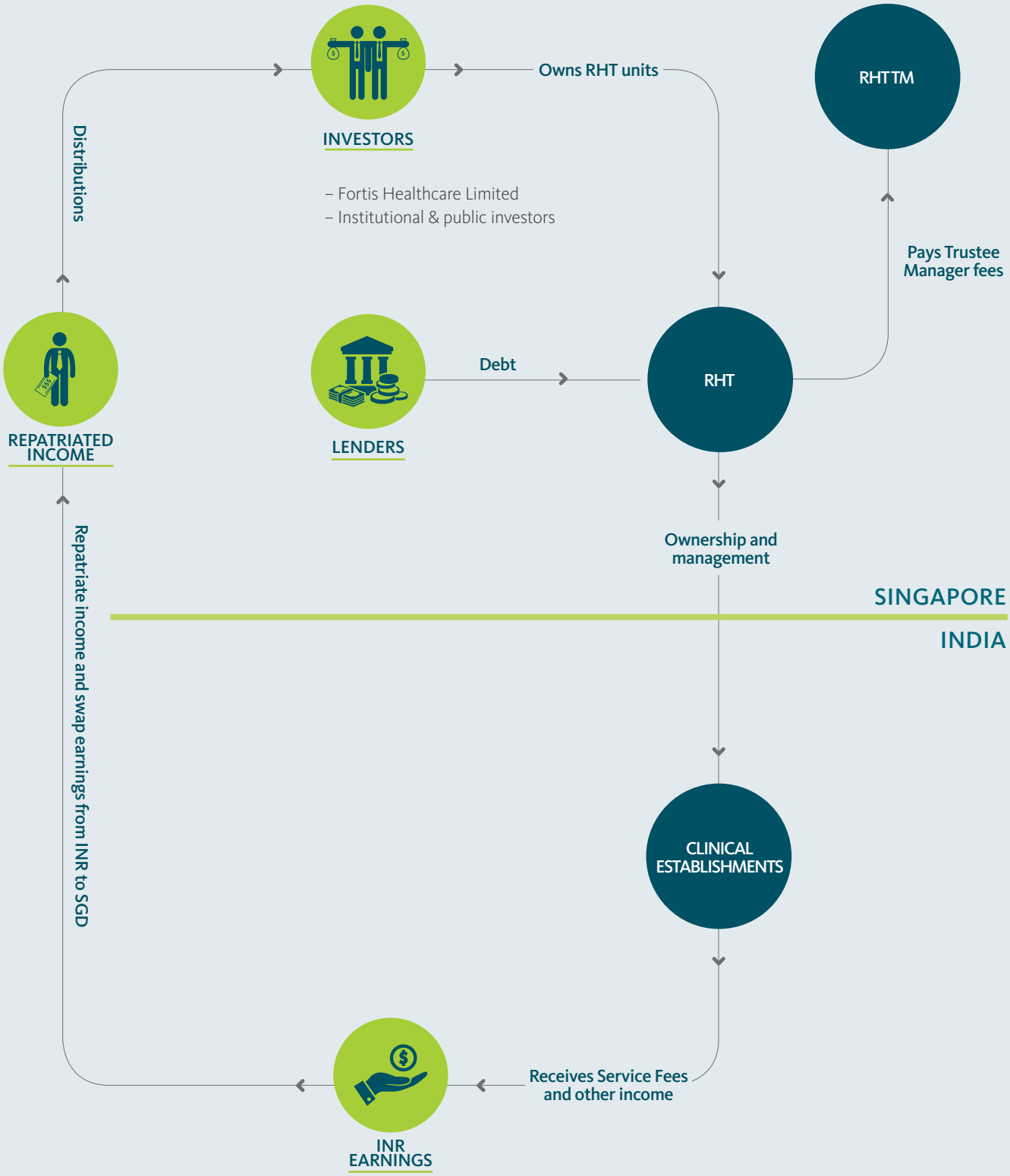
NUMBER OF OPERATIONAL BEDS





^ Bed figures at IPO exclude Gurgaon CE as it was under development at the time of Listing. Bed figures for FY-17 (P) and FY-18 (P) include bed capacity from projects currently under development.

Trust Structure



Growth Strategy

ASSET MANAGEMENT AND ENHANCEMENT

Within RHT's existing portfolio, there is the potential for organic expansion. The total number of beds that are currently being operated at RHT's Clinical Establishments and Operating Hospitals is 2,645 beds. There is the potential to increase this number of operating beds to 3,593 through expansion works, such as the addition of more floors or new blocks within the existing structure or compound. Management also discusses with the operator on the new types of medical programs which they are looking to offer, and if agreed will revamp the facilities in order to meet these needs. The aim of both the operator and management is to fit out the facilities to be able to provide increasingly higher value and more sophisticated medical treatments.

Capacity Enhancement Initiatives Underway

- Addition of a 200 bed Oncology block at BG Road Clinical Establishment
- Addition of a Maternal and Child Health ("MCH") program at Noida Clinical Establishment which will add 40 beds by end FY2017
- Addition of 50 beds at Mulund Clinical Establishment
- Addition of 40 beds at Jaipur Clinical Establishment
- Addition of 102 beds at Amritsar Clinical Establishment by end FY2017
- Addition of 60 beds, two operating theatres and a catherisation laboratory at Nagarbhavi Operating Hospital
- Mohali land with a potential bed capacity of 500 beds

Development Project Pipeline

RHT has four Greenfield Clinical Establishments in its portfolio – Ludhiana, Chennai, Hyderabad, Greater Noida. Together, these four Greenfield Clinical Establishments have a potential capacity of 874 beds.

Currently, the Ludhiana Greenfield Clinical Establishment is under development and is expected to be ready by FY2017. The Ludhiana Greenfield Clinical Establishment will specialise in the provision of Mother and Child related medical programs once it is completed. In FY2015, the Trustee-Manager acquired a piece of freehold land adjacent to the existing Mohali Clinical Establishment that has a potential bed capacity of 500 beds once developed.

INVESTMENTS

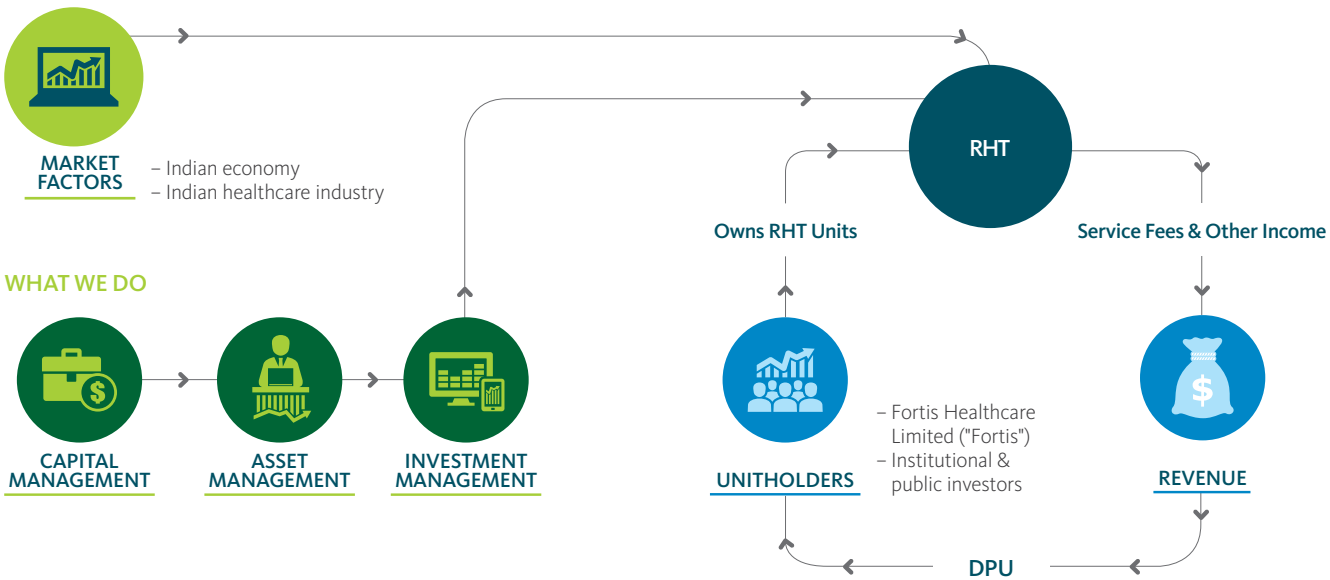
Right of First Refusal Assets

Fortis, the sponsor of RHT, has granted RHT the Right of First Refusal ("ROFR") over the Clinical Establishment that it owns. Where Fortis intends to dispose of any of its Clinical Establishments, it must first be offered to RHT. Currently the clinical establishments owned by Fortis which are potential ROFR assets, are relatively young hospitals. RHT, will, if the assets are offered, evaluate these assets. This is unlikely to occur before they are operationally stable. Fortis is focusing its efforts on the Indian healthcare market and disposed of all its international healthcare operations. With Fortis concentrating on the Indian healthcare market, they may develop more clinical establishments. Such clinical establishments will also be potential ROFR assets.

Potential Third Party Acquisitions

Management recognises that third party acquisitions represent a key source of new assets. We are constantly evaluating potential yield accretive acquisitions to enhance RHT's portfolio. We focus our efforts on clinical establishments which are strategically located and suitable for the provision of multi-specialty medical services. In the short term, we are intending to remain in India where we have the ground knowledge and network for sourcing potential acquisitions.

WHAT AFFECTS US



Organisation Chart

BOARD OF DIRECTORS

MR RAVI MEHROTRA
Executive Chairman

MR GURPREET SINGH DHILLON
Chief Executive Officer (CEO) and Executive Director

MR PAWANPREET SINGH
Chief Financial Officer (CFO) and Executive Director

DR. YOGENDRA NATH MATHUR
Lead Independent Director

MR PETER JOSEPH SEYMOUR ROWE
Chairman of Audit and Risk Management Committee and Independent Director

MR SYDNEY MICHAEL HWANG
Chairman of Nominating Committee and Independent Director

MR ENG MENG LEONG
Chairman of Remuneration Committee and Independent Director

TRUSTEE-MANAGER

MR GURPREET SINGH DHILLON
CEO

MS TAN SUAN HUI
Head of Compliance/ Investor Relations

MR PAWANPREET SINGH
CFO

RHT, INDIA

DR VIRENDER SOBTI
Chief Operating Officer

MRS SHALINI TYAGI
Head of Human Resources

MR NAVEEN BHATIA
Head of Accounts/Finance

MR FAIZAL IMTIAZ
Head of Operations/ Compliance

MR VISHESH VERMA
Vice President Investments and Projects

Letter to Unitholders

Dear Unitholders,

On behalf of the Board of Directors, we are pleased to present the annual report of RHT for the financial year ended 31 March 2016 ("FY2016") (the "Annual Report").

STABLE AND GROWING PORTFOLIO

The financial year 2016 has been interesting and unpredictable for many of the world's major economies, both emerging and mature. The volatility in the financial markets, the slowing down of the China economy and the challenges in the US economy have served to increase challenges in our operating environment.

Notwithstanding the unpredictability in the global economy, we are pleased to present a stable yet growing set of results for FY2016. The factors driving the growth and the resilience of the demand in the Indian healthcare industry which RHT operates, have enabled us to navigate through the uncertainty.

In FY2016, the focus was on enhancing RHT's assets and expanding the capacity for future growth. While these enhancements and expansions will only come into play in FY2017 and beyond, we were nevertheless able to achieve a good set of results in FY2016. Total Revenue increased 6% from S$130.6 million to S$138.4 million between the financial year ended 31 March 2015 ("FY2015") and FY2016, while Net Service Fee and Hospital Income grew 2% from S$91.6 million to S$93.6 million. Under RHT's revenue model, Base Fee grows steadily at 3% annually, thereby providing a source of stability to the revenue base for the Trust. However, the growth was also driven by an increase in Variable Fee earned, which stems from a share of the revenue of the operator of the Clinical Establishments. Due to the increase in demand for healthcare in India, the operator's revenue increased as well. In particular, certain high end medical treatments such as nephrology and cardiology saw increased volume. This growth in high end medical treatment provided is also reflected in an increase in the average revenue per operating bed ("ARPOB"). ARPOB for the portfolio grew by approximately 4.8% in FY 2016 compared to FY2015.

Overall the performance translated to a higher Distributable Income in FY2016 of $61.6 million, an increase of S$3.4 million compared to the previous financial year.

Various enhancement and expansion projects which we are undertaking in the current year had resulted in higher capital expenditure in FY2016 compared to FY2015. The existing portfolio currently has room to expand by 948 beds with minimal capital expenditure, and by another 2,283 beds through greenfield development or by adding a new block or wing. We will be capitalising on this expansion capability over the next few years.

MANAGING RISK

Apart from developing the current portfolio to cater for future growth, there were a few key steps which management took in FY2016 to enhance the stability of RHT. One of them was to issue our first series of notes under RHT's S$500 million medium term note programme ("Notes"), in order to refinance an existing commercial loan. As the existing commercial loan was on a floating rate basis, refinancing it with the Notes which carry a fixed coupon rate of 4.5% for three years served to convert approximately half of RHT's outstanding debt into that of a fixed rate nature. This will help shelter RHT from excessive movements in the interest rates.

When RHT acquired FHTL during the IPO, RHT acquired 49% of the issued and paid up equity of FHTL, and 100% of the economic interest in FHTL. With a view to derisk the RHT portfolio, we are proposing to dispose of RHT's 51% economic interest in FHTL (the "Proposed Disposal"). You would have received, together with this Annual Report, a copy of the Circular to Unitholders, seeking approval for the Proposed Disposal and other Related Arrangements. After taking into account the returns from the FHTL investment, which includes future potential earnings on a fully expanded operating capacity, it was deemed prudent to realise the investment value. Furthermore, RHT continues to retain a 49% interest in FHTL after the Proposed Disposal. With this Proposed Disposal, we look forward to realising and distributing the gain from the investment to Unitholders.

POISED FOR GROWTH

Management recognises that healthcare is an attractive growing industry, and this is evidenced by RHT's growing Variable Fee. Between FY2013 to FY2016, the Variable Fee in INR terms has grown by approximately 100%. If we were to assess the growth of the Variable Fee without taking into account the Gurgaon Clinical Establishment and the Mohali Clinical Establishment which came on board in FY2015, the growth in Variable Fee in INR terms between the same period would still been an impressive 40%. This is a demonstration of the ability of the portfolio to grow organically and the potential that exists in the Indian healthcare space.

This potential in Indian healthcare attracts many new entrants and investors into the sector. We are also putting into action, plans to differentiate our Clinical Establishments from competitors and enhance them to generate higher returns for Unitholders.

NET SERVICE FEE AND HOSPITAL INCOME

S$93.6m

TOTAL REVENUE

S$138.4m

excludes straight-lining

Letter to Unitholders

Asset enhancement is integral to our strategy to grow the portfolio. Through asset enhancements, more sophisticated and higher end medical programmes can be offered by the operator, which will increase their competitiveness and profile in the industry.

In FY2016, management put in place a number of asset enhancement initiatives within the existing RHT portfolio. We are carrying out work on some of the Clinical Establishments which will increase the ability of the operator to undertake higher end surgeries such as transplants and provide more specialty medical treatments such as oncology, orthopaedics and obstretics and gynaecology ("OB/GY"). The push into higher end medical treatments will help our operator to distinguish itself from competitors, as well as increase its average revenue per operating bed. Fortis is also looking to reduce the length of stay of a patient at the hospitals. Both of these factors will lead to better utilisation of the beds, which will result in increased revenue for RHT, through a higher Variable Fee.

Similarly, our greenfield and brownfield development projects at Ludhiana and BG Road respectively, are progressing well. We expect that the projects will be completed by the end of March 2017. These are 2 projects that are developed as high end medical facilities. Ludhiana is a city in the state of Punjab, which is the fourth richest state in India[1]. It is also the state with the highest level of asset ownership in India[2] according to a research done by CRISIL Research[3], signifying its prosperity. The Ludhiana Greenfield Clinical Establishment is being developed to focus solely on the provision of OB/GY medical programmes. This is a sought after medical service in the prosperous state of Punjab.

At the BG Road Clinical Establishment, we have a brownfield development project that will provide us with a new 200 bed block that will be used for oncology medical treatments. In Bengaluru where the BG Road Clinical Establishment is located, there is stiff competition with many other medical facilities situated within close proximity. By specialising in oncology, apart from being a high margin revenue treatment, it also helps Fortis distinguish itself from its competitors with a particular specialisation.

We had also acquired land in Mohali in August 2015, that is adjacent to our current Mohali Clinical Establishment. The Mohali Clinical Establishment is also situated in the state of Punjab and is one of the highest revenue generators among Fortis' operated hospitals. The acquisition of this land will allow us to expand the Mohali Clinical Establishment.

We believe that the activities which we are undertaking now will place RHT in a stronger position. As a healthcare infrastructure provider, we are committed to gearing up our existing portfolio to provide more advanced, better quality healthcare. We are also increasing capacity at strategic locations, in order to provide for expansion needs in the future.

STAYING FOCUSED AMIDST CHALLENGES

Most of the competition in the Indian healthcare industry stems from the private players. The private sector accounts for over 75% of total healthcare expenditure in India, which is one of the highest globally[4]. Furthermore, the Indian government is also encouraging of investment into the healthcare sector, be it foreign or local investment. Since January 2000, foreign direct investment (FDI) has been permitted up to 100% under the automatic route for the hospitals sector in India[5]. Approval from the Foreign Investment Promotion Board (FIPB) is required only for foreign investors with prior technical collaboration, but allowed up to 100%. The government has also put in place encouraging policies, including a reduction in import duties on medical equipment, higher depreciation on life-saving medical equipment (40%, up from 25%), and a number of other tax incentives[4]. All these have led to increased competition within the industry in which RHT and our operator, Fortis, operates. According to a study done on foreign investment in the hospital sector in India by the Institute for Studies in Industrial Development in New Delhi, it showed that the FDI investment into hospitals and diagnostic centres jumped from US$ 6.93 million in 2001–02 to US$ 684.58 million in 2013–14. Such FDI are mainly from the venture capitalists and private equity players. The investment is also found to be mostly in the form of collaboration with local Indian partners, and the multi-speciality and super-speciality hospitals segment have attracted the maximum private investments. Single specialty hospitals for specific diseases/medical conditions like cancer, ophthalmology, cardiology, and trauma, too, attracted large foreign investments. This could be due to the changing nature of lifestyle disease, health education, public awareness, and the change in treatment-seeking behaviour which has led to increased demand for such hospitals. Furthermore, it was noted in the study that a large percentage of FDI is equally distributed among big hospitals. It is noteworthy that the recent investments into the Indian hospital sector are in the same space that Fortis and RHT operates. With the increased competition, the asset enhancements by RHT, and increased medical offerings by Fortis, will be even more important in meeting patient demands.

While RHT TM continues to keep a lookout for new acquisition opportunities, such opportunities may come at increased prices due to the heightened competition. In parallel, management is also evaluating assets which can be acquired for redevelopment with the in-house expertise present, such assets may enable us to achieve better returns for Unitholders. We believe in remaining committed and focused on our strategy of increasing the value of the existing portfolio, building in capacity expansions, and scanning for yield accretive acquisitions at reasonable prices.

1 Ministry of Statistics and Programme Implementation
2 CRISIL Insight 2013
3 CRISIL Research is India's largest independent and integrated research house.
4 Foreign Investment in Hospital Sector in India: Trends, Pattern and Issues. April 2015. Institute for Studies in Industrial Development New Delhi.
5 Invest India website. http://investindia.gov.in/healthcare-sector/

As a healthcare infrastructure provider, we are committed to gearing up our existing portfolio to provide more advanced, better quality healthcare.

ACKNOWLEDGEMENTS

To round off a good year, we would like to thank our fellow Directors, the management, the employees for their dedication and hard work. We would also like to thank our sponsor, Fortis Healthcare Limited ("FHL"), our business partners including our bankers, lawyers and auditors for their unwavering support. We wish to close off by expressing our sincere gratitude to our unit holders for your continued support and confidence in us. We look forward to continuing our dialogue with our Unitholders, and we will strive to continue to deliver consistent stable distributions in the years to come.

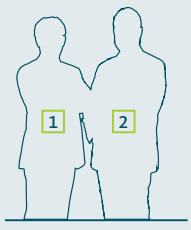


1

MR RAVI MEHROTRA
Executive Chairman and Executive Director

2

MR GURPREET SINGH DHILLON
Chief Executive Officer and Executive Director



Board of Directors


1


2


3


4


5


6


7

1

MR RAVI MEHROTRA
Executive Chairman and Executive Director

2

MR GURPREET SINGH DHILLON
Chief Executive Officer and Executive Director

3

MR PAWANPREET SINGH
Chief Financial Officer and Executive Director

4

DR YOGENDRA NATH MATHUR
Lead Independent Director

5

MR PETER JOSEPH SEYMOUR ROWE
Independent Director

6

MR ENG MENG LEONG
Independent Director

7

MR SYDNEY MICHAEL HWANG
Independent Director

1

Mr Ravi Mehrotra has held the position of Executive Chairman and Executive Director of RHT TM since 7 September 2012.

Mr Mehrotra has experience spanning over 30 years in the financial services sector both within India and internationally. He has with him, extensive experience in fund management in the areas of investment and corporate banking as well as equities. Prior to his appointment at RHT TM, he held various key positions in PineBridge Investments, Hong Kong (previously AIG Investments). He served as Managing Director and Global Head of Retail & Intermediary Channels at PineBridge Investments as well as Global Head of Retail & Intermediary Channels at AIG Investments. As Managing Director and Regional Head, he was responsible for overseeing asset management companies in China, India, the Philippines and Taiwan. In addition, he had previously been the President and Chief Investment Officer (Equities) at Franklin Templeton Asset Management (India) as well as the Senior Vice President and Chief Investment Officer at Kothari Pioneer Asset Management. At Bank of America in India, Mr Mehrotra was a Vice President in the Investment Banking and Treasury Group. Mr Mehrotra currently also sits on the Board of FHL, the Sponsor of RHT.

Mr Mehrotra graduated from the University of Mumbai with a Bachelor of Commerce. He also received a Post Graduate Diploma in Business Management from the Xavier Labour Relations Institute of Jamshedpur in India.

2

Mr Gurpreet Singh Dhillon is the Chief Executive Officer and Executive Director of RHT TM where he oversees all key operations and business development plans of RHT. Mr Dhillon currently serves as a Director on the Board of Fortis Global Healthcare Infrastructure Pte. Ltd. and Religare Healthtrust Services Pte. Ltd., both of which are wholly-owned subsidiaries of RHT.

Mr Dhillon is experienced in the fields of asset management and investments. He had played key advisory roles in real estate acquisitions across India and the United Kingdom during his career in Religare Capital Markets, Plc, the investment banking arm of Religare Enterprises Limited before he joined RHT TM. Mr Dhillon joined the Trustee-Manager as Chief Operating Officer before he was appointed the Chief Executive Officer.

Mr Dhillon graduated from the University of Essex with a Bachelor of Law degree.

3

Appointed as Chief Financial Officer ("CFO") and Executive Director since 1 January 2013, Mr Pawanpreet Singh has experience in accounting and finance.

Prior to his appointment as CFO of RHT TM, Mr Singh spent most his career working in the healthcare sector in India. Between 2005 and 2011, Mr Singh held the position of Corporate Controller of Finance in Fortis Healthcare Limited where he played a key role in its IPO Offering, rights- and issuance of convertible bonds. He was also the CFO of Super Religare Laboratories Limited where he played an active role in its business development plans.

Mr Singh holds a Bachelor of Commerce (Honours) degree from Punjab University, Chandigarh. He is currently a member of the Institute of Chartered Accountants of India as well as the Institute of Costs & Works Accountants of India.

4

Dr Yogendra Nath Mathur joined the the Board of the Trustee-Manager as Lead Independent Director on 7 September 2012.

Prior to his appointment, Dr Mathur spent a large part of his career with the United Nations Children's Fund ("UNICEF"), where he held key positions and memberships in several government bodies. He was actively involved in social development and welfare initiatives, particularly for women and children. Dr Mathur was a member of the Central Review Board. As Project Officer (Health and Nutrition) with the UNICEF, he had helped establish an immunization programme. He was also Chief of State Office for Andhra Pradesh, Karnataka and Gujarat. He was appointed Head of the Regional Medical Research Centre for Tribal Health in Jabalpur, Madhya Pradesh prior to his work at UNICEF.

Dr Mathur holds a Bachelor of Medicine and a Bachelor of Surgery from Nagpur University. In addition, he received a Doctorate of Medicine (Preventive and Social Medicine) from the All-India Institute of Medical Sciences, New Delhi. Dr Mathur is currently the Secretary of the Maharaj Jagat Singh Medical Relief Society and RSSB Education & Environment Society.

5

Mr Peter Joseph Seymour Rowe sits on the Board of the Trustee Manager and is also the Chairman of the Audit and Risk Management Committee.

Mr Rowe brings with him over 35 years of experience in the financial services industry, particularly in the areas of fund management and compliance. He is currently a consultant at Herbert Smith Freehills ("HSF") where he had previously been made a Partner and was also appointed Head of the Financial Services Group. Apart from the Board of RHT TM, Mr Rowe sits on the Board of other real estate management related companies in Australia as well as his appointment as Chairman for AMP Capital.

Mr Rowe received a Diploma in Law from the Solicitors Admission Board of New South Wales, Australia.

Board of Directors

6

Mr Eng Meng Leong is an Independent Director and serves on the Board of RHT TM as Chairman of the Remuneration Committee. He currently holds directorship on the Board of a public listed company, Croesus Retail Asset Management Pte. Ltd. Mr Eng brings with him expertise, spanning over 25 years, in the fields of taxation in Singapore and internationally.

Prior to his appointment with RHT TM since 2013, Mr Eng was the Director of Tax Services and Head of Financial Services in KPMG Tax Services Pte. Ltd. During his stint with KPMG, he played a key role in taxation works in relation to M&As, IPOs, compliance and corporate finance matters.

Mr Eng is currently a member of the Institute of Certified Public Accountants of Singapore and an accredited Tax Advisor of the Singapore Institute of Accredited Tax Professionals. He was also admitted as a member of the Institute of Chartered Accountants of England and Wales in 1982.

7

Mr Sydney Michael Hwang is an Independent Director and also Chairman of the Nominating Committee. Mr Hwang practices as an independent barrister, international arbitrator and is the Chief Justice of the Dubai International Financial Centre Courts.

Mr Hwang was formerly a Judicial Commissioner of the Supreme Court of Singapore and was also one of the first 12 Senior Counsel appointed in Singapore. His previous appointments include Partner and Head of Litigation and Arbitration at Allen & Gledhill, Commissioner of the UN Compensation Commission on compensation payable by Iraq in respect of the First Gulf War, and President of the Law Society of Singapore.

Mr Hwang currently also sits on the Boards of various companies such as Linyi Investments Private Limited, Singapore Dance Theatre Limited, YTL Starhill Global REIT Management Limited, Memories of the East Pte. Ltd., Justinian Private Limited and is the Sole Director of Michael Hwang Chambers LLC.

Mr Hwang holds an undergraduate and post graduate law degree from Oxford University and an Honorary Doctor of Laws degree from the University of Sydney. He is currently on the advisory or consultative boards of the Singapore International Arbitration Centre and the Hong Kong International Arbitration Centre and the Swiss Arbitration Association.

Senior Management of the Trustee-Manager, Singapore



MS TAN SUAN HUI
Head of Compliance and Investor Relations

Ms Tan Suan Hui has held the position of Head of Compliance and Investor Relations in the Trustee-Manager since 2011.

Prior to her current appointment at RHT TM, Ms Tan began her career at the SGX-ST and brings with her over 10 years of experience, particularly in Listings and Issuer Regulation. She was appointed Vice President in the Listings and had worked in the Issuer Regulation department where she took on an advisory role in relation to listing, IPO applications and product development. During her career at SGX, Ms Tan had played an integral role in the launch of the FTSE ST Indices as well as the Global Depository Receipts.

Ms Tan holds received a Bachelor of Business Administration (Honours) from the National University of Singapore.

MR GURPREET SINGH DHILLON
Chief Executive Officer

MR PAWANPREET SINGH
Chief Financial Officer

Please refer to the biography under Board of Directors.

The team behind
RHT Trustee-Manager, Singapore



From left:
Ramnik Ahuja,
Koh Hei Ein,
Dephne Lim,
Pawanpreet Singh,
Gurpreet Singh
Dhillon, Ravi
Mehrotra,
Tan Suan Hui,
Alex Lim,
Shirley Chung,
Charmaine Wong

RHT
Senior Management Team, India



DR VIRENDER SOBTI
Chief Operating Officer

Dr Virender Sobti has over 15 years of experience in hospital management and is the Chief Operating Officer ("COO") of RHT. Based in India, he oversees the operations of the clinical establishments under the RHT portfolio.

Dr Sobti was previously appointed Vice President of Operations and Business Strategy at the Metro Group of Hospitals. He was also COO and Medical Superintendent at Paras Hospitals Gurgaon and Paras Spring Meadows Hospital New Delhi. Dr Sobti was previously based in Mata Chanan Devi Hospital as its Medical Superintendent where he was responsible in the areas of strategic planning, operational management, human resources and also has been responsible for P&L of these institutions.

During his career, Dr Sobti had played an integral role in the implementation of the National Accreditation Board for Hospitals ("NABH") certification.

Dr Sobti holds a Diploma in Hospital Management from The National Institute of Health and Family Welfare as well as an MBBS degree from the Post Graduate Institute of Medical Services Rothak, Haryana.

RHT
Senior Management Team, India



MR NAVEEN BHATIA
Head of Accounts and Finance

Based in India, Mr Naveen Bhatia holds the position of Head of Accounts and Finance for RHT India's operations. Prior to his current appointment, Mr Bhatia was the Finance and Accounts Controller at iYogi Technical Services Private Limited where he was involved in a US IPO (SEC Listing). He was previously the Deputy General for the Finance and Accounts Department at IREO Management and had also held the position of Head of Accounts at Chaman Lal Setia Exports Limited.

Mr Bhatia graduated from the Kurukshetra University with a Bachelor of Commerce degree and also holds a Diploma in Information System from the Institute of Chartered Accountants of India.



MR FAIZAL IMTIAZ
Head of Operations and Compliance

Mr Faizal Imtiaz brings with him a wealth of experience in operations, compliance and risk management, spanning over 13 years. As Head of Operations and Compliance, he is responsible for operations and compliance related activities of RHT in India. Prior to his current appointment, Mr Imtiaz was the Assistant Vice President of the Operations and Compliance department at Religare Securities Australia Pte Limited.

Mr Imtiaz holds a Post Graduate Diploma in Planning and Management from the Indian Institute of Planning and Management as well as a Master of Business Administration (Finance and Marketing) Degree from the International Management Institute, Belgium.



MR VISHESH VERMA
Vice President, Investment and Projects

As Vice President of Investments and Projects, Mr Vishesh Verma is responsible for sourcing investment opportunities and the expansion of the RHT portfolio. Based in India, he brings with him over 10 years of experience in advisory, transactions and investment banking, particularly in the commercial real estate, healthcare and education sector.

Prior to his current appointment, Mr Verma was Associate Director and Pan-India Vertical Head for Social Real Estate (Healthcare, Education and Senior Living) at Jones Lang LaSalle ("JLL") Property Consultants (India) Pvt Ltd. During his stint with JLL, he took on key roles in the areas of asset valuation, business feasibilities, transaction management and investment advisory in national and international assignments.

Mr Verma holds a Bachelor of Commerce (Honours) degree from Delhi University and obtained a Master in Business Administration, with a specialisation in Finance from Amity Business School, Noida.



MRS SHALINI TYAGI
Head of Human Resources

Mrs Shalini Tyagi brings with her over 18 years of experience in the fields of Human Resources and Industrial Relations. Prior to her career at RHT, Mrs Tyagi led the Human Resources division at Jessaram hospital, working in FHL. She was the Head Human Resource, Compliance and Administration Manager at Orient Craft Ltd as well as Senior Executive at Phoenix Lamps Limited where she was responsible for recruitment, training and development, managing Industrial Relations and other welfare activities. Mrs Tyagi also accumulated experience in industrial relations from her stint at Oriental Fashions as Personnel Manager.

Mrs Tyagi received a Bachelor of Arts degree and also a Master of Social Work degree, with a specialisation in Industrial Relations, Human Resources and Labour Law, from Kurukshetra University.

The Year in Perspective

For the financial period 1 April 2015 to 31 March 2016*

2015

MAY 2015

RHT recorded a Distributable Income of $58.2 million and a distribution of 7.32 Singapore cents for Financial Year ("FY") 2015.

RHT entered into agreements in connection with two term loan facilities to be used for the expansion of the BG Road Clinical Establishment and the development of the Ludhiana Greenfield Clinical Establishment.

AUGUST 2015

For the first quarter of FY2016, Distributable Income and Distribution per Unit ("DPU") increased approximately 7.8% and 7.4% respectively against the corresponding quarter on the back of higher revenue growth.

RHT hosted the Annual General Meeting ("AGM") at M2 Academy, Orchard Gateway @ Emerald. All Ordinary Resolutions put to vote for unitholders' approvals were duly passed.

JULY 2015

RHT made its inaugural issuance of S$60 million, 4.50 per cent fixed rate notes (the "Series 001 Notes") which mature in 2018.

RHT successfully bids for a freehold piece of land adjoining the Mohali Clinical Establishment.

NOVEMBER 2015

For the second quarter and first half of FY2016, Distributable Income and DPU increased 8% over the corresponding period following increased revenue and lower hedging costs with the stabilization of the Indian Rupee. RHT declared a total of 3.90 Singapore cents for 1H FY16 with a Distributable Income of $31.1 million.

2016

MAY 2016

RHT distributed a cumulated DPU of 7.72 Singapore cents as Distributable Income grew 5.9% for the financial year ended 31 March 2016. Total Revenue as well as Net Service Fee and Hospital Income grew year on year, driven by growth in Variable Fee. Gearing continues to remain low at 18%.

The third quarter of FY2016 saw RHT recording a DPU of 1.91 Singapore cents and a 5.7% increase in Distributable Income against the corresponding quarter on the back of lower hedging costs and improved forward contracted rates.

FEBRUARY 2016

The Trustee-Manager announced a potential change in its ownership. Stellant Capital Advisory Services Private Limited, a wholly-owned indirectly held subsidiary of Fortis Healthcare Limited.

FEBRUARY 2016

Completed acquisition of Mohali Land on 10 February 2016

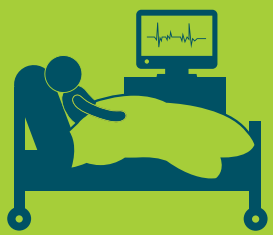
* All S$ references on this page are based on the exchange rate as at date of the respective announcements.

Momentum in Expansion
Expansion to Value



Value creation through enhancing the current portfolio and expanding the capacity for future growth.





OPERATIONAL BED CAPACITY

2,645

INSTALLED BED CAPACITY

3,593

POTENTIAL BED CAPACITY

5,881

Geographically Diversified Asset Portfolio

1
AMRITSAR
153
166
89

2
MOHALI
344
355
*500

3
LUDHIANA
79

4
JAIPUR
245
320

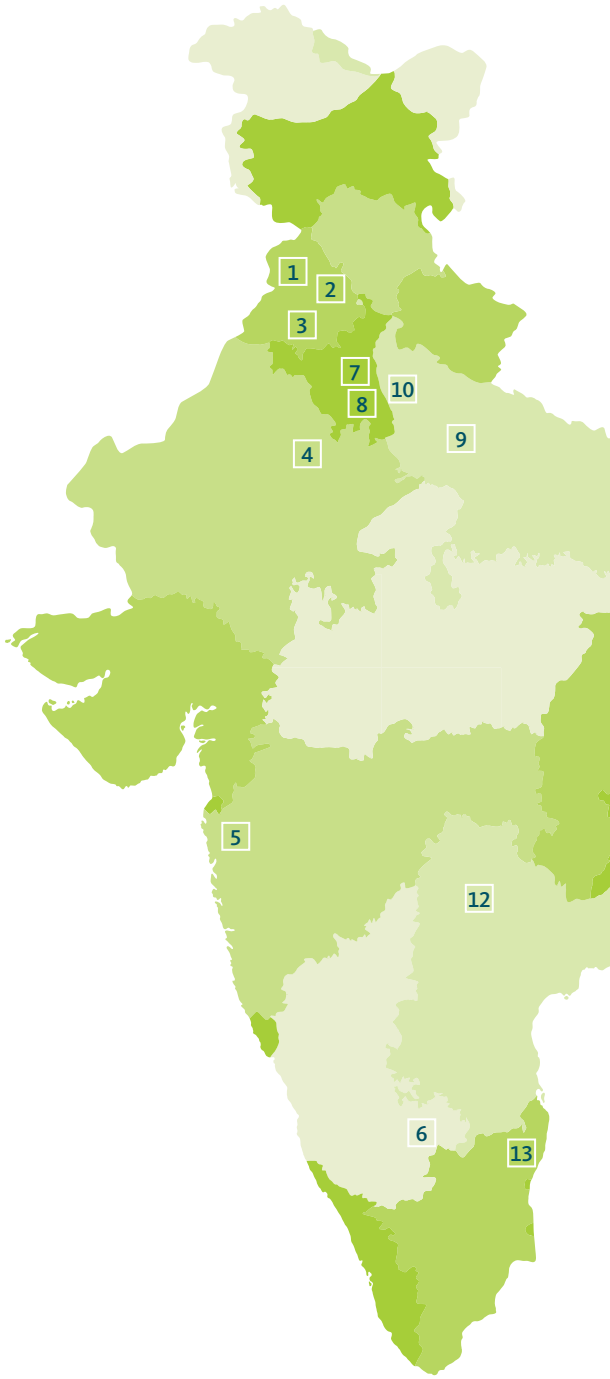
5
KALYAN
49
52

5
MULUND
261
567

6
RAJANINAGAR
48
52

6
NAGARBHAVI
45
62
43

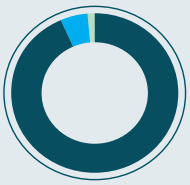
6
BG ROAD
255
258
197



* The development of the Mohali land may be carried out in phases and may not result in an immediate addition in capacity of 500 beds upon completion of the initial phase of development.

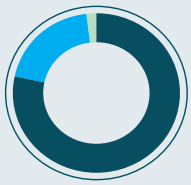
SOLID PORTFOLIO CHARACTERISTICS

Income-generating Assets Account for Vast Majority of Portfolio



RHT Clinical Establishments	93.5%
Greenfield Clinical Establishments	5.3%
Operating Hospitals	1.2%

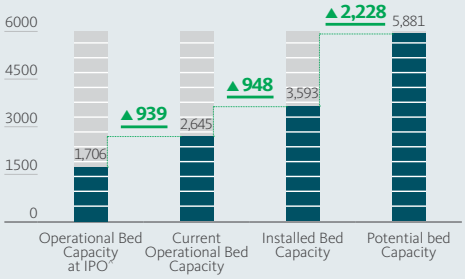
Substantial Portion of Portfolio Comprise Long Term Lease/Freehold Land

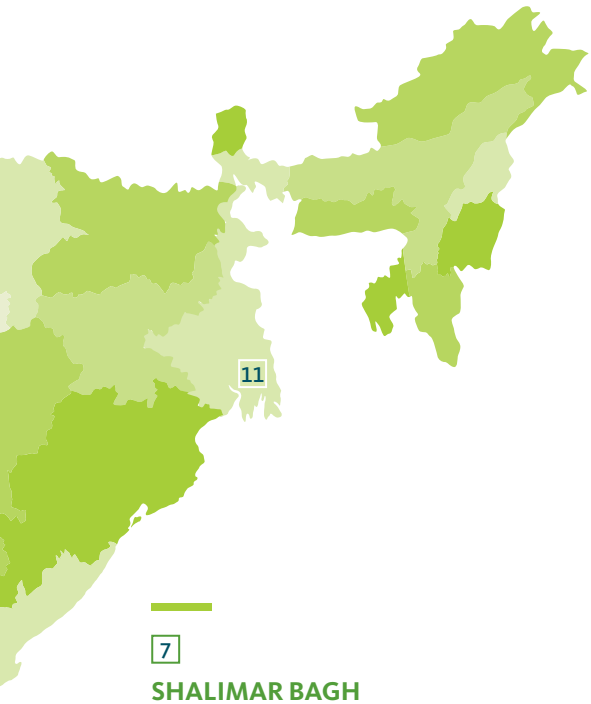


Freehold	78.4%
≥ 50 years Remaining Lease Life	19.8%
Operating Hospitals	1.8%

STRONG GROWTH FROM CAPACITY EXPANSION WITH MINIMAL CAPEX

Number of Beds





9

NOIDA

191
200
31

9

GREATER NOIDA

350

10

FARIDABAD

210
210

11

ANANDPUR

193
373

12

HYDERABAD

400

13

MALAR

167
178

13

CHENNAI

45

7

SHALIMAR BAGH

200
350

8

GURGAON

284
450
550

RHT Clinical Establishments

Greenfield Clinical Establishments

Operating Hospitals

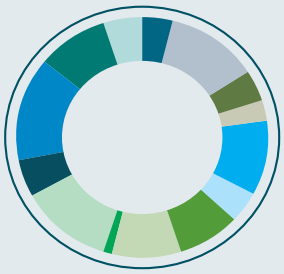
Operational Beds

Installed Bed Capacity

Potential Bed Capacity

NO SINGLE ASSET ACCOUNTS FOR >25% OF RHT'S REVENUE

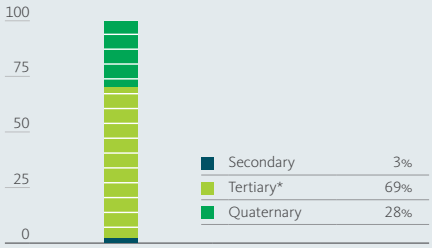
FY15 Revenue Contribution



Rajajinagar	3%	BG Road	7%
Noida	10%	Kalyan	1%
Faridabad	3%	Mulund	11%
Amritsar	3%	Anandpur	4%
Jaipur	8%	Gurgaon	23%
Malar	3%	Mohali	7%
Shalimar Bagh	14%	Nagarbhavi	3%

POTENTIAL TO PROVIDE HIGHER-END AND MORE ADVANCED SERVICES

FY15 Portfolio Valuation (%)



* Includes Secondary/Tertiary services

Portfolio Summary
12 Clinical Establishments

AMRITSAR

DESCRIPTION

Amritsar Clinical Establishment is a multi-specialty hospital, located in the north eastern part of Amritsar. The hospital commenced operations in 2003 and its key specialties are cardiac sciences, neurosciences, urology and nephrology, medical and surgical gastroenterology, medical and surgical oncology, orthopaedics and joint replacement.

Amritsar is an important city in Punjab with good connectivity to other parts of the state and India and is a major commercial and cultural centre. It has a bed to population ratio of 1.3 per 1,000 population, considering its total primary and secondary catchment population. As of 2011, Amritsar requires an additional 3,527 beds over and above the existing supply of 6,989 beds to cater to its direct primary and secondary catchment population of 5.2 million.

AWARDS & ACCOLADES

- NABH accredited



Address
Amritsar

Nature of Interest
Freehold

Hospital Services Company
International Hospital Limited (IHL)

Interest of RHT in Hospital Services Company
100.00%

Name of Fortis Hospital
Fortis Escorts Hospital, Amritsar

Care Type
Secondary and Tertiary

Approximate Land Size (acres)
4.6

Approximate Built-up Area (sq ft)
145,948

Operational Beds as at 31 March 2016
153

Installed Bed Capacity as at 31 March 2016
166

Occupancy
83% (FY15: 85%)

Appraised Value by the Independent Valuer as at 31 March 2016 (INR m)
1,339 (S$27.23m)*
(FY15: 1,182 (S$26.02m)#)

Service Income (S$ m)
3.80[1] (FY15: 3.70)[2]

* based on an exchange rate of S$1 = INR 49.17 as at 31 March 2016.
\# based on an exchange rate of S$1 = INR 45.43 as at 31 March 2015.
1 based on an average exchange rate of S$1 = INR 47.36 as at 31 March 2016.
2 based on an average exchange rate of S$1 = INR 47.41 as at 31 March 2015.

Address
Bangalore

Nature of Interest
Freehold

Hospital Services Company
International Hospital Limited (IHL)

Interest of RHT in Hospital Services Company
100.00%

Name of Fortis Hospital
Fortis Hospital,
Bannerghatta Road, Bengaluru

Care Type
Quaternary

Approximate Land Size (acres)
2.93

Approximate Built-up Area (sq ft)
357,447

Operational Beds as at 31 March 2016
255

Installed Bed Capacity as at 31 March 2016
258

Occupancy
75% (FY15: 74%)

Appraised Value by the Independent Valuer as at 31 March 2016 (INR m)
3,515 (S$71.49m)*
(FY15: 2,951 (S$64.95m)#)

Service Income (S$ m)
10.22[1] (FY15: 9.78)[2]

* based on an exchange rate of S$1 = INR 49.17 as at 31 March 2016.
\# based on an exchange rate of S$1 = INR 45.43 as at 31 March 2015.
1 based on an average exchange rate of S$1 = INR 47.36 as at 31 March 2016.
2 based on an average exchange rate of S$1 = INR 47.41 as at 31 March 2015.

BENGALURU, BG ROAD

DESCRIPTION

BG Road Clinical Establishment is a super specialty hospital and is located on Bannerghatta Road, opposite the Indian Institute of Management, Bengaluru. The hospital commenced operations in 2006 and its key specialties are cardiac care, neurosciences, orthopaedics, renal care and gynaecology.

Bengaluru is the capital of the Indian state of Karnataka, known as the Garden City, and is India's fifth most populous urban agglomeration. It is also known as the Silicon Valley of India because of its position as the nation's leading IT exporter. It has a bed to population ratio of 1.4 per 1,000 population for its primary and secondary catchment population. As of 2011, Bengaluru requires an additional 12,891 beds over and above the existing supply of 30,869 beds to cater to its direct primary and secondary catchment population of 21.9 million.

AWARDS & ACCOLADES

- Joint Commission International (JCI) accreditation
- Awarded the JCI accreditation for the third term in a row in May 2014
- No. 4 on 2013 World's Best Hospitals list for Medical Tourists
- Recognised for the fifth consecutive year by the Medical Travel Quality Alliance (MTQUA) and ranked third amongst Top 20 hospitals across the globe in its annual rankings
- Received National Energy Conservation Award 2014
- Ranked no. 2 as best multispecialty hospital in respective city, The Week Magazine Awards
- NABH accredited



Portfolio Summary
12 Clinical Establishments

MALAR

DESCRIPTION

Malar Clinical Establishment is a multi-specialty secondary and tertiary hospital, located on Gandhi Nagar First Main Road, Adyar, Chennai. The hospital was established in 1992 and its key specialties are cardiac sciences, neurosciences, orthopaedics, renal sciences and gynaecology.

Chennai is the fourth most populous metropolitan city and the sixth most populous city in India. The urban agglomeration of metropolitan Chennai has an estimated population over 8.2 million.

Chennai's economy has a broad industrial base in the automobile, computer, technology, hardware manufacturing, and healthcare industries. Chennai zone contributes 39.0% of the state's GDP. It has a bed to population ratio of 1.6 per 1,000 population for its primary and secondary catchment area population. As of 2011, Chennai requires an additional 7,413 beds over and above the existing supply of 31,659 beds to cater to its direct primary and secondary catchment population of 19.5 million.



Address
Chennai

Nature of Interest
Freehold

Hospital Services Company
Fortis Health Management Limited (FHML)

Interest of RHT in Hospital Services Company
100.00%

Name of Fortis Hospital
Fortis Malar Hospital

Care Type
Secondary and Tertiary

Approximate Land Size (acres)
0.67

Approximate Built-up Area (sq ft)
107,922

Operational Beds as at 31 March 2016
167

Installed Bed Capacity as at 31 March 2016
178

Occupancy
62% (FY15: 60%)

Appraised Value by the Independent Valuer as at 31 March 2016 (INR m)
941 (S$19.14m)*
(FY15: 814 (S$17.92m)#)

Service Income (S$ m)
4.01[1] (FY15: 3.75)[2]

* based on an exchange rate of S$1 = INR 49.17 as at 31 March 2016.
\# based on an exchange rate of S$1 = INR 45.43 as at 31 March 2015.
[1] based on an average exchange rate of S$1 = INR 47.36 as at 31 March 2016.
[2] based on an average exchange rate of S$1 = INR 47.41 as at 31 March 2015.

Address
Faridabad

Nature of Interest
Freehold

Hospital Services Company
International Hospital Limited (IHL)

Interest of RHT in Hospital Services Company
100.00%

Name of Fortis Hospital
Fortis Escorts Hospital, Faridabad

Care Type
Secondary

Approximate Land Size (acres)
5.07

Approximate Built-up Area (sq ft)
177,330

Operational Beds as at 31 March 2016
210

Installed Bed Capacity as at 31 March 2016
210

Occupancy
80% (FY15: 66%)

Appraised Value by the Independent Valuer as at 31 March 2016 (INR m)
982 (S$19.97m)*
(FY15: 958 (S$21.09m)#)

Service Income (S$ m)
4.78[1] (FY15: 4.55)[2]

* based on an exchange rate of S$1 = INR 49.17 as at 31 March 2016.
\# based on an exchange rate of S$1 = INR 45.43 as at 31 March 2015.
1 based on an average exchange rate of S$1 = INR 47.36 as at 31 March 2016.
2 based on an average exchange rate of S$1 = INR 47.41 as at 31 March 2015.

FARIDABAD

DESCRIPTION

Faridabad Clinical Establishment is a multi-specialty secondary hospital, located on Neelam Bata Road in the New Industrial Township in Faridabad. The hospital was established in 1982 and its key specialties are cardiac sciences, neurosciences, orthopaedics, gynaecology, emergency services and gastroenterology.

Faridabad comes under the Gurgaon Division of Haryana and is about 25.0 km from Delhi. It is an important city and a major industrial and commercial center in Haryana. It has a bed to population ratio of 1.11 per 1,000 population for its primary and secondary catchment population. Faridabad requires an additional 3,213 beds over and above the existing supply of 4,033 beds to cater to its direct primary and secondary catchment population of 3.6 million.

AWARDS & ACCOLADES

- NABH accredited



Portfolio Summary
12 Clinical Establishments

GURGAON

DESCRIPTION

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

Gurgaon is the sixth largest city in the state of Haryana and one of the major cities of the National Capital Region (NCR). It is the main industrial and financial centre of Haryana, and is slated to be among the top 12 mega cities in India by 2021. It has the third highest per capita income in India and with over 40 malls, it is considered the Mall Capital of India. It has a bed to population ratio of 1.66 per 1,000 population for its primary and secondary catchment population. As of 2011, it requires an additional 1,010 beds over and above the existing supply of 5,034 beds to cater to its direct primary and secondary catchment population of 3.0 million.

AWARDS & ACCOLADES

- Recognised as a Green Building in 2013 and received a 4 Star rating by TERI GRIHA
- No. 2 globally on '30 Most Technologically Advanced Hospitals in the World' by 'topmastersinhealthcare.com'
- "Green Hospital" for 2014 from the Association of Healthcare Providers India (AHPI)
- Won two awards under the categories of "Process Innovation" and "Safety" in Frost and Sullivan's Project Evaluation & Recognition Program 2015.



Address
Gurgaon

Nature of Interest
Freehold

Hospital Services Company
Fortis Hospotel Limited (FHTL)

Interest of RHT in Hospital Services Company
49.0%

Name of Fortis Hospital
Fortis Escorts Hospital, Gurgaon

Care Type
Tertiary

Approximate Land Size (acres)
10.7

Approximate Built-up Area (sq ft)
711,922

Operational Beds as at 31 March 2016
284

Installed Bed Capacity as at 31 March 2016
450

Occupancy
61% (FY15: 62%)

Appraised Value by the Independent Valuer as at 31 March 2016 (INR m)
19,023 (S$386.86m)*
(FY15: 12,621 (S$277.82m)#)

Service Income (S$ m)
31.70[1] (FY15: 30.50)[2]

* based on an exchange rate of S$1 = INR 49.17 as at 31 March 2016.
\# based on an exchange rate of S$1 = INR 45.43 as at 31 March 2015.
1 based on an average exchange rate of S$1 = INR 47.36 as at 31 March 2016.
2 based on an average exchange rate of S$1 = INR 47.41 as at 31 March 2015.

Address
Jaipur

Nature of Interest
99-years leasehold commencing 24 November 1999

Hospital Services Company
Escorts Heart and Super Speciality Institute Limited (EHSSIL)

Interest of RHT in Hospital Services Company
100.0%

Name of Fortis Hospital
Fortis Escorts Hospital, Jaipur

Care Type
Tertiary

Approximate Land Size (acres)
6.68

Approximate Built-up Area (sq ft)
343,648

Operational Beds as at 31 March 2016
245

Installed Bed Capacity as at 31 March 2016
320

Occupancy
72% (FY15: 78%)

Appraised Value by the Independent Valuer as at 31 March 2016 (INR m)
3,881 (S$78.93m)*
(FY15: 3,698 (S$81.4m)#)

Service Income (S$ m)
11.13[1] (FY15: 11.04)[2]

* based on an exchange rate of S$1 = INR 49.17 as at 31 March 2016.
\# based on an exchange rate of S$1 = INR 45.43 as at 31 March 2015.
1 based on an average exchange rate of S$1 = INR 47.36 as at 31 March 2016.
2 based on an average exchange rate of S$1 = INR 47.41 as at 31 March 2015.

JAIPUR

DESCRIPTION

Jaipur Clinical Establishment is a multi-specialty tertiary hospital, located on the main road of Jawahar Lal Nehru Marg in Malviya Nagar, Jaipur. The hospital commenced operations in 2007 and its key specialties are cardiac sciences, orthopaedics, neurosciences, renal sciences, gynaecology and gastrointestinal diseases.

Jaipur is the capital and largest city of the state of Rajasthan. The city has a population of 3.1 million and is known as the Pink City of India. Jaipur is a centre for both traditional and modern industries.

AWARDS & ACCOLADES

- Six Sigma Healthcare Excellence Awards – 2013 'Best Hospital in 'Patient Care', Best Hospital in 'Patient Safety' and 'Best Hospital in Quality Initiatives'
- Recognised as the 'India's Top Hospital in Patient Safety' at the 4th National MT India Healthcare Award
- Ranked no. 2 as best multi-specialty hospital in respective city, The Week Magazine Awards
- NABH accredited
- National QCI award for two consecutive years
- FICCI Healthcare Excellence Award 2012
- Received the ILD Community Leadership Award 2012 which recognises CSR initiatives by the hospital



Portfolio Summary
12 Clinical Establishments

ANANDPUR

DESCRIPTION

Anandpur Clinical Establishment is a super specialty tertiary hospital, located on the Eastern Metropolitan Bypass Road, approximately 9.0 km from the city centre. The key specialties of the hospital are cardiology and cardiac surgery, urology and nephrology, neurosciences, orthopaedics, renal sciences, emergency care and critical care.

Kolkata is the capital of the state of West Bengal. Located on the east bank of the Hooghly river, it is the principal commercial, cultural, and educational centre of East India, while the Port of Kolkata is India's oldest operating port as well as its sole major riverine port. Kolkata is the third most populous metropolitan area in India. As of 2011, the city had 4.5 million residents. The urban agglomeration, which comprises the city and its suburbs, was home to approximately 14.1 million residents.

AWARDS & ACCOLADES

- No. 2 Best Hospital in multi-specialty category in Kolkata in a survey conducted by AC Nielson for The Week Magazine
- Received the prestigious National Energy Conservation Award 2013 from the President of India
- Received the CII Energy Efficient Unit Award 2014
- NABH accredited



Address
Kolkata

Nature of Interest
99-years leasehold commencing August 2005 with an option to renew for another 99 years

Hospital Services Company
International Hospital Limited (IHL)

Interest of RHT in Hospital Services Company
100.00%

Name of Fortis Hospital
Fortis Hospital, Anandpur, Kolkata

Care Type
Tertiary

Approximate Land Size (acres)
1.49

Approximate Built-up Area (sq ft)
295,039

Operational Beds as at 31 March 2016
193

Installed Bed Capacity as at 31 March 2016
373

Occupancy
81% (FY15: 77%)

Appraised Value by the Independent Valuer as at 31 March 2016 (INR m)
1,818 (S$36.97m)*
(FY15: 1,816 (S$39.98m)#)

Service Income (S$ m)
5.78[1] (FY15: 5.40)[2]

* based on an exchange rate of S$1 = INR 49.17 as at 31 March 2016.
\# based on an exchange rate of S$1 = INR 45.43 as at 31 March 2015.
[1] based on an average exchange rate of S$1 = INR 47.36 as at 31 March 2016.
[2] based on an average exchange rate of S$1 = INR 47.41 as at 31 March 2015.

Address
Mohali

Nature of Interest
Freehold

Hospital Services Company
Escorts Heart and Super Speciality Hospital Limited (EHSSHL)

Interest of RHT in Hospital Services Company
100.00%

Name of Fortis Hospital
Fortis Hospital, Mohali

Care Type
Tertiary

Approximate Land Size (acres)
13.43

Approximate Built-up Area (sq ft)
464,851

Operational Beds as at 31 March 2016
344

Installed Bed Capacity as at 31 March 2016
355

Occupancy
79% (FY15: 79%)

Appraised Value by the Independent Valuer as at 31 March 2016 (INR m)
3,236 (S$65.82m)*
(FY15: 3,234 (S$71.18m)#)

Service Income (S$ m)
10.10[1] (FY15: 8.91)[2]

Mohali Land:

Potential Bed Capacity as at 31 March 2016
500

Planned Built-up Area (sq ft)
408,421

Appraised Value by the Independent Valuer as at 31 March 2016 (INR m)
1,368 (S$27.82m)*

* based on an exchange rate of S$1 = INR 49.17 as at 31 March 2016.
\# based on an exchange rate of S$1 = INR 45.43 as at 31 March 2015.
1 based on an average exchange rate of S$1 = INR 47.36 as at 31 March 2016.
2 based on an average exchange rate of S$1 = INR 47.41 as at 31 March 2015.

MOHALI

DESCRIPTION

The Mohali Clinical Establishment is located in Sector 62 of Mohali, a city close to Chandigarh in northwest India. It is a multi-specialty hospital which provides emergency trauma care services, and serves as a "hub" for a number of smaller, secondary hospitals in the surrounding areas. The hospital commenced operations in 2001 and its key specialties are cardiac sciences, orthopaedics and joint replacement, neurosciences, renal care, medical and surgical gastroenterology and medical and surgical oncology. The hospital includes a super-specialty cardiac center equipped to provide advanced cardiac treatments for all forms of heart disease, a cancer institute and a general multi-specialty hospital.

Chandigarh has a bed to population ratio of 1.5 per 1,000 population for its primary and secondary catchment area population. As of 2011, Chandigarh requires an additional 546 beds above the existing supply of 5,875 beds to cater to its direct primary and secondary catchment population of 3.2 million.

The Group, through its subsidiary, successfully bid for a freehold piece of land designated for hospital use offered by the Greater Mohali Area Development Authority ("GMADA") (the "Land") through a public auction held on 18 August 2015. The acquisition of the Land was completed on 10 February 2016. The Land is an extension of the Mohali Clinical Establishment.

AWARDS & ACCOLADES

- JCI Accreditation – third time in 2013
- FICCI Healthcare Excellence Award 2009 (Healthcare Delivery)
- Won 'Best Multi-specialty Hospital (Non Metro)' Award during the first edition of "Doc N Doc Gammex Saviour Awards"
- CII Healthcare Award 2011 for Commitment to Excellence
- CII 14th National Award 2013 for excellence in Energy Management
- Best Case Award at TCTAP 2015
- Ranked no. 2 as best multi-specialty hospital in respective city, The Week Magazine Awards
- NABH accredited for the fourth time in 2014
- Best Sustainable Hospital Project Award 2013 by HBJI-MEDGATE
- Best Multi-specialty Hospital in Mohali (Business & Service Excellence Awards 2013) by BIG Research
- Award for 'Quality beyond Accredition' 2014 by the Association of Healthcare Providers, India
- Amity CSR Award 2014
- National Energy Conservation Award 2015



Portfolio Summary
12 Clinical Establishments

KALYAN

DESCRIPTION

Kalyan Clinical Establishment is a multi-specialty tertiary hospital, located off Agra Road in Kalyan, Mumbai. The hospital commenced operations in 2007 and its key specialties are cardiac care, orthopaedics, neurology and renal sciences.

Mumbai is the capital of Maharashtra. It is the most populous city in India, and the fifth most populous city in the world. Along with the neighbouring urban areas, including the cities of Navi Mumbai and Thane, it is one of the most populous urban regions in the world. Mumbai is the commercial and entertainment capital of India; as of 2008, Mumbai's GDP was USD204.1 billion and its per capita income in 2009 was USD2,840 almost three times the national average. Mumbai has a bed to population ratio of 1.3 per 1,000 population for its primary and secondary catchment area population. As of 2011, Mumbai requires an additional 21,686 beds above the existing supply of 41,455 beds to cater to its direct primary and secondary catchment population of 31.6 million.

AWARDS & ACCOLADES

- NABH accredited for two consecutive years in 2013 and 2014



Address
Thane

Nature of Interest
Freehold

Hospital Services Company
International Hospital Limited (IHL)

Interest of RHT in Hospital Services Company
100.00%

Name of Fortis Hospital
Fortis Kalyan Hospital, Mumbai

Care Type
Tertiary

Approximate Land Size (acres)
0.45

Approximate Built-up Area (sq ft)
25,881

Operational Beds as at 31 March 2016
49

Installed Bed Capacity as at 31 March 2016
52

Occupancy
87% (FY15: 89%)

Appraised Value by the Independent Valuer as at 31 March 2016 (INR m)
179 (S$3.64m)*
(FY15: 165 (S$3.62m)#)

Service Income (S$ m)
1.11[1] (FY15: 1.03)[2]

* based on an exchange rate of S$1 = INR 49.17 as at 31 March 2016.
\# based on an exchange rate of S$1 = INR 45.43 as at 31 March 2015.
[1] based on an average exchange rate of S$1 = INR 47.36 as at 31 March 2016.
[2] based on an average exchange rate of S$1 = INR 47.41 as at 31 March 2015.

Address
Mumbai

Nature of Interest
Right to operate and manage the land and building for 20 years with effect from 17 December 2009, with an option to renew for another 20 years

Hospital Services Company
International Hospital Limited (IHL)

Interest of RHT in Hospital Services Company
100.00%

Name of Fortis Hospital
Fortis Mulund Hospital, Mumbai

Care Type
Quaternary

Approximate Land Size (acres)
8.15

Approximate Built-up Area (sq ft)
348,105

Operational Beds as at 31 March 2016
261

Installed Bed Capacity as at 31 March 2016
567

Occupancy
81% (FY15: 78%)

Appraised Value by the Independent Valuer as at 31 March 2016 (INR m)
5,577 (S$113.42m)*
(FY15: 5,039 (S$110.92m)#)

Service Income (S$ m)
14.48[1] (FY15: 14.05)[2]

* based on an exchange rate of S$1 = INR 49.17 as at 31 March 2016.
\# based on an exchange rate of S$1 = INR 45.43 as at 31 March 2015.
1 based on an average exchange rate of S$1 = INR 47.36 as at 31 March 2016.
2 based on an average exchange rate of S$1 = INR 47.41 as at 31 March 2015.

MULUND

DESCRIPTION

Mulund Clinical Establishment is a multi-specialty quaternary hospital, and is located on the Goregaon Mulund Link Road in the north eastern part of Mumbai. The hospital was established in 2002 and its key specialties are cardiac sciences, oncology, neurosciences, orthopaedics and gynaecology.

Mumbai is the capital of Maharashtra. It is the most populous city in India, and the fifth most populous city in the world. Along with the neighbouring urban areas, including the cities of Navi Mumbai and Thane, it is one of the most populous urban regions in the world. Mumbai is the commercial and entertainment capital of India. As of 2008, Mumbai's GDP was USD204.1 billion and its per capita income in 2009 was USD2,840 almost three times the national average. Mumbai has a bed to population ratio of 1.3 per 1,000 population for its primary and secondary catchment area population. As of 2011, it requires an additional 21,686 beds above the existing supply of 41,455 beds to cater to its direct primary and secondary catchment population of 31.6 million.

AWARDS & ACCOLADES

- Received JCI Accreditation for the fourth consecutive year
- Stars of the Industry Healthcare Leadership Award 2014 (Best Patient Safety)
- FICCI Healthcare Award (Operational Excellence)
- FICCI 'Special Jury Recognition Award'
- Won three awards at the prestigious Asian Hospital Management Awards, 2014 ('Human Resources' and 'Patient Safety')
- Named 'Medical Team of the Year' at the first British Medical Journal Awards (BMJA) India 2014 for its outstanding Antibiotic Review Program and Antibiotic Restriction Policy
- Indian Healthcare Awards 2011 – Best Orthopaedic Hospital
- NABH accredited
- First NABH accredited Blood Bank in India
- Asian Hospital Management Awards 2014 – Patient Safety & HRD Category
- National Energy Conservation Award 2012



Portfolio Summary
12 Clinical Establishments

SHALIMAR BAGH

DESCRIPTION

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

National Capital Territory of Delhi (NCT) is the largest metropolis by area and the second-largest metropolis by population in India. It comprises nine districts and three statutory towns and the capital of India, New Delhi, falls under the administration of the statutory town, New Delhi Municipal committee (NDMC). NCT has a bed to population ratio of 1.7 per 1,000 population for its primary catchment. As of 2011, NCT requires an additional 6,839 beds over and above the existing supply of 39,595 beds to cater to its direct primary and secondary catchment population of 23.2 million.

AWARDS & ACCOLADES

- Received a 3 Star rating by TERI GRIHA
- 1st Runner-up in FICCI HEAL Award 2014 (Poster Presentation)
- 3 Star rating by the Bureau of Energy Efficiency, Government of India, Ministry of Power
- FICCI HEAL Award 2014 for its excellence in branding, marketing and image building
- First prize in 'Best Poster Presentation' at National Conference of Consortium of Accredited Healthcare Organisations (CAHOCON 2015)
- NABH accredited



Address
New Delhi

Nature of Interest
Perpetual leasehold commencing December 2003

Hospital Services Company
Fortis Hospotel Limited (FHTL)

Interest of RHT in Hospital Services Company
49.00%

Name of Fortis Hospital
Fortis Hospital, Shalimar Bagh

Care Type
Tertiary

Approximate Land Size (acres)
7.34

Approximate Built-up Area (sq ft)
388,641

Operational Beds as at 31 March 2016
200

Installed Bed Capacity as at 31 March 2016
350

Occupancy
70% (FY15: 72%)

Appraised Value by the Independent Valuer as at 31 March 2016 (INR m)
6,707 (S$136.40m)*
(FY15: 6,192 (S$136.29m)#)

Service Income (S$ m)
19.01[1] (FY15: 18.85)[2]

* based on an exchange rate of S$1 = INR 49.17 as at 31 March 2016.
\# based on an exchange rate of S$1 = INR 45.43 as at 31 March 2015.
1 based on an average exchange rate of S$1 = INR 47.36 as at 31 March 2016.
2 based on an average exchange rate of S$1 = INR 47.41 as at 31 March 2015.

Address
Noida

Nature of Interest
90 years leasehold commencing 2 January 1996

Hospital Services Company
International Hospital Limited (IHL)

Interest of RHT in Hospital Services Company
100.00%

Name of Fortis Hospital
Fortis Hospital, Noida

Care Type
Quaternary

Approximate Land Size (acres)
5.54

Approximate Built-up Area (sq ft)
271,568

Operational Beds as at 31 March 2016
191

Installed Bed Capacity as at 31 March 2016
200

Occupancy
81% (FY15: 77%)

Appraised Value by the Independent Valuer as at 31 March 2016 (INR m)
4,651 (S$94.58m)*
(FY15: 4,336 (S$95.43m)#)

Service Income (S$ m)
13.36[1] (FY15: 12.82)[2]

* based on an exchange rate of S$1 = INR 49.17 as at 31 March 2016.
\# based on an exchange rate of S$1 = INR 45.43 as at 31 March 2015.
1 based on an average exchange rate of S$1 = INR 47.36 as at 31 March 2016.
2 based on an average exchange rate of S$1 = INR 47.41 as at 31 March 2015.

NOIDA

DESCRIPTION

Noida Clinical Establishment is a multi-specialty quaternary hospital located in Sector 62, Noida. The hospital was established in 2004 and its key specialties are cardiac sciences, gynaecology, neurosciences, orthopaedics, renal sciences, gastroenterology and oncology services.

The New Okhla Industrial Development Authority (NOIDA) city was created under the Uttar Pradesh (UP) Industrial Area Development Act. It is located in Gautam Budh Nagar district of UP state and is only 14.0 km away from Connaught Place, Delhi. It is well connected via rail and road to key cities in UP and India. Noida has a bed to population ratio of 0.97 per 1,000 population for its primary and secondary catchment population. As of 2011, Noida requires an additional 3,458 beds over and above the existing supply of 3,268 beds to cater to its direct primary and secondary catchment population of 3.4 million.

AWARDS & ACCOLADES

- FICCI 'Private Sector Hospital' Award 2011
- Received the National Energy Conservation Award in 2011 – 2nd Prize and in 2015
- FICCI Health Poster Presentation Award 2011
- Won 'Comprehensive Neurosciences Service Provider of the Year' award at Frost and Sullivan's 7th Annual India Healthcare Excellence Awards 2015



Portfolio Summary
2 Operating Hospitals

NAGARBHAVI

DESCRIPTION

The Nagarbhavi hospital operates under the name Fortis Hospital, Nagarbhavi in Bengaluru, South India. The hospital is well equipped with the ideal combination of people, processes and technology where it provides a range of specialised secondary healthcare, including non-invasive cardiac sciences, neurosciences, orthopaedics, renal sciences, gastro-enterology and oncology (chemotherapy only) services.

AWARDS & ACCOLADES

- National Energy Conservation Award 2014
- NABH accredited



Address
Bengaluru

Nature of Interest
Six years sub-lease commencing 29 March 2011 as well as fifteen years sub-lease commencing 15 March 2016

Hospital Services Company
Fortis Health Management Limited (FHML)

Interest of RHT in Hospital Services Company
100.00%

Name of Fortis Hospital
Fortis Hospital, Nagarbhavi, Bengaluru

Care Type
Secondary

Approximate Land Size (acres)
0.5

Approximate Built-up Area (sq ft)
31,500

Operational Beds as at 31 March 2016
45

Installed Bed Capacity as at 31 March 2016
62

Occupancy
84% (FY15: 76%)

Appraised Value by the Independent Valuer as at 31 March 2016 (INR m)
376 (S$7.65m)*
(FY15: 261 (S$5.75m)#)

* based on an exchange rate of S$1 = INR 49.17 as at 31 March 2016.
\# based on an exchange rate of S$1 = INR 45.43 as at 31 March 2015.

RAJAJINAGAR

Address
Bengaluru

Nature of Interest
Nine years eleven months sub-lease commencing 1 September 2012

Hospital Services Company
Kanishka Healthcare Limited (KHL)

Interest of RHT in Hospital Services Company
100.00%

Name of Fortis Hospital
Fortis Hospital, Rajajinagar, Bengaluru

Care Type
Secondary

Approximate Land Size (acres)
0.25

Approximate Built-up Area (sq ft)
19,361

Operational Beds as at 31 March 2016
48

Installed Bed Capacity as at 31 March 2016
52

Occupancy
70% (FY15: 62%)

Appraised Value by the Independent Valuer as at 31 March 2016 (INR m)
315 (S$6.41m)*
(FY15: 245 (S$5.40m)#)

DESCRIPTION

The Rajajinagar Operating Hospital commenced operations in 2007. It is a multi-specialty hospital in Bengaluru, where it provides a range of specialised secondary healthcare, including non-invasive cardiac sciences, neurosciences, orthopaedics, renal sciences, gastro-enterology and oncology (chemotherapy only) services.



* based on an exchange rate of S$1 = INR 49.17 as at 31 March 2016.
\# based on an exchange rate of S$1 = INR 45.43 as at 31 March 2015.

Portfolio Summary
4 Greenfield Clinical Establishments

LUDHIANA

DESCRIPTION

The proposed hospital at the Ludhiana Greenfield Clinical Establishment will be located on Mall Road, one of the prime commercial roads in Ludhiana. The project has commenced development and is expected to be completed by FY2017.

Address
Ludhiana

Nature of Interest
Freehold

Hospital Services Company
Hospitalia Eastern Private Limited (HEPL)

Interest of RHT in Hospital Services Company
100.00%

Proposed Care Type
Quarternary

Approximate Land Size (acres)
0.48

Planned Built-up Area (sq ft)
92,835

Potential Bed Capacity as at 31 March 2016
79

Appraised Value by the Independent Valuer as at 31 March 2016 (INR m)
417 (S$8.47m)*
(FY15: 403 (S$8.88m)#)

CHENNAI

DESCRIPTION

The Chennai Greenfield Clinical Establishment will be located on First Main Road, Gandhi Nagar, and will be an expansion to the Chennai, Malar Clinical Establishment. This is still in the development phase and pending approval from the local state authorities to proceed with the expansion.

Address
Chennai

Nature of Interest
Freehold

Hospital Services Company
Hospitalia Eastern Private Limited (HEPL)

Interest of RHT in Hospital Services Company
100.00%

Proposed Care Type
Quarternary

Approximate Land Size (acres)
0.3

Planned Built-up Area (sq ft)
38,072

Potential Bed Capacity as at 31 March 2016
45

Appraised Value by the Independent Valuer as at 31 March 2016 (INR m)
251 (S$5.11m)*
(FY15: 221 (S$4.85m)#)

HYDERABAD

DESCRIPTION

The Hyderabad Greenfield Clinical Establishment is located on the Kukatpally-Madhapur main road. The Hyderabad Greenfield Establishment is currently at a preliminary development stage. We are awaiting permission from the Hyderabad Metropolitan Development Authority for the proposed development.

Address
Hyderabad

Nature of Interest
33-year leasehold

Hospital Services Company
Hospitalia Eastern Private Limited (HEPL)

Interest of RHT in Hospital Services Company
100.00%

Proposed Care Type
Tertiary

Approximate Land Size (acres)
4.0

Planned Built-up Area (sq ft)
400,000

Potential Bed Capacity as at 31 March 2016
400

Appraised Value by the Independent Valuer as at 31 March 2016 (INR m)
298 (S$6.05m)*
(FY15: 270 (S$5.95m)#)

GREATER NOIDA

DESCRIPTION

The Greater Noida Greenfield Clinical Establishment is located on Plot No. 2C, Sector Knowledge Park III, Greater Noida Industrial Development Area, Greater Noida. The Greater Noida Greenfield Clinical Establishment is currently at the preliminary planning stage.

Address
Greater Noida

Nature of Interest
90-year leasehold commencing 24 December 2004

Hospital Services Company
International Hospital Limited (IHL)

Interest of RHT in Hospital Services Company
100.00%

Proposed Care Type
Tertiary

Approximate Land Size (acres)
5.05

Planned Built-up Area (sq ft)
350,000

Potential Bed Capacity as at 31 March 2016
350

Appraised Value by the Independent Valuer as at 31 March 2016 (INR m)
622 (S$12.66m)*
(FY15: 622 (S$13.70m)#)

* based on an exchange rate of S$1 = INR 49.17 as at 31 March 2016.
\# based on an exchange rate of S$1 = INR 45.43 as at 31 March 2015.

Corporate Sustainability Report

Management recognises the growing importance of instituting socially responsible practices into our business practices. We believe by incorporating such responsibilities into our corporate culture, we will be able to achieve greater success for RHT. Apart from some of the obvious benefits of CSR such as cost savings, the intangible benefits of CSR may include more motivated employees and greater transparency for our stakeholders including investors, customers or suppliers.

We have identified four main areas of focus for incorporating sustainability practices which we deem would help to improve the business of RHT:

1. Organisation Resilience
2. Governance and Risk
3. Social /Community
4. Environmental

ORGANISATION RESILIENCE

Quality operators are key to the success of RHT's business. A major part of RHT's business involves the management of healthcare related infrastructure assets used by medical operators. It is of utmost importance for RHT's operators, who manage and provide the medical services in RHT's clinical establishments, to have a sound reputation for advanced medical treatment.

To attract and retain quality operators, management therefore work with our operator to understand their infrastructure needs in connection with the types of medical programs that they look to provide. As the needs of the medical operator may vary depending on the medical programs and needs of patients, we may customise the Clinical Establishments to cater for such needs. By working hand in hand with our operator to meet the needs for their medical programs, this will help improve their revenue, which in turn results in an increase in the credit worthiness of our operator. Furthermore, a portion of RHT's revenue is tied to the performance of the operator, which strengthens the mutually dependent relationship between the two parties.

The management of capital is another important aspect contributing to resilience of RHT. In order to be able to provide quality healthcare infrastructure assets to operators at an attractive price, RHT needs to be able to obtain funding at the most competitive pricing. Investors are another important stakeholder. To obtain funding from investors, they need to have a clear understanding of RHT and its growth potential. Hence, management actively reaches out to the investment community through a variety of manner in order to update them on the operational and financial achievements of RHT. Regular face-to-face meetings, conference calls as well as media campaigns are conducted to constantly reach out to investors. An Annual General Meeting is held annually for unitholders to engage with us personally.

GOVERNANCE

RHT is managed by Religare Health Trust Trustee-Manager Pte. Ltd. ("Trustee-Manager"), which is based in Singapore, and we are supported by the RHT team in India, where RHT's portfolio of clinical establishments are based and managed. There are inherent conflicts of interests in the ownership and management of RHT, and having a strong corporate governance culture within the management team will aid in eliminating or mitigating the conflicts of interests. Reducing such operational risks in RHT through maintaining good corporate governance helps increase the sustainability of RHT.

You may refer to the Corporate Governance report which can be found on page 45 of this Annual Report, where we have outlined our key corporate governance policies.

In addition, the Trustee-Manager has put in place processes to ensure that high standards of integrity are upheld in our business operations and conduct. We have a gifts and entertainment policy which restricts the giving or receipt of gifts and entertainment (whether in cash or in kind), which is in anyway unlawful or unethical, in order to gain any commercial, contractual or regulatory advantage for RHT.

SOCIAL RESPONSIBILITY

Employees

Employees play an instrumental role in the competitiveness and success of a business. As such, management believes in the need to invest in its employees to maximise their full potential. In order to attract, grow and retain employees, we follow the following guiding principles:

- Recruiting and promoting employees based strictly on merit, regardless of gender, race or religion.
- Maintaining a favourable working environment such as the provision of adequate leave for employees, providing child care and maternity leave, so as to enable employees to meet their family duties while performing their best on the job.
- Respecting human rights including having in place grievance redressal channels, sexual harassment complaint channels and respect for each employee's personal data and information.

	2015	2014	2013	2012	2011
National Energy Conservation Award	Noida CE & Mohali CE	Nagarbhavi CE & BG Road CE	Anandpur	Mulund CE	Noida CE
CII National Award for Excellence in Energy Management	Mohali CE (CII Energy Management Award)	Anandpur CE (CII Energy Efficient Unit Award)	Mohali CE (CII Energy Management Award)		

	2013	2010
GRIHA CERTIFIED BUILDING	Gurgaon CE ★★★★	Shalimar Bagh CE ★★★

- Providing employees with equal opportunity to be considered for training and development based on their strengths and needs, to help them achieve their full potential.
- Prioritising the occupational health and safety of our employees, including external suppliers such as contractors.

At the same time, we provide an environment where constructive suggestions for improvements are welcomed, as well as flexibility for employees who wish to broaden or change their job scope within the company.

In FY2016, there was no grievance feedback received nor any discrimination reports made by our employees.

Community

RHT recognises the need to give back to and support the communities to which we operate in. Through volunteerism as well as donating our resources and expertise, RHT hopes to support the prosperity of a myriad of communities and charity initiatives. In FY2016, RHT contributed approximately INR 2.8 million towards various CSR efforts.

ENVIRONMENT

RHT is committed to protecting the environment. RHT's business scope includes the construction and/or expansion of new and existing Clinical Establishments. Before undertaking such activities, the management will look into the impact of our activities on the environment and how we are able to protect our natural surroundings while going about our business. In doing so, we are at times able to adopt practices that may result in cost savings for RHT.

Generating electricity from renewable energy offers multiple public health benefits. Wind and solar systems have minimal or no associated air pollution emissions nor impact water resources and its supply.

RHT's clinical establishments take an active stance in doing their part for the environment. These efforts have been recognised through various awards and certifications received by our clinical establishments.

Renewable Energy

Wind energy is a free, renewable resource and also a source of clean and non-polluting electricity. Our BG Road and Mulund Clinical Establishments are currently the first of our clinical establishments to employ the use of this renewable energy. The electricity at these clinical establishments are powered by wind energy generated by a provider in India.

Solar energy is an alternative source of clean and renewable energy as it reduces the need to burn fossil fuels which may harm the environment. The Faridabad Clinical Establishment employs the use of electricity generated from its solar power plant which was installed in 2016.

National Energy Conservation Award

The National Energy Conservation Award aims to promote the efficient utilisation and conservation of energy levels among institutions in India. Awards are given out to institutions which have achieved such goals and adopted clean and innovative technologies. This award is given out by the Ministry of Power, India[1].

To date, five of our clinical establishments have received this award in recognition for its effort in energy conservation.

CII National Award for Excellence in Energy Management

Each year, the Confederation of India recognises energy efficient companies which undertake energy conservation initiatives and reduce carbon emissions.

Green Building Certification

The Green Rating for Integrated Habitat Assessment ("GRIHA") is a rating tool used to evaluate the environmental performance of a building holistically over its entire life cycle, from construction to operation and then demolition, thereby providing a definitive standard for what constitutes a 'green building'. GRIHA is awarded by The Energy and Resources Institute ("TERI") and is a national rating system for green buildings in India. In developing our clinical establishments, our team had designed the buildings with a conscious effort to apply green materials, technologies and practices.

The RHT portfolio, to date, comprises two clinical establishments in its portfolio which have been certified by TERI.

[1] Bureau of Energy Efficiency

RHT CONTRIBUTED APPROXIMATELY 2.8 MILLION INDIAN RUPEES TOWARDS VARIOUS CSR EFFORTS IN FY2016

Name of NGO	Contribution	Intiative
Fortis Charitable Foundation	INR 2.16 million	Project Chhaya runs health camps to ensure women and children from marginalized communities receive regular health assessments.
Pahal Multipurpose Social Services Organisation	INR 180,000	RHT supports a six-month vocational training program, tailored for women and girls in underprivileged sections of society so they may secure employment.
Vidya Roshan Charitable Trust	INR 300,000	RHT supports the Vidya Roshan Charitable Trust which promotes gender equality and female empowerment through vocational training for women and girls in basic computer skills and cosmetology so they may secure employment in society.
Amrit Foundation of India	INR 160,000	RHT supports the Amrit Foundation of India which provides sensitization workshops at no cost to approximately 350 schools and college students. In addition, the Amrit Foundation conducts a one-year training in skills development for young persons who may be intellectually-disabled.

Corporate Governance Report

Religare Health Trust ("RHT" or the "Trust") is constituted as a business trust under the Singapore Business Trust and is externally managed by Religare Health Trust Trustee Manager Pte. Ltd. ("RHT TM" or the "Trustee-Manager"). The Trustee-Manager recognises the importance of upholding high corporate governance standards, which will serve to safeguard the interests of unitholders and contribute to the success of RHT. Under the Business Trusts Act, Chapter 31A of Singapore ("BTA"), the Trustee-Manager is also obliged to act in the best interests of the unitholders as a whole.

The Trustee-Manager has used the Code of Corporate Governance 2012 ("CG Code 2012") as its benchmark for best corporate governance practices and has set up policies and practices with the CG Code 2012 in mind. The Trustee Manager has also incorporated specific provisions under the Business Trust Regulations ("BTR") which may be required of the Trustee-Manager in its corporate governance framework.

The Trustee-Manager also proactively tracks the requirements under the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore ("CIS Code"), including the Property Funds Appendix in Appendix 6 of the CIS Code, as well as the various laws and regulations which are applicable to Capital Market Services Licence ("CMS Licence") holders. Wherever possible, the Trustee-Manager has voluntarily complied with the provisions under the CIS Code (including the Property Funds Appendix 6) and the laws and regulations applicable for CMS Licence holders.

In this report, we have described the main corporate governance policies and practices which the Trustee-Manager has put in place, with reference to the CG Code 2012. Any deviations from the CG Code 2012 are explained in the report.

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The Board of RHT TM (the "Board") provides the strategic direction for RHT, and guides management of RHT TM in achieving efficient management of the Trust. Along with monitoring the achievement of these goals, the Board is also responsible for ensuring that the management has a framework of internal and risk management controls in place, which help RHT to achieve its goals while taking into account the interest of its unitholders.

To assist the Board in the discharge of its duties, a total of 3 committees have been set up with their own terms of reference. These three committees are:

(i) the Audit & Risk Management Committee ("ARMC");
(ii) the Nominating Committee ("NC");
(iii) the Remuneration Committee ("RC"); and

The ARMC assists the Board in reviewing significant financial reporting issues and considering the report of the external auditor. The ARMC also oversees the risk management framework and policies of RHT and has oversight of the internal audit function. The NC supports the Board through evaluating and recommending the Board composition in terms of size, independence and skill requirements. The RC will in turn evaluate and recommend an appropriate remuneration framework to the Board. The terms of reference for each committee, as well as the members of each committee (together with their role in the committee and whether they are independent/executive) are as described in the Appendix to this Corporate Governance Report ("CG Report").

The Board of Directors meet at least 4 times a year to review and approve the financial results of RHT as well as receive key reports from both the external professionals such as the internal auditors, and senior management. The Board also review and approve, amongst others, the strategic direction of RHT, its annual budget, capital structuring, risk reports and key policies. As and when warranted by circumstances, Board meetings are also held outside of the quarterly meetings to discuss the strategies, policies or key activities of RHT such as acquisitions and disposals. Under the Articles of Association of the Trustee-Manager, board meetings are permitted to be held via way of conference by telephone or by means of similar communication equipment whereby all persons participating in the meeting are able to hear each other.

Corporate Governance Report

The current Directors and details of their membership on Board committees, number of Board and Committee meetings held for FY2016 between 1 April 2015 to 31 March 2016, as well as their attendance at these meetings are disclosed in the table below.

NAME	BOARD		AUDIT COMMITTEE		NOMINATING COMMITTEE		REMUNERATION COMMITTEE	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Ravi Mehrotra	5	5	–	–	1	1	–	–
Gurpreet Singh Dhillon	5	5	–	–	–	–	–	–
Pawanpreet Singh	5	5	–	–	–	–	–	–
Dr Yogendra Nath Mathur	5	5	5	5	1	1	–	–
Sydney Michael Hwang	5	5	–	–	1	1	1	1
Peter Joseph Seymour Rowe	5	5	5	5	–	–	1	1
Eng Meng Leong	5	5	5	5	–	–	1	1

The Trustee-Manager has formalised the matters which are specifically reserved for decision and approval by the Board. These matters are in relation to:

(a) RHT's long term objectives, strategy and budget including internal limits on authority in relation to investments, acquisitions and disposals, capital expenditures.
(b) changes to RHT's structure and capital, including new unit issuances, new material debt facilities.
(c) financial reporting and internal risk controls, including significant changes in accounting policies, review of interested party transactions, conflicts of interests situations and corporate governance arrangements.
(d) communication to regulators or unitholders involving matters which has been deliberated or approved by the Board.

Outside of the matters reserved specifically for the Board's decision, the Board has delegated the management of the day to day operations to the Management of RHT TM. as well as the decision making over certain operational matters in order to facilitate operational efficiency.

Newly appointed directors to the Board of RHT TM are issued with an appointment letter that spells out his duties and obligations as a director. They will also be briefed by senior management to provide an overview of the business of RHT as well as the key policies and Board processes. Material documents pertaining to RHT are also made available to the new Directors. Where there are first time directors being appointed to the Board, they will be provided external training by professional providers, such as the Singapore Institute of Directors, on what they need to know as a director of a listed company in Singapore. The Independent Directors conduct a site visit to India every year where the assets of RHT are located. During the site visit, the Independent Directors will also meet with the India based senior management of RHT, external professionals such as internal auditors and external auditors.

The Trustee-Manager monitors new laws, regulations and rules that are implemented, for implications on RHT and RHT TM. Where relevant, Directors are updated about the changes to existing or new rules and regulations. There have been briefings conducted during board meetings whereby either the senior management or external professionals have briefed the Directors on new developments or where the Board deems that expert advice is required in order to formulate key decisions. In FY2016, management briefed the Board on the proposed changes to the regulatory regime governing reit estate investment trusts (REITS) and REIT managers. There was also a brief on the proposed Corporate Sustainability Report to be implemented by the Singapore Exchange Ltd. Our Directors also received copies of the recent guidebooks which were released in Singapore for the Risk Committee, NC and RC.

Corporate Governance Report

BOARD'S COMPOSITION AND GUIDANCE

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board of RHT TM is made up of 7 Directors, of which a majority or 4 of the Directors are independent and non-executive Directors. The remaining 3 Directors, including the Chairman of the Board, are executive and non-independent Directors.

The Business Trust Regulations ("BTR") provides that:

(a) at least a majority of the directors shall be independent from management and business relationships[1] with the Trustee-Manger;
(b) at least one-third of the directors shall be independent from management and business relationships with the trustee-manager and from every substantial shareholder of the trustee-manager; and
(c) at least a majority of the directors shall be independent from any single substantial shareholder[2] of the trustee-manager

Once every year, and as and when the circumstances require, the NC will assess the independence of each Director. The Nominating Committee has carried out its assessment, and with the concurrence of the Board had considered and found Mr Sydney Michael Hwang, Mr Eng Meng Leong, Dr Yogendra Nath Mathur and Mr Peter Joseph Seymour Rowe to be independent from:

(i) the management and business relationships with the Trustee-Manager;
(ii) the management and business relations with Stellant Capital Advisory Services Private Limited ("Stellant") (the substantial shareholder of the Trustee-Manager) and its related corporations; and
(iii) Fortis Healthcare Limited (the substantial shareholder of RHT) and their related corporations.

Mr Ravi Mehrotra, our Executive Chairman, Mr Gurpreet Singh Dhillon our Chief Executive Officer ("CEO") and Mr Pawanpreet Singh, our Chief Financial Officer are not considered to be independent under the CG Code 2012 and /or the BTR Sections 3 and 4.

The current Board comprises of 7 Directors with extensive experience in various fields ranging from legal, investments, tax and accounting to healthcare. The NC has evaluated the size and composition of the Board and is of the view that the size of the Board is appropriate in relation to the scale of operations of RHT, and possesses the requisite experience for managing a healthcare infrastructure related trust such as RHT. The independent Directors have met at least once during FY2016 without management present.

CHAIRMAN AND EXECUTIVE OFFICER

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a concentration of power.

The positions of the Chairman of the Board and the CEO are held by two separate persons, so that there is an effective segregation of duties and accountability. The Board of RHT TM is led by our Executive Chairman, Mr Ravi Mehrotra and Mr Gurpreet Singh Dhillon is our CEO. Both Mr Ravi Mehrotra and Mr Gurpreet Singh Dhillon are not immediate family members. As Chairman of the Board, Mr Mehrotra sets the agenda for the Board meetings, engages the Directors in discussing and debating on issues while working towards important decisions. The Chairman also serves to encourage constructive relations within the Board and between the Board and management. As our non-executive Directors have diverse background and experience, the Board and management benefit from their views on matters being tabled before the Board.

As Executive Chairman of the Board, Mr Mehrotra plays a key role in guiding the strategy of RHT and monitoring the performance of the management. The CEO is responsible for managing the daily operations of the Trust and the Trustee-Manager in accordance with the business plans and strategies as set out by the Board.

There is clear segregation of roles within the Board and the ARMC, NC and RC each have their own terms of reference and responsibilities. The three Committees are each headed by a different independent Director, and there is no individual Director on the Board who has a considerable concentration of power.

We have appointed Dr Yogendra Nath Mathur as our lead independent Director, who serves as a conduit between unitholders and the Board, or between the independent directors and the Board, wherever there are concerns from from either party.

The independent directors have private sessions without the presence of management, and also have feedback sessions with the Chairman without management around.

[1] Independent from management and business relationships with Trustee-Manager as defined under Section 3 of the BTR.
[2] Independent from substantial shareholder of the Trustee-Manager as defined under Regulation 4 of the BTR.

Corporate Governance Report

BOARD MEMBERSHIP

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The Board had approved the establishment of an NC comprising of a majority of independent directors, including the lead independent director. The role of the NC under its terms of reference as approved by the Board includes making recommendations on:

(i) the review of board succession plans for directors, in particular the Chairman and CEO;
(ii) the development of a process for evaluation of the performance of the Board, its board committees and directors;
(iii) the review of training and professional development programs for the Board; and
(iv) the appointment and re-appointment of directors.

When conducting a search for a new director, the Board will shortlist suitable candidates based on criteria which will be drawn up taking into consideration the roles and expertise that is required of the new director and the needs of the Board. The potential candidates may originate from various sources such as recommendations from the management and Directors, the Singapore institute of Directors or utilising external search consultants. The shortlisted candidates will be put forth to the NC for consideration, with the final candidate as selected by the NC being put to the Board for approval.

Under the appointment letters signed with the Independent Directors that are appointed to the Board of RHT TM, the directors are required to put themselves up for re-nomination and re-election once every 3 years.

The NC is also tasked with ascertaining if each Director, having multiple directorships, is able and has been adequately carrying out his duties as a Director. This review is done by the NC once a year, and takes into consideration the director's number of listed company board representations and other principal commitments. The NC holds the view that the number of directorships held by a Director does not determine the performance of the Director. A Director's performance is assessed based on a number of factors including their time commitment towards Board meetings and discussions, their ability to draw on their experience to contribute to the strategy and decision makings required of the Board. As such, the NC proposed with the concurrence of the Board, to not fix a limit on the number of directorships which a Director may hold but rather to assess the performance of each Director as a whole.

Information on the directors in terms of their academic and professional qualifications is contained on pages 18–20 of the Annual Report. The shareholdings of the Directors in RHT Group and its related corporations, board committees served on, date of first appointment, directorships and chairmanships both present and past held over the preceding three years in other listed companies, and other principal commitments are disclosed on page 66 of the Annual Report.

BOARD PERFORMANCE

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

An annual formal assessment is conducted on the effectiveness of the Board, the Board Committees and on each Director. The assessment is conducted using an evaluation form which is constantly updated for relevance. The evaluation form seeks feedback from each Director on a confidential basis, on their views relating to:

(a) Board composition and size;
(b) Board and Committee process;
(c) Board's effectiveness and training;
(d) Board's Committees;
(e) Board Committee process;
(f) Provision of information to the Board;
(g) Standards of conduct;
(h) Assessment of the financial performance of RHT; and
(i) Board compensation.

Corporate Governance Report

For the annual assessment conducted in respect of the financial year ended 31 March 2016 ("FY2016"), the Company Secretary was responsible for sending and collating the information provided by each Director in response to evaluation form. The results of the evaluation survey were then presented to the NC for its assessment and recommendations. In formulating the feedback form, attention was given to ensuring feedback was sought from the Directors on the core areas, whilst also providing room for each Director to freely express their opinions on other matters in a confidential manner. The results of the evaluation, and the NC's recommendations, were put up to the Board for their concurrence.

ACCESS TO INFORMATION

Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informal decisions to discharge their duties and responsibilities.

The calendar for Board and Committee meetings are scheduled one year in advance to allow for better planning. Management provides the Board with monthly reports and/or calls, in addition to board papers on matters which are being tabled during the Committee or Board meetings. Board papers are sent to the Board approximately five business days before the meeting takes place. Directors are also entitled to request for separate and independent access to the management, the company secretary or external professionals. The Chairman of the ARMC meets separately on a regular basis with each of the management, the internal auditor and external auditor. Such meetings take place on a quarterly basis with the management and internal auditors, and on a half yearly basis with the external auditor. As stipulated in the Director's appointment letter, they are also entitled to seek independent professional advice relating to their role and responsibility as a Director of RHT TM.

The management provides the Board with a call and/or a report each month on the operating environment and management financials of RHT. During the quarterly Board meetings, matters such as the financial results, the report from the independent auditors, management's internal risk assessment report, business and operational updates for the quarter are presented for the Board's review. Once a year, the strategy, forecast and annual budget is presented for the Board's review and approval. On an on-going basis, where there are material variances against the forecast and actual financial figures, explanations would be provided.

The Company Secretary attends all Board and Board Committee meetings and is responsible for keeping accurate minutes on the proceedings. Their advice on matters relating to corporate governance may also be sought during these meetings. The Head of Compliance in RHT TM works together with the Company Secretary to ensure good and timely information flow to the Board of Directors. Where there should be any proposed change to the Company Secretary, this would be put to the Board for approval.

REMUNERATION MATTERS

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing remuneration packages of individual directors. No director should be involved in fixing his own remuneration.

Principle 8: The level and structure of remuneration should be aligned with the long term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to Directors and key personnel, and performance.

The Board had approved the establishment of a RC with its own terms of reference. The members of the RC and the terms of reference of the RC is as set out in the Appendix page 64 of this CG Report. The RC comprises of wholly independent non-executive Directors, and they are responsible for reviewing the reviewing the remuneration policy and framework of the Directors and the key management.

Corporate Governance Report

In the RC meeting held in February 2016, the RC had reviewed the compensation structure for the Directors, as well as the compensation structure and package for the key management of RHT TM respectively. Under RHT TM's compensation structure for its Directors, Executive Directors are not be paid any Director's fee, while Non-Executive Directors are paid a base fee which is a fixed amount, with a variable fee for every additional role which each Director may take on. This serves to compensate the Directors according to the amount of responsibility, time and effort required of that role. In general, the Chairman of the Board Committees is paid higher variable fees compared to that of members of the Committees. The remuneration framework for the non-Executive Directors is as shown in the following table.

<table>
<tr><th>Fee</th><th>Base Fee</th><th colspan="2">Variable Fee</th></tr>
<tr><td>Executive Director</td><td>Nil</td><td colspan="2">Nil</td></tr>
<tr><td rowspan="3">Non-Executive Director</td><td rowspan="3">Base Fee (BF) p.a.</td><td>Chairman</td><td>Member of Committee</td></tr>
<tr><td>50% of BF as Chairman of Board/ARMC</td><td rowspan="2">15% of Base Fee</td></tr>
<tr><td>25% of BF as Chairman of RC/NC</td></tr>
</table>

Non-Executive Directors' fees are benchmarked against the market and industry levels to ensure that the amounts are sufficient to motivate and attract Directors, without being too generous to pose a potential compromise of the independence of the Directors. The remuneration that is paid to the Directors of RHT TM are determined and paid from RHT TM (in its personal capacity) as approved by its shareholder Stellant, and not out of RHT Trust property. Directors' fees paid to each of the following non-Executive Directors for FY2016 did not exceed S$250,000:

Mr Eng Meng Leong;
Mr Sydney Michael Hwang;
Dr Yogendra Nath Mathur; and
Mr Peter Joseph Seymour Rowe.

Once a year, a review would be carried out of the remuneration framework and the amounts paid to key management of RHT and RHT TM. The Trustee-Manager has put in place a performance based remuneration framework for its key management. Currently, the key management of RHT TM, including the Chief Executive Officer ("CEO"), are paid a fixed yearly salary with a performance related bonus that is tied to the performance of RHT TM. The performance of RHT TM is in turn linked to the performance of RHT. The main regular source of revenue earned by RHT TM is from the fees paid from RHT to RHT TM. The fees payable by RHT to RHT TM are based on (i) the value of the assets under management at RHT and (ii) the amount of distributable income generated at RHT. The greater the growth of the value of RHT's assets and the amount of distributable income available for unitholders of RHT, will result in higher revenue for RHT TM. The Trustee-Manager has also elected for the variable bonus to make up a higher proportion of the total salary payable to key employees, in order to tighten the link between the performance of the individual and their remuneration.

To assist the RC in their assessment on the appropriate compensation level for key management, a report is commissioned yearly to provide information on the remuneration paid by comparable peers in the industry. Similar to the Directors, key management and employees of RHT TM are paid by the Trustee-Manager and not out of RHT Trust property. In FY2016, the management of RHT TM had disposed of their shares in the RHT TM which were granted pursuant to a Management Incentivisation Plan (the "MIP"). The disposal of the management's MIP shares took place alongside the sale of the remaining issued and paid up share capital of RHT TM from RGAM Investment Advisors Private Limited to Stellant Capital Advisory Services Private Limited ("Stellant") on 2 February 2016. The MIP was terminated post the sale of RHT TM to Stellant. Currently there is no other share incentive or employee share option scheme in place for the management.

No Director or employee of RHT TM is paid in the form of shares or interests in the Trustee Manager's controlling shareholder or its related entities.

Corporate Governance Report

The following table shows the remuneration in bands of S$250,000, of the CEO, CFO as well as the top two key executive officers of the Trustee-Manager. The key executives of the Trustee-Manager are based on the importance of their roles in Trustee-Manager. The Trustee-Manager is of the view that the disclosure of the specific remuneration of each of the management and key employee may lead to retention or recruitment difficulties in light of the relatively small number of trusts currently operating in Singapore. Futhermore, the remuneration paid to the management of RHT TM is from RHT TM, and not out RHT's Trust Property. The fees paid by RHT to RHT TM is disclosed on pages 56–57 of this CG report.

Executive Directors	Remuneration Band	Fixed Salary	Bonus
Gurpreet Singh Dhillon	S$751,000–1,000,000	66%	44%
Pawanpreet Singh	S$500,001–750,000	53%	47%

Key Management	Remuneration Band	Fixed Salary	Bonus
Tan Suan Hui	S$ 251,000–500,000	53%	47%
Alex Lim Zhi Wei	S$ 0–250,000	51%	49%

Dr Ramnik Ahuja who is employed as Vice President of Research and Strategy, is the spouse of Mr Pawanpreet Singh, the Chief Financial Officer and Executive Director of RHT TM. Her annual remuneration fell in the band of S$50,000–100,000 in FY2016.

Currently, none of the Directors or key management has a contract with RHT TM that contain provisions on termination benefits.

ACCOUNTABILITY AND AUDIT

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board is committed to providing unitholders of RHT with a balanced and understandable assessment of RHT's performance, position and prospects. The financial results of RHT as well as any other material price sensitive information are disseminated out via the SGXNET as well as put up on the website of RHT, as well as via investors meetings and quarterly conference calls with investors.

As mentioned under Principle 6 on Access to Information, the Board is provided with a monthly report on RHT, which summarises the key financial performance of RHT against that forecasted, as well as the business environment and pertinent operations of RHT. Where there are material differences from month to month, explanations are provided to the Board. The Board has also approved an internal Compliance Manual which compiles the relevant rules and regulations applicable to both RHT and RHT TM. This Compliance Manual serves to assist management in meeting the regulatory requirements.

AUDIT COMMITTEE

Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The members of the Audit & Risk Management Committee ("ARMC") of RHT TM are appointed from among the Directors of the Board and comprise of 3 non-Executive independent Directors. They are:

(1) Mr Peter Joseph Seymour Rowe, Chairman
(2) Dr Yogendra Nath Mathur
(3) Mr Eng Meng Leong

The background and qualifications of the ARMC members are set out on page 19–20 of the Annual Report. The terms of reference of the ARMC are set out in the Appendix 61–62 of this CG Report. Within the role and function of the ARMC, it is provided that the ARMC may investigate any matter within the ARMC's terms of reference, whenever it deems necessary, where it should have full access to and cooperation by the management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

Corporate Governance Report

The ARMC met 5 times in FY2016. During the year, the ARMC reviewed the quarterly and full year results of FY2016, including the adequacy of disclosures as well as the key changes in accounting policies applied. Management is kept abreast of changes in the accounting standards by both the external auditors and other sources. Every year, management perform a diagnostic of the changes in the accounting standards applicable to RHT, and brief the ARMC and Board about such changes.

On a quarterly basis, the ARMC also reviews the reports from the internal auditors with respect to their findings as well as the internal risk committee of RHT TM on changes in key risks and policies affecting RHT. There are also quarterly reports provided by the management to the ARMC on the actions taken to resolve previous internal audit findings. In addition, management prepares a liquidity report on RHT for the ARMC's information and review. Key policies are reviewed by management on a regular basis to ensure that they are up to date and put up to the ARMC for approval to be put to the Board.

All interested party transactions ("IPT") are tabled to the ARMC, including the terms on which the IPT were conducted. This is in accordance with our IPT policy, which sets out the procedure whereby such transactions are identified, reported and recorded down in the IPT register. The terms of the transactions, including information to support that the transactions are conducted on normal commercial terms, are also recorded in the register.

Details of the Interested Person Transactions entered into between the RHT Group and with interested persons (including Fortis, Religare Enterprises Limited and their respective subsidiaries and associates) during the course of the current financial year ending 31 March 2016 which fall under the Listing Manual of the SGX-ST are set out below.

No.	Interested Person	Nature of Transaction	Value of Transaction (S$)[1]	Percentage of NTA[2]
1.	Religare Invesco Mutual Fund	Investment as a treasury transaction	3,809,270	0.55%
2.	Religare Healthworld Ltd	Revenue share from pharmaceutical operations	1,561,723	0.23%
3.	Religare Infrafacilities Ltd	Rental and administrative charges for RHT Corporate office in India	146,071	0.02%
4.	SRL Ltd	Revenue share from pathology operations	543,324	0.08%
5.	Religare Health Insurance Company Ltd	Medical and accident policy for RHT India staff	64,317	0.01%
			6,124,705	**0.88%**

(1) Values are converted at the end of each month as per the prevailing exchange rate at that month end.
(2) Based on the latest audited net tangible assets of RHT as of 31 March 2016 of S$692,985,000

RHT's excess cash balances are invested with Religare Mutual Fund from which RHT receives interest income. The transactions with Religare Healthworld Ltd and SRL Ltd involve the leasing out of space at various RHT Clinical Establishments to companies owned by Religare Entreprises Ltd. RHT in turn has leased office space from Religare Enterprises Ltd to cater for the RHT personnel that are based in India. This office lease arrangement was terminated on 31 March 2016. The medical insurance plan for the staff in RHT India was purchased from Religare Health Insurance Company Ltd.

The ARMC also reviews the audit plans for both the internal and external auditor for the forthcoming year. In FY2016, both the external and internal auditors each met at least once during the year with the ARMC without management being present. In the same financial year, the Chairman of the ARMC also met separately with the internal auditors once every quarter and separately with the external auditor twice. It is also the practice of the Chairman of the ARMC to meet with the Chief Financial Officer of the Trustee-Manager prior to the quarterly ARMC meetings to review the financial reports.

One of the roles of the ARMC is to review the independence of the external auditors. For FY2016, the ARMC noted that S$346,000 was paid to the external auditor as audit fee and S$28,000 was paid for non-audit services. A discussion was held with the external auditor in relation to the type of non-audit services that were provided, and the ARMC was satisfied with the independence of the external auditor. No ARMC member is a former partner or director with the external audit firm.

Corporate Governance Report

The Trustee Manager has complied with Rule 712 and 715 of the SGX-ST listing manual. All of RHT's foreign incorporated subsidiaries are audited by Deloitte Haskins & Sells LLP ("DHS"). The ARMC has assessed the track record and capabilities of DHS and the partner in carrying out work for similar companies in India. They have also discussed with DHS, the manner in which audit work is proposed to be carried out by DHS. The ARMC is of the view that DHS is a suitable audit firm to meet the RHT Group's audit obligations.

RHT TM has established a whistle blowing policy to provide a channel for whistleblowers to report any actual or suspected wrongdoings, as well to provide assurance that the whistleblower will be protected from reprisals or victimization for whistle blowing. The whistleblowing policy and procedure is approved and overseen by the ARMC, and it provides for both the employees and the public to raise concerns to both the Head of Compliance of RHT TM and/or the Chairman of the ARMC. Investigations will commence upon receiving a whistleblowing report and follow up actions would be taken if required.

INTERNAL AUDIT

Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Trustee-Manager is committed to having an internal audit function at all times. The current internal audit firm which has been appointed to perform the function for RHT is KPMG Services Pte Ltd. The selection and appointment of the internal audit firm for RHT was determined by the ARMC, and the internal audit plan for each financial year is approved by the ARMC. The scope of the internal audit is intended to cover key aspects of RHT and RHT TM's internal controls in the areas of finance, operations, compliance and information technology. During the course of their work, the internal auditors are given full access to any documents, records or personnel, and they report directly to the ARMC Chairman.

As mentioned under the section "Audit Committee", the Chairman of the ARMC meets the internal auditors every quarter. These meetings take place without the management being present, which allows the discussions to be as open and candid as possible. The ARMC has reviewed the internal audit plan for the FY2017, the resources allocated to carrying out the plan, as well as the work done by the internal auditors over FY2016, and they are satisfied with the adequacy and effectiveness of the current internal auditor.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

Having an effective and sound system of risk management and internal controls system in place enables the Trustee-Manager to achieve its strategic objectives, whilst keeping the business and assets of RHT secure. An effective risk management system keeps both management and the Board up to date with the key risks and challenges that RHT faces, it also serves to guide the Trustee-Manager in its decision making and allocation of resources.

Keeping with the above goal of having a sound system of risk management and internal controls, the Trustee-Manager has established an internal risk committee ("IRC") comprising of senior management, to undertake the task of managing the risk management system and internal controls. Under the Trustee-Manager's risk management system, the IRC is responsible for the identification of risks. Key risks are rated and the controls for mitigating the risks are evaluated. A register is maintained which tracks the rating of each key risk post the controls that have been put in place. Each IRC member is responsible for risks in their respective areas such as finance, operations, compliance, investments, information technology.

The IRC meets on a quarterly basis, or where the situation requires, to evaluate how the risks facing RHT might have evolved following changes in both the operating environment and internal operations of RHT. Key risk indicators are used as a means for early identification of escalating risks or signals of changes in areas that affect RHT. The key risk indicators will be able to assist management and the Board in signaling issues that may be developing (whether internally or externally) which can potentially have an adverse impact on RHT. Key risk indicators can also provide information to the management and the Board to consider when executing strategies for RHT.

The IRC also debates on whether new processes or existing processes need to be implemented in order to manage any of the new risks. During some of the IRC meetings, relevant staff might be invited to join the meetings or discussions in order to brief the IRC in terms of changes that might have occurred in their respective areas, and to give their views on how new risks might have risen. The involvement of various staff within RHT in risk management discussions help to promote a culture where risk awareness and governance is integral to the daily operations of RHT.

Corporate Governance Report

The IRC also regularly meets with the internal auditors, in order to compare each's assessment of the key risks and the adequacy of the internal controls. This helps to ensure that there are all gaps are filled wherever possible and no key risk is inadvertently left out. The implementation of control self assessment ("CSA") exercise is also being rolled out within RHT. The aim of the CSA is to raise the awareness of staff within RHT in relation to key policies and processes, as well as allow themselves to undertake a check on whether they have been complying with these processes.

The discussions of the quarterly IRC are put up to the ARMC at each quarter's meeting, where the ARMC will assess the effectiveness and adequacy of the risk management and internal controls within RHT TM. This is complemented by a quarterly report provided by the internal auditor to the ARMC on their findings, together with a quarterly report from management on the actions taken to address issues which had been highlighted previously by the internal auditors. Apart from the quarterly reports by the internal auditor, the internal auditor also provides the ARMC with an annual review of the adequacy and effectiveness of the internal controls within RHT, including financial, operational compliance and information technology controls. Where there are areas for enhancements, the internal auditor will highlight it to the ARMC.

Both the ARMC and the Board also receives a quarterly letter of assurance from the CEO and CFO in relation to the quarter's and/or full year results (whichever is applicable). The letter provides assurance in terms of the proper maintenance of the financial records of RHT, and that the financial statements give a true and fair view of the RHT's operations and finances, and in relation to the effectiveness of RHT's risk management and internal control systems.

After assessing the internal risk management framework that is in place, as well as the quarterly reports from the IRC and internal auditor, coupled with the annual assessment undertaken by each of the internal auditor and external auditor, the ARMC and Board are in a position to comment on the adequacy of the internal controls of RHT.

For FY2016, based on ARMC's review of the internal risk management framework and internal controls which the management of RHT TM has put in place, the creation of an IRC to continuously monitor the risks affecting RHT and evaluate the efficacy of the internal processes, as well as the reports from the internal auditor and external auditor, the Board with the concurrence of the ARMC, is of the opinion, that RHT has in place reasonable, adequate and effective risk management and internal controls including financial, operational, compliance and information technology controls.

However, the Board notes that the risk management structure which the Trustee-Manager has been put in place cannot provide absolute assurance that RHT will not be affected by any event that may be foreseen as well as poor judgement and decision making, human error, fraud and other irregularities.

Material Contracts

There were material contracts subsisting at the end of FY2016, between RHT Group and Fortis. Most of these contracts were entered into at the time of the listing of RHT on the SGX-ST. These material contracts are summarised within the section "Exempted Agreements" in the RHT IPO prospectus which can be found on the RHT's website www.rhealthtrust.com. These exempted agreements were deemed to have been specifically approved by unitholders upon their subscription for the units of RHT at the time of the initial public offering of RHT. There was another Hospital and Medical Services Agreement entered into in FY2015, between RHT Group and Fortis, during the acquisition of the Mohali Clinical Establishment.

UNITHOLDERS RIGHTS AND RESPONSIBILITIES

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights and continually review and update such governance arrangements.

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Trustee-Manager ensures that material information is disseminated to unitholders on an accurate and timely basis, with full and complete information to enable unitholders to make form their investment decisions. Our announcements are all disseminated via the SGXNET and the RHT website, www.religarehealthtrust.com. Where necessary, the announcements may also be placed in the local newspapers. There is no selective disclosure of information.

Corporate Governance Report

Every quarter, after the release of our financial results, or when there are announcements on material corporate actions, the Trustee-Manager will hold both analyst briefings as well as investor conference calls. The analyst briefings facilitate research coverage on RHT, to enable a more independent analysis from the analysts. The investor calls present great opportunity for investors to hear from the management, and to have their questions answered.

The management participates actively in investor conferences which are held in different locations throughout the year, and embark on dedicated non-deal roadshows. By reaching out to investors through such means enables the management to obtain direct feedback from investors or analysts. The Board is in turned briefed each quarter by management on the conferences and investors meetings which had been held, in order for them to understand the investors' views.

Whenever a unitholders' meeting is to be held, the notice will be disseminated to each unitholder together with the circular and/or report, as well as published in the local newspapers and via SGXNET. Should any unitholder not be able to attend the meeting, he is allowed to appoint up to two proxies to vote on his behalf at the meeting. Where there are separate issues to be put forth for unitholders' approval at the general meetings, such resolutions are separate and not bundled together, unless the resolutions are interdependent and form one significant proposal.

We had one annual general meeting in FY2016, at which the full Board of Directors was present. The external auditor was also present to address unitholders' queries regarding the conduct of audit, preparation and content of the auditors' report. Our company secretary had prepared the minutes of the annual general meeting, which included relevant comments or questions from unitholders, and the minutes is available for unitholders upon request. In the annual general meeting, the voting was conducted by way of a poll in order to promote greater transparency and allow exact and definitive results at the general meeting. The detailed results of the annual general meeting, which included the number of votes cast for and against each resolution, was disclosed via the SGXNET.

DEALING IN UNITS

It is RHT TM's internal policy that (i) an officer of the Trustee-Manager should not deal in RHT's units on short term considerations; (ii) the Trustee-Manager and its officers should not deal in RHT's units during the period commencing two weeks before the announcement of RHT's quarterly financial results, and one month commencing before the announcement of RHT's fourth quarter and full year results. Reminders are sent to the Board of Directors as well as the staff of RHT TM when such blackout periods for trading in RHT's units commence.

At any point in time, when any of the Directors or officers are in possession of confidential and price sensitive information, they are also reminded not to trade in the units of RHT, and to be mindful of the laws relating to insider trading at all times.

STATEMENT OF POLICIES AND PRACTICES

The Board of Directors of RHT TM and the RHT TM (in its capacity as trustee-manager of RHT) are responsible for safeguarding the interests of the unitholders of RHT as a whole and managing the business of RHT. RHT TM is also required to act in the best interests of the unitholders of RHT as a whole, and give priority to the interests of unitholders of RHT over its own interests in the event of a conflict between the interests of all unitholders as a whole and its own interests. The Trustee-Manager has put in place policies and practices in the management and governance of RHT, in order to ensure that RHT is managed in the interests of its unitholders. The policies and practices include ensuring that:

(i) **The Trust Property is properly accounted for and such property is kept distinct from the property of the Trustee-Manager held in its own capacity.**
The Trustee-Manager has both separate bank accounts for RHT and RHT TM and also separate accounting teams to handle the accounts of RHT and RHT TM. The Trustee-Manager also prepares separate budgets for RHT and RHT TM which are approved by the Board. Any material deviances are explained to the Board. The financial accounts are audited by the external auditor and approved by the Board of RHT TM.

(ii) **Adherence to business scope.**
RHT's investment mandate is to invest 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. The Head of Compliance within the Trustee-Manager checks that the business scope of RHT is consistent with the requirements of the Trust Deed. Should there be any intention to deviate, it will be brought to the attention of the Board of Directors. In addition, whilst the Trustee-Manager currently has no intention of owning and and fully operating and managing hospitals other than the operating hospitals of Rajajinagar and Nagarbhavi, if RHT should in the future wish to own and fully operate and manage hospitals other than Operating Hospitals, the approval of unitholders will be sought.

Corporate Governance Report

(iii) **Conflict of interests.**

The promoters of the controlling shareholder of RHT TM are the same as that of FHL, which is the Sponsor of RHT. As such, there may be potential conflict of interests between RHT TM, RHT and the Sponsor. Trustee-Manager has the following processes in place to mitigate such potential conflicts of interest:

- The Board of RHT TM comprises of 7 Directors, 4 of whom are independent from management and business relationships with the Trustee-Manager and from the Sponsor. Where any Director has an interest in any transaction involving the Sponsor and/or its subsidiaries, that Director will abstain from voting on the transaction. The same resolution is also required to be approved by all the Independent Directors. In particular, the CEO and CFO, both of whom are executive directors on RHT TM, do not have any positions within the Sponsor or its related entities.
- As mentioned in "Adherence to business scope", should the RHT contemplate entering into operation and management of hospitals, which is the core business of the Sponsor, the approval of unitholders will be sought.
- Similarly, should any Director have interest in any transaction or entity with competing interests to RHT, they would also abstain from voting on such matters. The CEO and CFO are both dedicated to RHT TM on a full time basis and they do not have any positions in an entity with competing interests to RHT.

(iv) **Procedures for interested party transactions.**

The Trustee-Manager has instituted internal controls to ensure that interested party transactions which fall below the threshold that require unitholders approval as provided under the listing manual of the SGX-ST, are undertaken on normal commercial terms and are not prejudicial to the interests of the unitholders of RHT. It is also included in the scope of the work done by the internal auditor, to check on the adherence to such internal controls for interested party transactions. Further information on the processes which are in place for interested party transactions is included under the section on "Audit Committee".

(v) **Expense and cost allocation to RHT.**

- Fees payable to RHT TM out of Trust property are provided in the Trust Deed constituting RHT (as amended, dated 25 September 2012), as well as disclosed in the RHT initial public offering ("IPO") prospectus issued on 15 October 2012, and approved by unitholders via subscription in the units of RHT at the time of the IPO. Should there be any change to the structure of the fees payable to the Trustee-Manager, this would need to be approved by the unitholders of RHT at a general meeting. The fees payable to RHT TM are put up to the Board for approval every half yearly. Where there issuance of units in RHT to be made as payment of fees, the timelines for the issuance of such units strictly the follow the internal timelines approved by the Board. The fees that have been paid to the Trustee-Manager out of Trust property in FY2016 is as follows:

	Amount S$('000)
Management Fee	6,326
Trustee Fee	266
Acquisition Fee	163
Total Fee	**6,755**

- Fees and expenses charged to RHT are appropriate and in accordance with Trust Deed. The Trust Deed specifies what kind of expenses can be charged to RHT which RHT TM adheres to. Further information on the computation methodology for fees payable to RHT TM are provided on pages 57–60 of this report.

(vi) **Compliance with Business Trusts Act and listing rules.**

The Trustee-Manager has an internal compliance manual which serves to summarise all the applicable rules and regulations as well as key internal policies and processes which RHT and RHT TM need to comply with. The compliance manual is consistently updated whenever there are changes in the rules and regulations, and it helps management to check that applicable rules and regulations are being followed. The Trustee-Manager has also appointed an external legal firm on a retainer basis to advise on matters related to its compliance with the Business Trust Act and SGX listing rules.

Corporate Governance Report

FEES PAYABLE TO THE TRUSTEE-MANAGER

Under the revised Code of Collective Investment Scheme (the "CIS Code") issued by MAS which took effect on 1 January 2016, where fees are payable out of the deposited property of a property fund, the methodology and justifications for each type of fees payable should be disclosed. While RHT is constituted as a Business Trust, and is not required to comply with the CIS Code, management has elected to disclose the fee computation methodology in this report for greater transparency. All the fees below are payable to the Trustee-Manager in the form of cash and/or Units (as the Trustee-Manager may elect) at the prevailing market price.

	Fee Payable by RHT	Rationale for Fee
	Management Fee	
(1)	**Base Fee** The base fee ("**Base Fee**") is 0.4% per annum of the value of the Trust Property[3] , and paid quarterly in arrears. **Performance Fee** The performance fee ("**Performance Fee**") is 4.5% of the Distributable Income of RHT (as defined in the Trust Deed)[4] , and paid quarterly in arrears. The Base Fee and Performance Fee are payable to the Trustee-Manager in the form of cash and/or Units (as the Trustee-Manager may elect) at the prevailing market price.	The Trustee-Manager receives a Management Fee (comprising of the Base Fee and Performance Fee) from RHT for managing all aspects of RHT, including but not limited to, managing and enhancing the assets, financing needs, investor relations and ensuring regulatory compliance. The Base Fee increases in line with any increase in value of RHT's assets, reflecting the increase in work load and scope with a greater volume of assets being managed. In addition, it serves to incentivise the Trustee-Manager to increase the value of the assets through asset enhancement initiatives or other means. The Performance Fee is pegged to the amount of Distributable Income generated at RHT for unitholders. The ability of RHT TM to generate higher revenue and manage expenses for RHT, the higher the Distributable Income available for unitholders of RHT. This has the effect of directly aligning the interests of the Trustee-Manager with that of the unitholders of RHT.
(2)	**Trustee Fee** The trustee fee is 0.03% per annum of the value of the Trust Property, subject to a minimum of S$15,000 per month, and paid quarterly in arrears.	As RHT TM performs the dual functions of both a manager and a trustee for RHT, it also charges a trustee fee. This trustee fee is pegged to the value of the assets to reflect the increase in volume and scope of work with an increase in asset value.

[3] "**Trust Property**" has the meaning ascribed to it in the Business Trusts Act.

[4] "**Distributable Income**" means the distributable amount determined by the Trustee-Manager in accordance with the terms of the Trust Deed to be distributable for the relevant distribution period (pro-rated if applicable based on the number of months the relevant financial quarter bears to such distribution period).

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Any other substantial fee or charge (i.e. 0.1% or more of RHT's asset value)

Fee Payable by RHT	Rationale for Fee
Acquisition Fee (3) The acquisition fee ("**Acquisition Fee**") will be: • where the Sponsor Group or the Religare Group (as the case may be) has direct or indirect interests of more than 50.0% in any investment acquired directly or indirectly by RHT, 0.5% of the acquisition price of the investment (pro-rated if applicable to the proportion of RHT's interest in the investment acquired); and • in all other cases, 1.0% of the acquisition price of any investment acquired directly or indirectly by RHT (pro-rated if applicable to the proportion of RHT's interest in the investment acquired). Notwithstanding the above, in the event that any investment is held by the Religare Group as a nominee or in a fiduciary capacity or otherwise pursuant to any contractual obligation entered into in its ordinary course of business, the Acquisition Fee payable on the acquisition of such investment by RHT (if applicable) shall be 1.0% of the acquisition price of any investment acquired directly or indirectly by RHT (pro-rated if applicable to the proportion of RHT's interest in the investment acquired). No Acquisition Fee is payable to the Trustee-Manager in connection with the acquisition of the portfolio acquired at the time of the initial public offering (the "Initial Portfolio"), the acquisition of the Sponsor's 51.0% interest in FHTL pursuant to the FHTL Call Option[5] and the CCPS Subscription. Any payment to third party agents or brokers in connection with the acquisition of any asset of RHT shall be paid by the Trustee-Manager to such persons out of the Trust Property of RHT, and not out of the Acquisition Fee received or to be received by the Trustee-Manager.	In connection with the Performance Fee, the Acquisition Fee serves to encourage the Trustee-Manager to look for yield accretive quality assets to add to the portfolio of RHT. When undertaking an acquisition, a fair amount of time and expenses are incurred due to the lengthy process involved when carrying out due diligence and the number of external professionals involved. The Acquisition Fee also serves to compensate the Trustee-Manager for the additional time and expenses outside of that incurred for day to day operating expenses. The lower divestment fees payable to investments acquired from the Sponsor Group or promoter linked companies reflect the reduced effort required in sourcing for the acquisition.
Divestment Fee (4) The divestment fee ("**Divestment Fee**") will be 0.5% of the sale price of any investment sold, transferred or otherwise disposed of by RHT, whether directly or indirectly (pro-rated if applicable to the proportion of RHT's interest in the investment sold, transferred or disposed). No Divestment Fee is payable to the Trustee-Manager for the divestment by RHT to the Sponsor or its nominees of (i) the securities in FHTL pursuant to the FHTL Put Option[6] and the put option in favour of Fortis Global Healthcare Infrastructure Pte. Ltd. ("FGHIPL") in the FHTL CCD Subscription Agreement, and (ii) the CCPS pursuant to the put option in favour of Kanishka Healthcare Limited ("KHL") in the CCPS Subscription. Any payment to third party agents or brokers in connection with the divestment of any asset of RHT shall be paid by the Trustee-Manager to such persons out of the Trust Property of RHT, and not out of the Divestment Fee received or to be received by the Trustee-Manager.	Where it is deemed to be in the best interests of unitholders, RHT TM may recommend the divestment of certain assets in the portfolio in order to unlock value. The process of undertaking a divestment incurs time and expenses, including that of appointing external professionals, above that of normal day to day management of the trust. The Divestment Fee serves to compensate the Trustee-Manager for undertaking the divestment process. Management Fee arising from a smaller portfolio would serve to lower the possibility of indiscriminate selling by RHT TM.

[5] To govern the relationship of the Sponsor and FHML as shareholders of FHTL, the Sponsor, FHML and FHTL had entered into a shareholders' agreement dated 17 September 2012 (the "FHTL Shareholders' Agreement"). Under the FHTL Shareholders' Agreement, FHML, a wholly owned subsidiary of RHT, has a call option on the remaining 51.0% of the issued equity shares in FHTL, which are held by the Sponsor ("FHTL Call Option"). The FHTL Call Option is exercisable if at any time the Sponsor becomes entitled to transfer such 51.0% shareholding interest after having obtained all necessary regulatory consents and approvals.

[6] FHML, a wholly owned subsidiary of RHT, is entitled to exercise a put option granted to it under the FHTL Shareholders' Agreement, to require the Sponsor to purchase all its securities in FHTL including its 49.0% shareholding in FHTL (the "FHTL Put Option").

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Fee Payable by RHT	Rationale for Fee
Development Fee	
(5) 2.0% of the total project costs[7] for undertaking (directly or indirectly) a Development Project on behalf of RHT incurred (pro-rated if applicable to the interest of RHT in the Development Project). "**Development Project**" means a project involving the development or redevelopment of medical and healthcare assets which are acquired or held by RHT. For the avoidance of doubt, this includes any redevelopment undertaken on the Initial Portfolio.	A development project involves the construction of new assets which is frequently carried out over a few years. Developing a project requires a dedicated project team to be assigned to oversee the project and often includes the appointment of specialised external project managers as well. The development fee compensates the Trustee-Manager for maintaining a separate team of personnel and the expenses related to the project over the years.
Asset Management Fee	
(6) 1.0% of the total Gross Revenue[8] for asset management services provided in respect of assets in the Trust Property, and paid quarterly in arrears. No Asset Management Fee will be payable in respect of assets operated by the Sponsor Group. For the avoidance of doubt, no Asset Management Fee is payable to the Trustee-Manager in respect of the Initial Portfolio and the CCPS in EHIRCL held pursuant to the CCPS Subscription.	In managing RHT's assets, RHT TM incurs expenses, including but not limited to, ensuring the smooth running of assets for the operators, compliance with regulations, negotiations with vendors. This asset management fee will reimburse the Trustee-Manager for such expenses incurred. By linking the asset management fee of the Trustee-Manager to that of the gross revenue of the operator aligns the interests of the Trustee-Manager with that of the unitholders of RHT. As a portion of RHT's revenue is pegged to the gross revenue of the operator, a higher revenue generated by the operator results in higher revenue for RHT. The Trustee-Manager by being incentivised to manage the assets in such a way that generates more revenue g for the operator, in turn also benefits the unitholders of RHT.
Marketing Services Fee	
(7) Where the Trustee-Manager secures a lease (outside India) and/or service contract with any person (other than a member of the Sponsor Group) for a particular medical and healthcare asset (or part thereof) on behalf of RHT, the Trustee-Manager will be entitled to a marketing services fee ("**Marketing Services Fee**") of: • One month's gross rent and/or service fee (including service charges) for securing new leases and/or service contracts or renewal of leases and/or service contracts with a lease and/or contract term of less than five years. • Two months' gross rent and/or service fee (including service charges) for securing new leases and/or service contracts or renewal of leases and/or service contracts with a lease and/or contract term of five years or more.	The Marketing Services Fee is structured to incentive the Trustee-Manager to secure leases with for RHT's assets with longer lease terms and which command a higher revenue. There is also a higher Marketing Service Fee payable when it involves a new tenant due to the extra work involved in sourcing and attracting new operators for RHT's assets.

[7] "**Project costs**" refers to the costs incurred in connection with the Development Project, including payments of additional premiums or amounts to regulatory authorities in connection with the development of the land, but shall exclude the purchase price of the land and financing costs relating to the Development Project.

[8] "**Gross Revenue**" means revenue attributable to the investments forming part of the Trust Property of RHT, whether directly held by the Trustee-Manager or indirectly held by the Trustee-Manager through a holding vehicle.

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Fee Payable by RHT	Rationale for Fee

Marketing Services Fee

(7) If a third party agent secures a lease (outside India) and/or service contract with any person (other than a member of the Sponsor Group) for a particular medical and healthcare asset (or part thereof) on behalf of RHT, the Trustee-Manager will be responsible for all marketing services fee payable to such third party agent, and the Trustee-Manager will be entitled to a Marketing Services Fee of:

- 1.2 months' gross rent and/or service fee (including service charges) for securing new leases and/or service contracts or renewal of leases and/or service contracts with a lease and/or contract term of less than five years; and
- 2.4 months' gross rent and/or service fee (including service charges) for securing new leases and/or service contracts or renewal of leases and/or service contracts with a lease and/or contract term of five years or more.

For the avoidance of doubt, the Marketing Services Fee includes all commission and fees payable to third party agents.

The Marketing Services Fee may be adjusted accordingly at the time of securing or renewal of a lease and/or service contract by the Trustee-Manager or a third party agent, to be consistent with and no higher than the prevailing market rates of such marketing services fee in the country where the asset is located.

Board of Directors	Appointed
Mr Ravi Mehrotra, Executive Chairman	7 September 2012[2]
Mr Gurpreet Singh Dhillon, Executive Director & CEO	22 July 2011[1]
Mr Pawanpreet Singh, Executive Director & CFO	1 July 2013
Mr Eng Meng Leong, Independent Director	1 July 2013
Mr Sydney Michael Hwang, Independent Director	7 September 2012[2]
Dr Yogendra Nath Mathur, Lead Independent Director	7 September 2012[2]
Mr Peter Joseph Seymour Rowe, Independent Director	7 September 2012[2]

[1] reappointed on 28 July 2014
[2] reappointed on 6 August 2015

Board Committees & Members

Audit & Risk Management Committee
1. Mr Peter Joseph Seymour Rowe, Chairman
2. Mr Eng Meng Leong
3. Dr Yogendra Nath Mathur

Nominating Committee
1. Mr Sydney Michael Hwang, Chairman
2. Mr Ravi Mehrotra
3. Dr Yogendra Nath Mathur

Remuneration Committee
1. Mr Eng Meng Leong, Chairman
2. Mr Sydney Michael Hwang
3. Mr Peter Joseph Seymour Rowe

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APPENDIX

TERMS OF REFERENCE OF THE AUDIT & RISK MANAGEMENT COMMITTEE

Objectives

The main objective of the ARMC shall be to assist the Board in fulfilling its responsibilities as the board of the trustee-manager of RHT. In pursuance of this goal, the ARMC shall:

(i) monitor and evaluate the effectiveness of the Trustee-Manager's internal controls;
(ii) review the quality and reliability of information prepared for inclusion in the financial reports of RHT;
(iii) nominate external auditors and review the adequacy of external audits in respect of cost, scope and performance;
(iv) in relation to risk management, ensure that the risk management framework is adequate in the identification, measurement, monitoring and control of the Trustee-Manager's principal risks;
(v) in relation to risk governance of the Trustee-Manager, determine the nature and extent of risks which the Trustee-Manager may undertake, and ensure that the management maintains a sound system of risk management and internal controls; and
(vi) assess appropriate means to carry out its responsibility of overseeing the Trustee-Manager's risk management framework and policies.

Roles and Function

The duties and functions of the ARMC shall include the following:

Financial Reporting

(i) Reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of RHT and any announcements relating to the financial performance of RHT;
(ii) Reviewing the balance sheet and profit and loss account of the Trustee-Manager of RHT and the balance sheet, profit and loss account and cash flow statement of RHT submitted to it by the Trustee-Manager, and thereafter to submit them to the Board of Directors;
(iii) Reviewing, with the auditor of RHT:-
    (a) the audit plan of RHT;
    (b) the auditors' evaluation of the system of internal accounting controls of the Trustee-Manager of RHT;
    (c) the auditors' audit report for RHT;
(iv) Reviewing audit reports (whether external or internal) to ensure that where deficiencies in internal controls have been identified, appropriate and prompt remedial action is taken by the management; and
(v) Reviewing the financial statements and the internal audit report. The review of the internal audit report shall be carried out at least twice a year to ascertain that the guidelines and procedures established to monitor Interested Person Transactions have been complied with. The review shall include the examination of the nature of the transaction and its supporting documents or such other data that the ARMC deems necessary.

Risk Management and Internal Controls

(i) Monitoring the policies and practices put in place by the Trustee-Manager to ensure compliance with the applicable legislation, the Business Trusts Act, the Business Trusts Regulations, the Code of Corporate Governance, the Listing Manual, the trust deed of RHT and any applicable guidelines;
(ii) Initiating audits of the internal controls of RHT Group as and when it deems fit to satisfy itself that the internal controls of RHT Group remain robust and effective;
(iii) Reviewing and reporting to the Board at least annually, the adequacy and effectiveness of the risk management systems and internal controls of RHT, including financial, operational, compliance and information technology controls;
(iv) Obtaining regular updates from the management and the Company Secretary regarding compliance matters; and
(v) Overseeing RHT's risk management framework and policies and assessing appropriate means to carry out its responsibility of doing so.

Internal & External Audit Processes

(i) Reviewing the scope and results of the internal audit procedures of the Trustee-Manager of RHT;
(ii) Approving the hiring, removal, evaluation and compensation of the head of the internal audit function, or accounting/auditing firm or corporation if the internal audit function is outsourced;
(iii) Ensuring that the internal audit function is adequately resourced and has appropriate standing within the company and at least annually, review the adequacy and effectiveness of the internal audit function;
(iv) Making recommendations to the Board on the proposals to the unitholders of RHT on the appointment, re-appointment or removal of the external auditors and to approve the remuneration and terms of engagement of the external auditors;
(v) Reviewing the assistance given by the officers of the Trustee-Manager to the auditor of RHT;

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(vi) Reviewing the activities of the internal auditors on factors such as their independence, adequate resources and appropriate standing to perform an effective role;
(vii) Nominating external auditors and reviewing the adequacy of external audits in respect of cost, scope and performance, and reviewing the independence and objectivity of the external auditors. Where external auditors also supply a substantial amount of non-audit services to RHT, the ARMC should keep the nature and extent of such services under review, seeking to maintain objectivity; and
(viii) Meeting with external and internal auditors, without the presence of management, at least on an annual basis.

Interested Person Transactions and Conflicts of Interest

(i) Reviewing the procedures put in place by the Trustee-Manager of RHT for managing any conflict that may arise between the interests of the Unitholders and the interests of the Trustee-Manager, including Interested Person Transactions, the indemnification of expenses or liabilities incurred by the Trustee-Manager and the setting of fees or charges payable out of the trust property of RHT;
(ii) Deliberating on conflicts of interest situations involving RHT;
(iii) Monitoring the procedures established to regulate Interested Person Transactions, including ensuring compliance with the Trustee-Manager's internal control system and the relevant provisions of the Listing Manual; and
(iv) Periodically reviewing the transactions constituting Interested Person Transactions to ensure compliance with the Trustee-Manager's internal control system and with the relevant rules of the Listing Manual. The review will include the examination of the nature of the transaction and its supporting documents or such other data deemed necessary to the ARMC.

Other areas of responsibility of the ARMC include:

(i) Investigating any matters within the ARMC's terms of reference, whenever it deems necessary, where it should have full access to and cooperation by the management and full discretion to invite any director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly;
(ii) Reviewing the policy and arrangements by which staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, and ensure arrangements are in place for such concerns to be raised and independently investigated and for appropriate follow-up action to be taken;
(iii) Reporting to the Board of Directors:
    (a) any inadequacies, deficiencies or matters of concern of which the ARMC becomes aware or that it suspects arising from its review of the items referred to in paragraphs 3.1.1 to 3.1.4 above; and
    (b) any breach of the Business Trusts Act or any breach of the provisions of the trust deed of RHT, of which the ARMC becomes aware or that it suspects;
(iv) Reporting to the MAS if the ARMC is of the view that the Board of Directors has not taken, or does not propose to take, appropriate action to deal with a matter reported under Paragraph 3.1.5(iii); and
(v) In addition to the functions listed above, undertaking such other functions as may be agreed to by the ARMC and the Board of Directors.

The ARMC's roles and responsibilities will also include the following:

(i) monitoring changes to regulations and accounting standards, including accounting standards and issues which have a direct impact on financial statements;
(ii) in connection with Interested Person Transactions:
    (a) reviewing at regular intervals, transactions (either (1) individually or (2) as part of a series or (3) if aggregated with other transactions involving the same Interested Person during the same financial year) equal to or exceeding S$100,000 in value but below 3.0% of the value of RHT's net tangible assets based on the latest audited accounts;
    (b) reviewing and approving transactions (either (1) individually or (2) as part of a series or (3) if aggregated with other transactions involving the same Interested Person during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of RHT's net tangible assets based on the latest audited accounts. Such transactions shall be reviewed and approved prior to such transactions being entered into, on the basis that the transactions are on commercial terms and are consistent with similar types of transactions made by the Trustee-Manager with third parties that are unrelated to the Trustee-Manager; and
    (c) reviewing and approving transactions (either (1) individually or (2) as part of a series or (3) if aggregated with other transactions involving the same Interested Person during the same financial year) equal to or exceeding 5.0% of the value of RHT's net tangible assets based on the latest audited accounts. Such transactions will be reviewed and approved prior to such transactions being entered into, on the basis described in the preceding paragraph, by the ARMC which may, as it deems fit, request advice on the transaction from independent sources or advisers. Further, under the Listing Manual, such transactions would have to be approved by the Unitholders at a meeting of Unitholders duly convened and held in accordance with the provisions of the trust deed of RHT.

Corporate Governance Report

TERMS OF REFERENCE OF THE NOMINATING COMMITTEE

Objectives

The main objective of the NC shall be to make recommendations to the Board on all Board appointments. The NC shall decide how the Board's performance is to be evaluated and develop objective performance criteria which address how the Board has enhanced long-term Unitholders' value. It shall also implement a process for assessing the effectiveness of the Board as a whole and for assessing the contribution of each individual Director to the effectiveness of the Board. The Chairman will review the results of the performance evaluation of the Board, and where appropriate, propose new members to be appointed to the Board of Directors or seek the resignation of Directors, in consultation with the NC.

Roles and Function

The duties and functions of the NC shall include the following:

1. Review the Board composition which includes the structure, size and mix annually and recommend to the Board any new Board appointments, whether of executive or non-executive Directors, including their membership and chairmanship of any Board committees.
2. Review and assess candidates for directorships (including executive directorships) before making recommendations to the Board for the appointment of directors.
3. Recommend to the Board the selection, appointment and re-nomination for re-election or re-appointment of Directors (including alternate directors, if applicable) in accordance with the Trustee-Manager's Articles of Association, having regard to the following factors which shall not be exhaustive in any respect:
    - the composition and progressive renewal of the Board;
    - the respective Director's contribution to the effectiveness of the Board as a whole;
    - the respective Director's competencies, commitment, contribution and performance (e.g. attendance, preparedness, participation and candour), including if applicable such contribution and performance as an independent Director;
    - the respective Director's appointment on Board committees (as a member or chairman);
    - the respective Director's age, date of first appointment to the Board, date of last re-election or re-appointment
    - the respective Director's unitholding in the RHT and its related corporations;
    - the respective Director's current directorships and past directorships held in the preceding three years in related corporations of RHT and in other listed companies and other major appointments and;
    - if the respective Director has multiple board representations, whether sufficient time and attention is given to the affairs of each each company.
4. Recommend to the Board the responsibilities of non-executive Directors, including their membership and chairmanship of Board committees.
5. Recommend the appointment of suitable persons for the senior key executive positions, including that of chief executive officer, chief operating officer, chief financial officer or other executive officers of equivalent rank.
6. Determine annually, and as and when circumstances require, whether or not a Director is independent in the manner provided in the Business Trusts Regulations and bearing in mind the circumstances set forth in Guidelines 2.3 and 2.4 as set out in the Code of Corporate Governance 2012 (as may be amended, supplemented or replaced from time to time) ("CCG") and any other salient factors. If the NC considers that a director who has one or more of the relationships mentioned therein can be considered independent, it shall provide its views to the Board for the Board's consideration. Conversely, the NC has the discretion to consider that a director is not independent even if he does not fall under the circumstances set forth in CCG Guidelines 2.3 or 2.4, and should similarly provide its views to the Board for the Board's consideration.
7. Decide whether or not a Director is able to and has been adequately carrying out his duties as a Director, taking into consideration the Director's number of listed company board representations and other principal commitments, and determine the maximum number of listed company board representations which any director may hold.
8. Implement and carry out the process of assessing the effectiveness of the Board as a whole, and the contribution by each individual Director to the effectiveness of the Board. Individual evaluation should aim to assess whether each Director continues to contribute effectively and demonstrate commitment to the role (including commitment of time to the Board and Board committee meetings, and other duties).
9. Decide on how the performance of the Board, the board committees and Directors may be evaluated and recommend to the Board for approval objective performance criteria for such purpose, which may be changed subsequently where circumstances deem it necessary. In addition to any relevant performance criteria which may be proposed, the performance evaluation should also consider RHT's unit price performance over a five-year period vis-à-vis the Singapore Straits Times Index and a benchmark index of its industry peers.

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10. Consider the various disclosure requirements relating to directors (in particular, those required by regulatory bodies such as the Singapore Exchange Securities Trading Limited) and ensure that the Trustee-Manager has provided adequate disclosure in the RHT's Annual Report on key information regarding its Directors and its process for assessment of the Board and the Directors.
11. Review of training and professional development programs for the Board.
12. Carry out such other duties and functions as may be agreed to by the NC and/or directed by the Board.

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

Objectives

The primary objective of the RC is to recommend to the Board a framework and specific remuneration package for the Directors and the chief executive officer of RHT TM.

With regard to remuneration, the RC will review the framework of remuneration and the specific remuneration packages for the Directors and the key executive officers of the Trustee-Manager. The RC shall cover all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits in kind.

Roles and Function

1. The duties and functions of the RC are as follows:
    (i) Review, determine and recommend to the Board for endorsement the Trustee-Manager's compensation structure or framework for remuneration of its Directors and CEO to ensure that the framework is appropriate and sufficient to attract, retain and motivate the Directors and CEO of the required quality to run RHT successfully.
    (ii) Determine and recommend to the Board for endorsement the specific remuneration packages for each of the Directors and CEO of the Trustee-Manager upon recruitment, and thereafter on an annual basis to review such remuneration, determine and recommend to the Board for endorsement any appropriate adjustments, including any variable components in such remuneration, which may be performance-related or designed to align the interests of the Directors and CEO with those of the unitholders of RHT.
    (iii) Liaise with the Board, the Nominating Committee and Management, as appropriate, on the measurement and assessment of (a) the corporate performance of the Trustee-Manager and the Group and where appropriate, relative to other companies or its competitors, and (b) the performance and level of contribution of the individual Directors and the CEO, as a prelude to reviewing, determining and recommending (as appropriate) the remuneration for each Director and the CEO.
    (iv) Review and recommend to the Board other incentive schemes and compensation policies of the Trustee-Manager and the remuneration of senior management (CEO & direct reports to CEO).
    (v) Review whether executive directors and key management personnel of the Trustee-Manager should be eligible for benefits under long-term incentive schemes and evaluate the costs and benefits of the long-term incentive schemes.
    (vi) Review the Trustee-Manager's obligations arising in the event of termination of the executive directors and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.
    (vii) Consider the various disclosure requirements for Directors' remuneration (in particular, those required by regulatory bodies such as the Singapore Exchange Securities Trading Limited) and ensure that the Trustee-Manager has provided adequate disclosure in RHT's Annual Report on the remuneration of its Directors and key executives in the manner prescribed by such disclosure requirements.
    (viii) Carry out such other duties and functions as may be agreed to by the RC and/or directed by the Board.

2. The remuneration or remuneration packages referred to in this Terms of Reference shall cover all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options, unit-based incentives and awards, and benefits-in-kind offered and/or to be offered by the Trustee-Manager for employment or directorship.
3. The remuneration or remuneration packages of the non-executive Directors of the Trustee-Manager shall be subject to prior approval by the unitholders of the Trustee-Manager.
4. In performing its duties and functions, the RC will take into account certain principles and issues on Board remuneration.
5. The Independent Directors on the RC will annually review and approve the total remuneration of the Directors, Executive Officers and other employees who are related to the controlling shareholder of the Trustee-Manager or the Controlling Unitholder and/or the Directors.

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TERMS OF REFERENCE OF EXECUTIVE COMMITTEE

Objectives

The main objective of the Executive Committee shall be to assist the Board in fulfilling certain of its responsibilities as the board of the trustee-manager of Religare Health Trust ("RHT"). The purpose of the Executive Committee is to execute the business plan and manage the day to day affairs of RHT and its subsidiaries, jointly-controlled entities and associated companies (collectively, the "RHT Group" and each a "RHT Group Entity").

Roles and Function

1. The principal responsibility of the Executive Committee is to manage the business of the RHT Group, including the following:

    (a) To execute the corporate strategy, policies, directions and guidelines set by the Board for the RHT Group;
    (b) To review and make recommendations to the Board on the annual operating and capital budgets;
    (c) To consider and make recommendations to the Board on matters of significance to the RHT Group, as outlined in "Matters Reserved Specifically for Decision by the Board";
    (d) To manage the RHT Group's operations, projects, budgets, compliance obligations and financials;
    (e) To make recommendations to the Board as to the RHT Group's broad policies, strategies and financial objectives; and
    (f) To carry out such other functions as may be delegated to it by the Board.

Corporate Governance Report

DIRECTORSHIPS

And other major appointments over the last 3 years

Name of Director	Current Directorships and other major appointments	Past appointments over the last 3 years
Ravi Mehrotra	1. Dion Global Solutions Limited 2. Fortis Global Healthcare Infrastructure Pte. Ltd. 3. Fortis Healthcare Limited 4. Landmark Partners LLC 5. Northgate Capital LLC 6. Religare Enterprises Limited 7. Religare Global Asset Management Inc. 8. Religare Health Insurance Company Limited 9. Religare Healthtrust Services Pte. Ltd.	Religare Asset Management Company Limited Religare Capital Markets Limited AEGON Religare Life Insurance Company Limited
Gurpreet Singh Dhillon	1. Fortis Global Healthcare Infrastructure Pte. Ltd. 2. Religare Healthtrust Services Pte. Ltd. 3. Treelife Holdings Pte. Limited 4. BG Asset Management Pte. Ltd.	–
Pawanpreet Singh	Nil	Fortis Health Management Limited Fortis Health management (West) Limited Fortis Healthstaff Limited Hospitalia Eastern Private Limited Kanishka Healthcare Limited Reliant Healthcare Consultancy Private Limited
Eng Meng Leong	1. ACTS College Limited (Non-Executive Director) 2. Croesus Retail Asset Management Pte. Ltd. (Independent Director)	Kreuz Holdings Limited Libra Group Limited (Independent Director) 3Cnergy Limited
Sydney Michael Hwang	1. Justinian Private Limited 2. Michael Hwang Chambers LLc, Senior Counsel 3. Linyi Investments Pte. Ltd. 4. Memories of the East Pte. Ltd. 5. Singapore Dance Theatre Limited 6. YTL Starhill Global REIT Management Limited	IP Academy (Singapore) Kang Ching Pte. Ltd. The Law Society of Singapore
Dr Yogendra Nath Mathur	1. Maharaj Jagat Singh Medical Relief Society 2. RSSB Education & Environment Society	Nil
Peter Joseph Seymour Rowe	1. AMP Capital Investors Limited * 2. GFM Investment Holdings Pty Ltd 3. GFM Investment Services Pty Ltd 4. GFM Investment Management Ltd 5. Herbert Smith Freehills (Consultant) 6. Southern Highlands Botanic Gardens Limited 7. UBS Grocon Real Estate Investment Management Pty Ltd * Chairman of the Managed Investments Scheme Compliance Committees and AMP Capital China Growth Fund Advisory Committee.	XAS Pty Limited Lend Lease Real Estate Investments Limited Lend Lease Funds Management Limited Estate of the late Helene Ann Finlay (Executor) Securitisation Capital Solutions Pty Ltd Tavaling Pty Ltd Investa Listed Funds Management Limited Mission Australia Housing Limited Mission Australia Housing (Victoria) Limited

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Report of the Trustee-Manager

For the financial year ended 31 March 2016

The directors of Religare Health Trust Trustee Manager Pte. Ltd., the Trustee-Manager of Religare Health Trust (the "Trust") are pleased to present their report to the unitholders of the Trust, together with the audited consolidated financial statements of the Trust and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in unitholders' funds of the Trust for the financial year ended 31 March 2016.

DIRECTORS

The directors of the Trustee-Manager in office at the date of this report are:

Ravi Mehrotra
Gurpreet Singh Dhillon
Pawanpreet Singh
Eng Meng Leong
Sydney Michael Hwang
Dr Yogendra Nath Mathur
Peter Joseph Seymour Rowe

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE UNITS OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Trustee-Manager a party to any arrangement whose object was to enable the directors of the Trustee-Manager to acquire benefits by means of the acquisition of units in, or debentures, of the Trust.

DIRECTORS' INTERESTS IN UNITS OR DEBENTURES

According to the register kept by the Trustee-Manager for the purposes of Sections 13 and 76 of the Business Trusts Act, Chapter 31A of Singapore (the "Act"), particulars of the interests of directors who held office at the end of the financial year in units in, or debentures of, the Trust are as follows:

	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Number of units				
Ravi Mehrotra	–	–	1,000,000	1,000,000
Gurpreet Singh Dhillon	–	–	1,777,000	1,777,000
Sydney Michael Hwang	–	–	1,000,000	1,000,000
Pawanpreet Singh	–	–	–	300,000

There were no changes in any of the above mentioned interest in the Trust between the end of the financial year and 21 April 2016.

OPTIONS

There were no options granted during the financial year by the Trustee-Manager to any person to take up unissued units in the Trust.

No units have been issued during the financial year by virtue of the exercise of options to take up unissued units of the Trust.

There were no unissued units of the Trust under option at the end of the financial year.

Report of the Trustee-Manager

For the financial year ended 31 March 2016

AUDIT AND RISK MANAGEMENT COMMITTEE

The members of the Audit and Risk Management Committee ("ARMC") of the Trustee-Manager during the financial year and as at the date of this report were as follows:

Peter Joseph Seymour Rowe	Chairman
Dr Yogendra Nath Mathur	
Eng Meng Leong	

All members of the ARMC are independent and are non-executive directors.

The ARMC carried out its functions in accordance with Regulation 13(6) of the Business Trusts Regulations 2005 of Singapore. In performing its functions, the ARMC has reviewed (among others):

- with the independent internal and external auditors of the Trust, the audit plan of the Group, the independent internal auditor's evaluation of the system of internal accounting controls of the Group and the independent external auditor's report on the consolidated financial statements of the Group for the financial year;
- the assistance given by the officers of the Trustee-Manager to the independent auditor of the Trust, the scope and results of the internal audit procedures of the Group, the policies and practices put in place by the Trustee-Manager to ensure compliance with the Act and the trust deed dated 29 July 2011 constituting the Trust, as amended and restated by an amending and restating deed dated 25 September 2012 and supplemented by a supplemental deed dated 27 September 2012 (together, the "Trust Deed"), the procedures put in place by the Trustee-Manager for managing any conflict that may arise between the interests of unitholders and the interests of the Trustee-Manager (including interested person transactions, indemnification of expenses or liabilities incurred by the Trustee-Manager and the setting of fees or charges payable out of the trust property of the Trust); and
- the balance sheet and statement of changes in unitholders' funds of the Trust and the consolidated financial statements of the Group for the financial year ended 31 March 2016 before their submission to the Board of Directors of the Trustee-Manager.

The ARMC, having reviewed all non-audit services provided by the independent auditors to the Group, is satisfied that the nature and extent of such services would not affect the independence of the independent auditors.

Further details regarding the ARMC are disclosed in the Report on Corporate Governance.

AUDITOR

Ernst & Young LLP have expressed their willingness to accept re-appointment as independent auditor.

On behalf of the Board of Directors of the Trustee-Manager:

Ravi Mehrotra
Director

Gurpreet Singh Dhillon
Director

Singapore
24 June 2016

Statement by the Trustee-Manager

For the financial year ended 31 March 2016

In our opinion,

(a) the consolidated statement of comprehensive income set out on page 73 has been drawn up so as to give a true and fair view of the results of the business of the Group for the financial year ended 31 March 2016;

(b) the balance sheets set out on pages 74 and 75 have been drawn up so as to give a true and fair view of the state of affairs of the Trust and of the Group as at 31 March 2016;

(c) the consolidated cash flow statement set out on page 78 has been drawn up so as to give a true and fair view of the cash flow of the business of the Group for the financial year ended 31 March 2016; and

(d) at the date of this statement, there are reasonable grounds to believe that the Trustee-Manager will be able to fulfil out of the trust property of the Trust, its liabilities in respect of the Trust as and when they fall due.

In accordance with Section 86(2) of Singapore Business Trusts Act, Chapter 31A (the "Act"), we further certify:

(a) the fees or charges paid or payable out of the trust property of the Trust to the Trustee-Manager are in accordance with the trust deed of the Trust;

(b) the interested person transactions entered into by the Trust during the financial year ended 31 March 2016 are not detrimental to the interests of the unitholders of the Trust as a whole based on the circumstances at the time of the relevant transactions; and

(c) the Board of Directors of the Trustee-Manager is not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of the Trust or on the interests of the unitholders of the Trust as a whole.

The Board of Directors of the Trustee-Manager has, on the date of this statement, authorised the above statements and these financial statements of the Group as at and for the financial year ended 31 March 2016 for issue.

On behalf of the Board of Directors of the Trustee-Manager:

Ravi Mehrotra
Director

Gurpreet Singh Dhillon
Director

Singapore
24 June 2016

Statement by the Chief Executive Officer

For the financial year ended 31 March 2016

In accordance with Section 86(3) of the Act, I certify that I am not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of the Trust or on the interests of all the unitholders of the Trust as a whole.

Gurpreet Singh Dhillon
Chief Executive Officer

Singapore
24 June 2016

Independent Auditor's Report to the Unitholders of Religare Health Trust

For the financial year ended 31 March 2016

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Religare Health Trust (constituted in the Republic of Singapore pursuant to the Trust Deed) and its subsidiaries (collectively, the "Group") set out on pages 73 to 132, which comprise the consolidated balance sheet of the Group and the balance sheet of the Trust as at 31 March 2016, and the consolidated statement of comprehensive income, the statement of changes in unitholders' funds and cash flow statement of the Group and the statement of changes in unitholders' funds of the Trust for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Trustee-Manager's responsibility for the financial statements

Religare Health Trust Trustee-Manager Pte. Ltd., the Trustee-Manager of the Trust is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Business Trusts Act, Chapter 31A (the "Act") and International Financial Reporting Standards ("IFRS") as issued by International Accounting Standards Board ("IASB"), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safegaurded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustee-Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in unitholders' funds of the Trust give a true and fair view of the financial position of the Group and of the Trust as at 31 March 2016, and of the financial performance, changes in unitholders' funds and cash flows of the Group and the changes in unitholders' funds of the Trust for the financial year then ended in accordance with the provisions of the Act and IFRS.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records kept by the Trustee-Manager for the Trust and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Singapore Business Trusts Act, Chapter 31A and the Singapore Companies Act, Chapter 50, respectively.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
24 June 2016

Consolidated Statement of Comprehensive Income

For the financial year ended 31 March 2016

	Note	2016 $'000	2015 $'000
Revenue:			
Service fee	4	**129,475**	124,382
Hospital income	5	**9,649**	8,107
Other income	6	**3,796**	3,953
Total revenue		**142,920**	136,442
Service and hospital expenses:			
Medical consumables		**(9,603)**	(8,697)
Employee benefits expense	7	**(3,313)**	(2,960)
Doctor charges		**(8,420)**	(6,973)
Depreciation and amortisation		**(16,344)**	(13,908)
Other service fee expenses	11	**(15,514)**	(18,969)
Hospital expenses	5	**(7,985)**	(6,607)
Total service and hospital expenses		**(61,179)**	(58,114)
Trustee-Manager fees	8	**(6,755)**	(6,657)
Other trust expenses		**(2,747)**	(3,368)
Finance income	9	**623**	714
Finance expenses	10	**(8,800)**	(6,082)
Foreign exchange losses		**(10,495)**	(1,141)
Total expenses		**(89,353)**	(74,648)
Profit before changes in fair value of financial derivatives		**53,567**	61,794
Fair value gain/(loss) on financial derivatives		**7,725**	(5,075)
Profit before taxes	11	**61,292**	56,719
Income tax expense	12	**(17,816)**	(19,296)
Net profit for the year attributable to unitholders of the Trust		**43,476**	37,423
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss			
– Foreign currency translation		**(58,615)**	30,995
Items that will not be reclassified to profit or loss			
– Net surplus on revaluation of land and buildings		**42,963**	44,340
– Remeasurement of defined benefit plan		**(36)**	(36)
Other comprehensive income for the year, net of tax		**(15,688)**	75,299
Total comprehensive income for the year attributable to unitholders of the Trust		**27,788**	112,722
Earnings per unit attributable to unitholders of the Trust, expressed in cents per unit			
– Basic and diluted	13	**5.46**	4.72

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Balance Sheets

As at 31 March 2016

	Note	GROUP 2016 $'000	GROUP 2015 $'000	TRUST 2016 $'000	TRUST 2015 $'000
ASSETS					
Non-current assets					
Intangible assets	14	**127,986**	140,514	**–**	–
Property, plant and equipment	15	**844,851**	823,597	**–**	–
Investment in subsidiaries	17	**–**	–	**12,634**	12,634
Loan to a subsidiary	18	**–**	–	**478,922**	457,459
Financial assets	19	**36,047**	35,151	**–**	–
Deferred tax assets	20	**6,011**	3,082	**–**	–
Other assets	21	**24,783**	23,164	**–**	–
Total non-current assets		**1,039,678**	1,025,508	**491,556**	470,093
Current assets					
Inventories		**130**	141	**–**	–
Financial assets	19	**79,783**	67,939	**49,090**	55,794
Trade receivables	22	**25,340**	25,233	**–**	–
Other assets		**983**	797	**65**	5
Derivative financial instruments	27	**891**	–	**–**	–
Cash and bank balances	23	**5,831**	4,170	**344**	251
Total current assets		**112,958**	98,280	**49,499**	56,050
Total assets		**1,152,636**	1,123,788	**541,055**	526,143
LIABILITIES					
Non-current liabilities					
Loans and borrowings	24	**166,598**	63,676	**60,000**	–
Other liabilities		**3,710**	1,756	**–**	–
Deferred tax liabilities	20	**143,233**	131,483	**–**	–
Total non-current liabilities		**313,541**	196,915	**60,000**	–

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Balance Sheets

As at 31 March 2016

	Note	GROUP 2016 $'000	GROUP 2015 $'000	TRUST 2016 $'000	TRUST 2015 $'000
Current liabilities					
Loans and borrowings	24	**3,438**	62,377	**525**	–
Trade and other payables	25	**6,032**	6,962	**–**	–
Other liabilities	26	**90,017**	81,552	**3,103**	4,536
Current tax liabilities		**–**	15	**–**	–
Derivative financial instruments	27	**–**	6,834	**–**	–
Total current liabilities		**99,487**	157,740	**3,628**	4,536
Net current assets/(liabilities)		**13,471**	(59,460)	**45,871**	51,514
Total liabilities		**413,028**	354,655	**63,628**	4,536
Net assets		**739,608**	769,133	**477,427**	521,607
UNITHOLDERS' FUNDS					
Units in issue	28	**510,399**	507,180	**510,399**	507,180
Capital reserve	29	**210,216**	210,216	**–**	–
Foreign currency translation reserve	29	**(82,469)**	(23,854)	**–**	–
Revaluation reserve	29	**142,911**	101,396	**–**	–
Capital redemption reserve	29	**33**	69	**–**	–
(Accumulated losses)/revenue reserves		**(41,482)**	(25,874)	**(32,972)**	14,427
Total unitholders' funds		**739,608**	769,133	**477,427**	521,607

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Unitholders' Funds

For the Financial Year ended 31 March 2016

	Note	Units in issue (Note 28) $'000	Capital reserve $'000	Foreign currency translation reserve $'000	Revaluation reserve $'000	Other reserve $'000	Accumulated losses $'000	Total $'000
Group								
At 1 April 2014		503,760	210,216	(54,849)	57,658	105	(11,655)	705,235
Profit for the year		–	–	–	–	–	37,423	37,423
Other comprehensive income								
– Foreign currency translation		–	–	30,995	–	–	–	30,995
– Net surplus on revaluation of land and buildings		–	–	–	43,738	–	602*	44,340
– Remeasurement of defined benefit plan		–	–	–	–	(36)	–	(36)
Other comprehensive income for the year, net of tax		–	–	30,995	43,738	(36)	602	75,299
Total comprehensive income for the year		–	–	30,995	43,738	(36)	38,025	112,722
Payment of Trustee-Manager fees in units		3,420	–	–	–	–	–	3,420
Distribution on units in issue	36	–	–	–	–	–	(52,244)	(52,244)
At 31 March 2015 and 1 April 2015		**507,180**	**210,216**	**(23,854)**	**101,396**	**69**	**(25,874)**	**769,133**
Profit for the year		**–**	**–**	**–**	**–**	**–**	**43,476**	**43,476**
Other comprehensive income								
– Foreign currency translation		**–**	**–**	**(58,615)**	**–**	**–**	**–**	**(58,615)**
– Net surplus on revaluation of land and buildings		**–**	**–**	**–**	**41,515**	**–**	**1,448***	**42,963**
– Remeasurement of defined benefit plan		**–**	**–**	**–**	**–**	**(36)**	**–**	**(36)**
Other comprehensive income for the year, net of tax		**–**	**–**	**(58,615)**	**41,515**	**(36)**	**1,448**	**(15,688)**
Total comprehensive income for the year		**–**	**–**	**(58,615)**	**41,515**	**(36)**	**44,924**	**27,788**
Payment of Trustee-Manager fees in units		**3,219**	**–**	**–**	**–**	**–**	**–**	**3,219**
Distribution on units in issue	36	**–**	**–**	**–**	**–**	**–**	**(60,532)**	**(60,532)**
At 31 March 2016		**510,399**	**210,216**	**(82,469)**	**142,911**	**33**	**(41,482)**	**739,608**

* Relates to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Unitholders' Funds

For the Financial Year ended 31 March 2016

	Note	Units in issue (Note 28) $'000	(Accumulated losses)/revenue reserves $'000	Total $'000
Trust				
At 1 April 2014		503,760	(14,018)	489,742
Profit for the year, representing total comprehensive income for the financial year		–	80,689	80,689
Distribution on units in issue	36	–	(52,244)	(52,244)
Payment of Trustee-Manager fees in units		3,420	–	3,420
At 31 March 2015 and 1 April 2015		**507,180**	**14,427**	**521,607**
Profit for the year, representing total comprehensive income for the financial year		**–**	**13,133**	**13,133**
Distribution on units in issue	36	**–**	**(60,532)**	**(60,532)**
Payment of Trustee-Manager fees in units		**3,219**	**–**	**3,219**
At 31 March 2016		**510,399**	**(32,972)**	**477,427**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated
Cash Flow Statement

For the financial year ended 31 March 2016

	Note	2016 $'000	2015 $'000
Cash flow from operating activities			
Profit before taxes		**61,292**	56,719
Adjustments for:			
Depreciation and amortisation		**16,344**	13,908
Finance income		**(623)**	(714)
Finance expenses		**8,800**	6,082
Fair value (gain)/loss on financial derivatives		**(7,725)**	5,075
Foreign exchange losses/(gains)		**2,486**	(2,633)
Unrealised gain on financial asset		**(13)**	–
Fixed assets written off		**796**	299
Gain from a bargain purchase		**–**	(401)
Foreign currency alignment		**(345)**	282
Operating cash flow before working capital changes		**81,012**	78,617
Changes in working capital:			
Increase in trade receivables		**(2,026)**	(2,396)
Increase in financial assets and other assets		**(15,714)**	(6,958)
Decrease in inventories		**1**	4
Increase in trade and other payables and other liabilities		**17,701**	6,656
Cash flows generated from operations		**80,974**	75,923
Interest received		**624**	465
Tax paid		**(18,663)**	(20,452)
Interest paid		**(6,351)**	(3,088)
Net cash generated from operating activities		**56,584**	52,848
Cash flow from investing activities			
Purchase of property, plant and equipment	15	**(32,397)**	(8,705)
Investment in short term investments		**(5,364)**	5,371
Net cash outflow in a bargain purchase		**–**	(59,846)
Net cash used in investing activities		**(37,761)**	(63,180)
Cash flow from financing activities			
Distribution paid to unitholders		**(60,532)**	(52,244)
Net proceeds from borrowings		**43,370**	58,487
Net cash (used in)/generated from financing activities		**(17,162)**	6,243
Net increase/(decrease) in cash and cash equivalents		**1,661**	(4,089)
Cash and cash equivalents at beginning of year		**4,170**	8,259
Cash and cash equivalents at end of year	23	**5,831**	4,170

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements

For the financial year ended 31 March 2016

1. GENERAL INFORMATION

Religare Health Trust (the "Trust") is a business trust registered with the Monetary Authority of Singapore and domiciled in Singapore. The Trust was constituted by the Trust Deed and is regulated by the Business Trusts Act, Chapter 31A of Singapore. Under the trust deed, Religare Health Trust Trustee Manager Pte. Ltd. (the "Trustee-Manager") has declared that it will hold all the assets (including businesses) acquired on trust for the unitholders of the Trust. The registered office of the Trustee-Manager is located at 9 Battery Road, #15-01 Straits Trading Building, Singapore 049910. The principal place of business of the Trustee-Manager is located at 302 Orchard Road #18-02/03 Tong Building, Singapore 238862.

The principal activity of the Trust is investment holding of hospital and health care related assets located in Asia, Australasia and emerging markets in the rest of the world. The principal activities of the subsidiaries of the Trust are set out in Note 17.

The Trust was admitted to the Official List of the Main Board of Singapore Exchange Securities Trading Limited on 19 October 2012.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 *Basis of preparation*

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by International Accounting Standards Board ("IASB"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

All financial information is presented in Singapore dollars and has been rounded to the nearest thousand, unless otherwise stated.

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2015. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Trust.

Standards, Amendments and Interpretations issued but not yet effective

The Group has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Applying the Consolidation Exception or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10, IFRS 12 and IAS 28*	1 January 2016
IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28*	Date to be determined
IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations - Amendments to IFRS 11*	1 January 2016
IFRS 14 *Regulatory Deferral Accounts*	1 January 2016
IAS 1 *Disclosure Initiative – Amendments to IAS 1*	1 January 2016
IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation – Amendments to IAS 16 and IAS 38*	1 January 2016
IAS 16 and IAS 41 *Agriculture: Bearer Plants – Amendments to IAS 16 and IAS 41*	1 January 2016
IAS 27 *Equity Method in Separate Financial Statements – Amendments to IAS 27*	1 January 2016
Annual Improvements to IFRSs 2012-2014 Cycle	1 January 2016
IAS 7 *Disclosure Initiative – Amendments to IAS 7*	1 January 2017
IAS 12 *Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12*	1 January 2017
IFRS 15 *Revenue from Contracts with Customers*	1 January 2017
IFRS 9 *Financial Instruments*	1 January 2018
IFRS 16 *Leases*	1 January 2019

Notes to the Financial Statements

For the financial year ended 31 March 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 *Changes in accounting policies (cont'd)*

Except for IFRS 9 and IFRS 16, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of IFRS 9 and IFRS 16 are described below.

IFRS 9 *Financial Instruments*

IFRS 9 as issued reflects the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets, impairment of financial assets and hedge accounting. The adoption of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets.

IFRS 16 *Leases*

IFRS 16 requires lessees to recognise for most leases, a liability to pay rental with a corresponding asset, and recognise interest expense and depreciation separately. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Group is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date.

2.3 *Basis of consolidation and business combination*

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 March 2016. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the unit holders of the Trust. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Notes to the Financial Statements

For the financial year ended 31 March 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 *Basis of consolidation and business combination (cont'd)*

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Business combinations are accounted for using the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another IFRS.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

Business combinations involving entities under common control are accounted for by applying the pooling of interest method.

Pursuant to this:

- Assets and liabilities are reflected at their existing carrying amounts;
- No amount is recognised for goodwill and;
- Any difference between the consideration paid by the Trust and the share capital of the subsidiary will be reflected within the equity of the Group as capital reserve.

Notes to the Financial Statements

For the financial year ended 31 March 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 *Foreign currency*

The Group's consolidated financial statements are presented in Singapore Dollars, which is also the Trust's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and has elected to recycle the gain or loss that arises from using this method.

(a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Trust and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

(b) *Consolidated financial statements*

For consolidation purposes, the assets and liabilities of foreign operations are translated into Singapore Dollars at the rate of exchange prevailing at the reporting date and their profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.5 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment other than freehold land and buildings are measured at cost less accumulated depreciation and any accumulated impairment losses.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of the revaluation. Valuations for land and buildings are performed annually to ensure that the carrying amount does not differ materially from the fair value of the freehold land and buildings at the end of the reporting period.

A revaluation surplus is recognised in other comprehensive income and accumulated to the asset revaluation reserve in equity. However, to the extent it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the profit or loss, except to the extent that it offsets an existing surplus of the same asset recognised in the asset revaluation reserve.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on revalued carrying amount of the asset and depreciation based on the assets original cost. Additionally, any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Notes to the Financial Statements

For the financial year ended 31 March 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.5 *Property, plant and equipment (cont'd)*

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land	2 to 90 years
Buildings	24 to 45 years
Medical equipment	1 to 15 years
Plant and machinery	6 to 20 years
Furniture and fittings	1 to 15 years
Office equipment	1 to 4 years
Computers	2 to 6 years
Vehicles	1 to 5 years

Assets under construction are not depreciated as these assets are not yet available for use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

The residual value, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end, and adjusted prospectively, if appropriate.

2.6 *Intangible assets*

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as below:

Customer related intangible	30 years
Right to use "Fortis" brand	15 years
Goodwill	Indefinite
Other intangibles	3 years

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

Notes to the Financial Statements

For the financial year ended 31 March 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.7 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's ("CGU") recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

The following assets have specific characteristics for impairment testing:

Goodwill

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 March either individually or at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2.8 *Financial instruments – initial recognition and subsequent measurement*

(i) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Notes to the Financial Statements

For the financial year ended 31 March 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.8 ***Financial instruments – initial recognition and subsequent measurement (cont'd)***

(i) ***Financial assets (cont'd)***

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

i) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

ii) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) of finance income (positive net changes in fair value) in the statement of profit or loss.

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(ii) ***Financial liabilities***

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

Notes to the Financial Statements

For the financial year ended 31 March 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.9 *Impairment of financial assets*

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.10 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Fixed deposits with banks with original maturity for less than three months are considered as cash and cash equivalents. Pledged fixed deposits do not form part of cash and cash equivalents.

2.11 *Inventories*

Inventories of medical consumables, drugs and stores and spares are valued at the lower of cost and net realisable value. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs incurred to make the sale.

Notes to the Financial Statements

For the financial year ended 31 March 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.12 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.13 *Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.14 *Employee benefits*

(a) *Defined contribution plans*

The entities within the Group located in India make contributions to the Statutory Provident Fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952, India. Provident Fund is a defined contribution scheme and the contributions are charged to the profit or loss of the year when the contributions to the respective fund is due. There are no other obligations other than the contribution payable to the fund.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting date.

2.15 *Leases*

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As lessee

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

As lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as lease income. Contingent rents are recognised as revenue in the period in which they are earned.

Notes to the Financial Statements

For the financial year ended 31 March 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.16 ***Revenue***

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

Service fee

The base service income arising from the provision of Clinical Establishments Services is accounted for on a straight-line basis over the term of the arrangement. Service income relating to out-patient and day care medical and healthcare services ("OPD"), radiology and maintenance services are recognised in the profit or loss when such services are rendered. The variable performance linked fee is recognised when the Group becomes entitled to payment as per the terms of the arrangement.

The Group's subsidiaries provide the following services to Fortis Healthcare Limited ("FHL") group of companies (collectively, the "Clinical Establishment Services"):

(a) making available and maintaining the Clinical Establishment to allow FHL group of companies to operate and manage a full-fledged full service secondary, tertiary or quaternary hospital (as the case may be);
(b) the undertaking, provision, running, operation and management of the OPD Services; and
(c) the provision, running, operation and management of the Radio Diagnostic Services.

Hospital income

Hospital income is recognised when services are rendered to the patients in the two operating hospitals.

Lease income

Lease income is recognised in profit or loss on a straight-line basis and over the term of the lease.

Lease income is rental revenue earned from the space utilised as amenities such as pharmacy, cafeteria, book shop, ATM and other amenities for patients and/or other attendant conveniences.

Dividend income

Dividend income is recognised when the Group's rights to receive the payment is established.

Interest income

Interest income is recognised using the effective interest method.

Notes to the Financial Statements

For the financial year ended 31 March 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.17 ***Taxes***

(i) *Current income tax*

Current income tax assets and liabilities for the current periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Notes to the Financial Statements

For the financial year ended 31 March 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.17 *Taxes (cont'd)*

(ii) *Deferred tax (cont'd)*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(iii) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and

- When receivables and payables are stated with the amount of sales tax included.

(iv) *Minimum alternate tax ("MAT")*

MAT paid in a year is initially charged to the profit or loss as current tax. The Group then recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of MAT under the Indian Income Tax Act, 1961, the said asset is created by way of credit to the profit or loss and shown as "MAT Credit Entitlement." The Group reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay income tax during the specified period.

2.18 *Segment reporting*

The Group is primarily involved in the provision of Clinical Establishment services to the operators of each hospital in each Clinical Establishment. As the rendering of services to patients in earning of hospital income is not material, no separate business segment has been disclosed.

No geographical segment information has been prepared as the Group's assets and operations are all located in India.

2.19 *Unitholders' funds*

Unitholders' funds represent the Unitholders' residual interest in the Group's net assets.

Incremental costs directly attributable to the issue of units are recognised as a deduction from Unitholders' funds.

2.20 *Contingencies*

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

Notes to the Financial Statements

For the financial year ended 31 March 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.20 ***Contingencies (cont'd)***

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the financial statements requires the directors to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 ***Judgments***

Determination of control for Fortis Hospotel Limited and acquisition of stake

The Group has acquired 49% interest in Fortis Hospotel Limited ("FHTL"), the owner of the New Delhi, Shalimar Bagh Clinical Establishment and Gurgaon Clinical Establishment. The Group has also entered into a Shareholders' Agreement with a related party on 17 September 2012 to acquire the remaining 51% interest in FHTL. However, the legal title of the 51% interest in FHTL has not been transferred to the Group as at year end as the application has been filed but pending approval from the authorities.

Under the Shareholders' Agreement, the Group has the right to appoint 50% of the directors of FHTL, including the Chairman of the Board of Directors of FHTL who has casting vote in case of deadlock on any matters to be decided at the Board of Directors level. The related party has also assigned its right to receive dividends from FHTL in favour of the Group. Accordingly, the Trustee-Manager concluded that as the Group is able to direct the relevant activities of FHTL, the Group has consolidated 100% of FHTL.

Functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Trust and its subsidiaries. In determining the functional currencies of the entities in the Group, judgment is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

The Trust has adopted the SGD as its functional currency which is the currency of its local environment in which its operating expenses, dividends from subsidiaries and funding raised are denominated.

Notes to the Financial Statements

For the financial year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (cont'd)

3.1 *Judgments (cont'd)*

Accounting for service agreement

Clinical Establishment is defined as a fully centrally air-conditioned institution established and specifically customised and duly fitted with all fixtures, fittings, medical equipment and infrastructure required for running and operating a hospital, offering:

(i) doctors and services for diagnosis and treatment for illness, disease, injury, deformity and/or abnormality;
(ii) diagnosis of diseases through radiological and other diagnostic or investigative services with the aid of laboratory or other medical equipment; and
(iii) beds for in-patient treatment.

The Group has entered into separate Hospital and Medical Services Agreements ("HMSA") with FHL group of companies wherein the Group is required to provide and maintain the Group's Clinical Establishments along with other services like out-patient diagnostic and radio diagnostic. The Group needs to exercise judgment to analyse whether the arrangement involves providing the right to use the Group's Clinical Establishments and whether the out-patient diagnostic and radio diagnostic services in the arrangement are significant to the overall arrangement. The Group has analysed the substance of the contract and have determined that fulfilment of service arrangement is based on the use of specified assets and conveys right to use the Group's Clinical Establishments. However, substantial risk and rewards of the Group's Clinical Establishments are retained by the Group even though rights to use are given to FHL group of companies. The Group has assessed that the out-patient diagnostic and radio diagnostic services in the arrangement are significant to the entire arrangement. Consequently, the Group's Clinical Establishments have been classified as part of property, plant and equipment.

Unused tax losses

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Had the Group been able to recognise all unrecognised deferred tax assets, profit would increase by $4.56 million (2015: $0.70 million).

The carrying value of unrecognised tax losses and capital allowances are disclosed in Note 20 to the financial statements.

3.2 *Estimates and assumptions*

Impairment of loans and receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's receivables that are impaired, loans and receivable at the end of the reporting period and the credit risk are disclosed in Note 22 and Note 33(a) respectively.

Notes to the Financial Statements

For the financial year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (cont'd)

3.2 *Estimates and assumptions (cont'd)*

Impairment of goodwill

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for a period longer than five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount are disclosed and further explained in Note 14.

Assets, liabilities and contingent liabilities acquired in a business combination

The Group is required to recognise separately, at the acquisition date, the identifiable assets, liabilities and contingent liabilities acquired or assumed in the business combination at their fair values, which involves estimates. Such estimates are based on valuation techniques, which require considerable judgment in forecasting future cash flows and developing other assumptions.

Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the Group companies.

There are no current tax liabilities for financial year ended 31 March 2016 (2015: $15,000). The Group's deferred tax assets and liabilities are disclosed in Note 20 to the financial statements.

Revaluation of property, plant and equipment

The Group measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. The Group engaged an independent valuation specialist to assess the fair value. Land was valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property. Buildings were valued by reference to current replacement cost of the buildings and adjusted for their remaining economic life. The revaluation of property, plant and equipment is disclosed in Note 15 to the financial statements.

Notes to the Financial Statements

For the financial year ended 31 March 2016

4. SERVICE FEE

	GROUP	
	2016 $'000	2015 $'000
Base fee	**90,031**	88,278
Variable fee	**39,444**	36,104
	129,475	124,382

5. HOSPITAL INCOME AND EXPENSES

Hospital income and expenses relate to revenue generated from and expenses incurred in the Group's two operating hospitals in Rajajinagar and Nagarbhavi.

6. OTHER INCOME

Other income mainly relates to lease income from pharmacy, cafeteria, bookshop, automated teller machines ("ATM") and other amenities in the Clinical Establishments of the Group. In prior year, a gain of $0.4 million was recognised from a bargain purchase of Mohali Clinical Establishment being recognised.

7. EMPLOYEE BENEFITS EXPENSE

	GROUP	
	2016 $'000	2015 $'000
Salaries, bonus and other benefits	**3,165**	2,906
Statutory Provident Fund contributions	**148**	54
	3,313	2,960

8. TRUSTEE-MANAGER FEES

	GROUP	
	2016 $'000	2015 $'000
Management fees	**6,326**	5,826
Trustee fees	**266**	249
Acquisition fee	**163**	582
	6,755	6,657

Notes to the Financial Statements

For the financial year ended 31 March 2016

8. TRUSTEE-MANAGER FEES (cont'd)

Under the trust deed, the Trustee-Manager is entitled to the following:

Management fees

Base fee

The Base fee (the "Base fee") is 0.4% (2015: 0.4%) per annum of the value of the net assets of the Group pursuant to the trust deed.

Performance fee

The Performance fee ("Performance fee") is 4.5% (2015: 4.5%) per annum of Distributable Income of the Group pursuant to the trust deed for the relevant financial year.

The Base fee and the Performance fee (collectively the "Management fees") shall be payable only for the period commencing from 19 October 2012.

Trustee fees

The Trustee fee is 0.03% (2015: 0.03%) per annum of the value of the net assets of the Group, subject to a minimum of $15,000 (2015: $15,000) per month, excluding out-of-pocket expenses.

Acquisition fee

The Acquisition fee is a one-off payment of 1.0% on the acquisition price of the investment acquired.

As at 31 March 2016, approximately $2,085,000 (2015: $3,094,000) of Management fees, Trustee fees and Acquisition fee were outstanding.

9. FINANCE INCOME

	GROUP	
	2016 $'000	**2015 $'000**
Interest income on current account	**–**	36
Interest income from fixed deposits	**51**	32
Interest income from mutual funds	**527**	400
Others	**45**	246
	623	714

Notes to the Financial Statements

For the financial year ended 31 March 2016

10. FINANCE EXPENSES

	GROUP	
	2016 $'000	2015 $'000
Interest on bank borrowings	**7,604**	5,582
Interest on deferred payment scheme on purchase of equipment	**423**	321
Bank charges	**756**	117
Others	**17**	62
	8,800	6,082

11. PROFIT BEFORE TAXES

The following items have been included in arriving at profit before taxes:

	GROUP	
	2016 $'000	2015 $'000
Housekeeping	**6,613**	5,825
Security	**2,366**	2,067
Power and fuel	**922**	915
Annual maintenance charges	**2,344**	2,252
Property tax	**1,017**	869
Stamp duties	**–**	5,178
Insurance	**130**	167
Others	**2,122**	1,696
Other service fee expenses	**15,514**	18,969
Audit fees paid to:		
Auditor of the Trust	**148**	189
Other auditors	**220**	211
Non-audit fees paid to:		
Auditor of the Trust	**74**	193
Other auditors	**216**	208
Legal and other professional fees	**2,559**	3,125

Notes to the Financial Statements

For the financial year ended 31 March 2016

12. INCOME TAX EXPENSE

The major components of income tax expense

	GROUP	
	2016 $'000	2015 $'000
Consolidated profit or loss:		
Current income tax		
– Current income taxation	**12,675**	12,454
Deferred tax expense		
– Origination and reversal of temporary differences	**5,141**	6,901
– Changes in tax rate	**–**	(59)
Income tax expense	**17,816**	19,296
Statement of comprehensive income:		
Deferred tax expense related to other comprehensive income		
– Net surplus on revaluation of land and buildings	**16,781**	12,046
– Changes in tax rate	**–**	1,743

Relationship between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 March 2016 and 2015 is as follows:

Profit before taxes	**61,292**	56,719
Tax at the domestic rates applicable to profits in the countries where the Group operates	**8,871**	7,888
Adjustments:		
Income not subject to taxation	**(9,004)**	(2,619)
Non-deductible expenses	**14,143**	11,030
Deferred tax assets not recognised	**3,806**	3,056
Change in tax rate	**–**	(59)
Tax expense recognised in profit or loss	**17,816**	19,296

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction. The domestic tax rates for the entities in India and Singapore are 34.608% and 17% (2015: 34.608% and 17%) respectively.

The nature of income not subject to taxation mainly relates to partial tax exemption in Singapore based on a waiver granted by the Ministry of Finance.

Notes to the Financial Statements

For the financial year ended 31 March 2016

13. EARNINGS PER UNIT

The calculation of basic and diluted earnings per unit is based on the weighted average number of units outstanding during the financial year and profit after tax attributable to the unitholders of the Trust.

	GROUP	
	2016 $'000	2015 $'000
Profit for the financial year attributable to unitholders of the Trust ($'000)	**43,476**	37,423
Weighted average number of units during the financial year ('000)	**796,363**	793,092
Basic and diluted earnings per unit (in cents per unit)	**5.46**	4.72

Diluted earnings per unit is the same as the basic loss per unit as there are no dilutive instruments in issue during the financial year.

Notes to the Financial Statements

For the financial year ended 31 March 2016

14. INTANGIBLE ASSETS

	Customer related intangible $'000	Right to use "Fortis" brand $'000	Goodwill $'000	Other intangibles $'000	Total $'000
Group					
Cost:					
At 1 April 2014	49,234	919	87,749	108	138,010
Additions	–	–	–	1	1
Currency translation differences	2,491	47	4,438	5	6,981
At 31 March 2015 and 1 April 2015	51,725	966	92,187	114	144,992
Currency translation differences	(3,935)	(74)	(7,083)	(25)	(11,117)
At 31 March 2016	**47,790**	**892**	**85,104**	**89**	**133,875**
Accumulated amortisation:					
At 1 April 2014	2,393	90	–	26	2,509
Amortisation	1,627	60	–	78	1,765
Currency translation differences	192	7	–	5	204
At 31 March 2015 and 1 April 2015	4,212	157	–	109	4,478
Amortisation	1,686	64	–	49	1,799
Currency translation differences	(296)	(9)	–	(83)	(388)
At 31 March 2016	**5,602**	**212**	**–**	**75**	**5,889**
Net carrying amount:					
At 31 March 2015	47,513	809	92,187	5	140,514
At 31 March 2016	**42,188**	**680**	**85,104**	**14**	**127,986**

Customer related intangible arises from the HMSA which the Hospital Services Companies of the Group entered into with various FHL group of companies to provide medical and Clinical Establishment services. These Hospital Services Companies will receive Service Fees in consideration of the performance of the medical and Clinical Establishment services. Customer related intangible has an average remaining amortisation period of 26 years (2015: 27 years).

The two hospitals held by the Group, namely, Rajajinagar and Nagarbhavi operate under the "Fortis" brand name. These rights to use "Fortis" brand are being transferred as part of the acquisition of subsidiaries and the two hospitals will continue to use the "Fortis" brand name. These rights to use "Fortis" brand have an average remaining amortisation period of 11 years (2015: 12 years).

Notes to the Financial Statements

For the financial year ended 31 March 2016

14. INTANGIBLE ASSETS (cont'd)

The goodwill of $76.6 million (2015: $83.0 million) arises on account of requirement to recognise deferred tax liability, calculated as a difference between the tax effect of the fair value of the acquired assets and liabilities and their tax bases. Balance goodwill of $8.5 million (2015: $9.2 million) comprises the value of synergies arising from the acquisition.

Other intangibles represent existing software and licenses that were acquired by the subsidiaries prior to the acquisition. Other intangibles have an average remaining amortisation period of less than a year (2015: 1 year).

Impairment testing of goodwill

Goodwill is allocated based on the entities providing medical and Clinical Establishment services. The recoverable amount as at 31 March 2016 was determined based on value-in-use calculation using cash flow projections from financial budgets approved by the management of the Trustee-Manager covering a period of more than five years. The pre-tax discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flow projections beyond the five year period are 13.25% (2015: 13.25%) and 11% (2015: 11%). The discounted cash flow projections derived from the financial budgets approved by the Trustee-Manager cover a period of more than five years because of the long-term nature of the HMSA. The key assumptions made are those regarding the discount rate, growth rate, forecasted costs and terminal value.

The value in use calculations are most sensitive to the following assumptions:

Growth rates, forecasted costs and terminal value – These are based on management's expectation of market development.

Pre-tax discount rates – Discount rates represent the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital ("WACC"). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest bearing borrowings the Group is obliged to service. Segment–specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

Sensitivity to changes in assumption

With regards to the assessment of value in use, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of entities to exceed its recoverable amount.

No impairment was considered necessary for the financial year ended 31 March 2015 and 2016.

15. PROPERTY, PLANT AND EQUIPMENT

	Freehold land $'000	Leasehold land $'000	Buildings $'000	Plant and machinery $'000	Medical equipment $'000	Furniture and fittings $'000	Office equipment $'000	Computers $'000	Vehicles $'000	Assets under construction $'000	Total $'000
Group											
Cost or valuation:											
At 1 April 2014	329,184	95,929	200,408	31,857	21,124	3,874	749	426	1	958	684,510
Additions	34,169	–	22,390	4,447	687	1	1	–	–	9,448	71,143
Reclassification	–	–	346	2,032	2,738	19	17	22	18	(5,192)	–
Revaluation	40,519	7,012	10,598	–	–	–	–	–	–	–	58,129
Write-off	–	–	(180)	(173)	(65)	–	–	–	–	–	(418)
Elimination of accumulated depreciation on revaluation	–	(705)	(5,924)	–	–	–	–	–	–	–	(6,629)
Currency translation differences	10,881	4,852	11,119	2,544	1,647	263	21	62	1	312	31,702
At 31 March 2015 and 1 April 2015	414,753	107,088	238,757	40,707	26,131	4,157	788	510	20	5,526	838,437
Additions	16,222	–	–	–	–	–	–	–	–	17,565	33,787
Reclassification	–	–	1,063	1,384	4,329	37	76	36	35	(6,960)	–
Revaluation	42,749	5,220	17,858	–	–	–	–	–	–	–	65,827
Write-off	–	–	(482)	(286)	(525)	(55)	(1)	(1)	–	–	(1,350)
Elimination of accumulated depreciation on revaluation	–	(1,301)	(5,937)	–	–	–	–	–	–	–	(7,238)
Currency translation differences	(28,497)	(8,146)	(18,382)	(5,027)	(2,479)	(373)	(68)	(143)	(3)	(887)	(64,005)
At 31 March 2016	**445,227**	**102,861**	**232,877**	**36,778**	**27,456**	**3,766**	**795**	**402**	**52**	**15,244**	**865,458**
Representing :											
– Cost	–	–	–	36,778	27,456	3,766	795	402	52	15,244	84,493
– Valuation	445,227	102,861	232,877	–	–	–	–	–	–	–	780,965
	445,227	102,861	232,877	36,778	27,456	3,766	795	402	52	15,244	865,458

15. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold land $'000	Leasehold land $'000	Buildings $'000	Plant and machinery $'000	Medical equipment $'000	Furniture and fittings $'000	Office equipment $'000	Computers $'000	Vehicles $'000	Assets under construction $'000	Total $'000
Group											
Accumulated depreciation:											
At 1 April 2014	–	–	–	2,961	4,800	527	62	90	–	–	8,440
Depreciation charge	–	676	5,688	2,188	3,194	279	56	62	–	–	12,143
Write-off	–	–	(11)	(40)	(14)	–	–	–	–	–	(65)
Elimination of accumulated depreciation on revaluation	–	(705)	(5,924)	–	–	–	–	–	–	–	(6,629)
Currency translation differences	–	29	247	243	381	39	5	7	–	–	951
At 31 March 2015 and 1 April 2015	–	–	–	5,352	8,361	845	123	159	–	–	14,840
Depreciation charge	–	1,351	6,222	2,657	3,900	272	68	70	5	–	14,545
Write-off	–	–	(58)	(81)	(399)	(14)	(1)	(1)	–	–	(554)
Elimination of accumulated depreciation on revaluation	–	(1,301)	(5,937)	–	–	–	–	–	–	–	(7,238)
Currency translation differences	–	(50)	(227)	(224)	(390)	(72)	(13)	(10)	–	–	(986)
At 31 March 2016	**–**	**–**	**–**	**7,704**	**11,472**	**1,031**	**177**	**218**	**5**	**–**	**20,607**
Net carrying amount:											
At 31 March 2015	414,753	107,088	238,757	35,355	17,770	3,312	665	351	20	5,526	823,597
At 31 March 2016	**445,227**	**102,861**	**232,877**	**29,074**	**15,984**	**2,735**	**618**	**184**	**47**	**15,244**	**844,851**

Net cash flow on additions to property, plant and equipment

During the year, the acquisition of property, plant and equipment in relation to Mohali Land amounted to S$16.2 million.

During the year, additions to property, plant and equipment of the Group amounted to $17.6 million (2015: $9.4 million) of which $2.0 million (2015: $0.7 million) was payable as at the year ended 31 March 2016. Net cash outflow on purchase of property, plant and equipment for the year ended 31 March 2016 amounted to $32.4 million (2015: $8.7 million).

Notes to the Financial Statements

For the financial year ended 31 March 2016

15. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Revaluation of land and buildings

The Group engaged Cushman & Wakefield India Private Limited ("C&W"), an independent valuer to determine the fair value of land and buildings.

Fair value of land is determined by the direct comparison approach. This means that valuations performed by the valuer are based on active market prices, adjusted for any difference in the nature, location or condition of the specific property. The date of the revaluation was 31 March 2016.

Had the land been measured using the cost model, the carrying amounts would be as follows:

	GROUP	
	2016 $'000	**2015 $'000**
Land at 31 March		
Cost	**422,328**	440,189
Accumulated depreciation	**(3,166)**	(2,265)
Net carrying amount	**419,162**	437,924

Fair value of buildings is determined based on the depreciated replacement cost method. This means that valuations performed by the valuer are based on the current replacement cost of the buildings and adjusted for their remaining economic life. The replacement cost of each building is based on the physical asset survey performed by Cushman & Wakefield (India) Private Ltd as of 31 March 2016. The remaining economic life of the buildings has been assessed by C&W based on visual inspection of the buildings.

Had the buildings been measured using the cost model, the carrying amounts would be as follows:

	GROUP	
	2016 $'000	**2015 $'000**
Buildings at 31 March		
Cost	**195,747**	206,959
Accumulated depreciation	**(12,295)**	(11,082)
Net carrying amount	**183,452**	195,877

The Group has recognised certain land which title deeds have yet to be registered in or transferred to the name of the subsidiaries concerned as effective economic benefits associated with the land will flow to the Group.

Notes to the Financial Statements

For the financial year ended 31 March 2016

16. BUSINESS COMBINATIONS AND ACQUISITIONS

Acquisition of business

In the prior year, the Group, through its subsidiary, EHSSHL, acquired the land and building of Mohali Clinical Establishment from Radha Soami Satsang Beas. In conjunction with the acquisition of land and building, the Group purchased from Fortis (i) the business undertakings relating to the provision of out-patient rehabilitation and consultation services and day care services and radiology and imaging diagnostic services and (ii) immovable plant and machinery at the Mohali Clinical Establishment.

Gain from a bargain purchase

The fair value of net assets acquired exceeded the fair value of the total consideration paid by $401,000 for which had been recognised as a gain in the profit and loss. Such bargain arose due to Sellers' commitment to the consideration despite an increase in the fair values of the net assets during the delay in completion of the acquisition.

Notes to the Financial Statements

For the financial year ended 31 March 2016

17. INVESTMENT IN SUBSIDIARIES

	TRUST	
	2016 $'000	2015 $'000
Investments, unquoted equity shares at cost	**12,634**	12,634

	Name	Principal activities	Country of incorporation	Proportion (%) of ownership interest	
				2016	2015
	Held by the Trust				
(1)	Fortis Global Healthcare Infrastructure Pte Ltd ("FGHIPL")	Provision of consultancy and management services and that of an investment holding company	Singapore	**100**	100
	Held through subsidiaries:				
(2)	Fortis Health Management Limited ("FHML")	Provision of medical and Clinical Establishment services	India	**100**	100
(2)	Hospitalia Eastern Private Limited	Provision of medical and Clinical Establishment services	India	**100**	100
(2)	Fortis Hospotel Limited ("FHTL")	Provision of medical and Clinical Establishment services	India	**49** (3)	49 (3)
(2)	International Hospital Limited ("IHL")	Provision of medical and Clinical Establishment services	India	**100**	100
(2)	Escorts Heart and Super Speciality Hospital Limited	Provision of medical and Clinical Establishment services	India	**100**	100
(1)	Religare Healthtrust Services Pte. Ltd.	Provision of consultancy and management services and that of an investment holding company	Singapore	**100**	100

(1) Audited by Ernst & Young LLP
(2) Audited by Deloitte Haskins and Sells LLP
(3) Basis of Consolidation of Fortis Hospotel Limited ("FHTL")

The Group has acquired 49% interest in Fortis Hospotel Limited ("FHTL"), the owner of the New Delhi, Shalimar Bagh Clinical Establishment and Gurgaon Clinical Establishment. The Group has also entered into a Shareholders' Agreement with a related party on 17 September 2012 to acquire the remaining 51% interest in FHTL. However, the legal title of the 51% interest in FHTL has not been transferred to the Group as at year end.

Under the Shareholders' Agreement, the Group has the right to appoint 50% of the directors of FHTL, including the Chairman of the Board of Directors of FHTL who has casting vote in case of deadlock on any matters to be decided at the Board of Directors level. The related party has also assigned its right to receive dividends from FHTL in favour of the Group. Accordingly, the Trustee-Manager concluded that as the Group is able to direct the relevant activities of FHTL, the Group has consolidated 100% of FHTL.

Notes to the Financial Statements

For the financial year ended 31 March 2016

18. LOAN TO A SUBSIDIARY

Loan to a subsidiary

The loan to a subsidiary is a quasi-equity loan which represents an extension of investment in the subsidiary. It is unsecured and interest free. Settlements are neither planned nor likely to occur in the foreseeable future.

19. FINANCIAL ASSETS

	GROUP		TRUST	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Non-current				
Accrued income	**33,556**	31,657	**–**	–
Security deposits paid	**1,460**	1,475	**–**	–
Other advances	**920**	1,744	**–**	–
Others	**111**	275	**–**	–
	36,047	35,151	**–**	–
Current				
Unquoted shares	**72,471**	66,083	**–**	–
Short term investments	**5,300**	–	**–**	–
Fixed deposits*	**716**	322	**–**	–
Dividend receivable	**–**	–	**24,400**	36,400
Amount due from subsidiaries	**–**	–	**24,690**	19,384
Others	**1,296**	1,534	**–**	10
	79,783	67,939	**49,090**	55,794

* Fixed deposits relate to fixed deposits placed with banks with a maturity period above three months but less than twelve months

Accrued income

Accrued income relates to base service fee accounted for on a straight line basis over the term of the HMSA.

Unquoted shares

The Group has subscribed for unquoted compulsorily convertible preference shares ("CCPS") in a related party. Dividends will be paid on the CCPS at the rate of 0.01% per annum and shall be due and payable only at the end of the period of 15 years from the date of issue of the CCPS.

Short term investments

Short term investments relate to investments in quoted mutual funds and are unsecured.

Dividend receivable

Dividend receivable relates to the dividend receivable from FGHIPL.

Amount due from subsidiaries

The amounts due from subsidiaries are non-trade, unsecured, interest free and repayable on demand.

Notes to the Financial Statements

For the financial year ended 31 March 2016

20. DEFERRED TAX

Deferred tax as at 31 March relates to the following:

	GROUP			
	Consolidated balance sheet		Consolidated profit or loss	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Deferred tax liabilities:				
Fair value adjustments arising on acquisition of subsidiaries *	**81,365**	88,064	**–**	–
Revaluation to fair value – land and buildings	**46,169**	31,807	**–**	–
Differences in depreciation and accrued income for tax purposes	**15,699**	11,612	**5,141**	6,360
	143,233	131,483	**5,141**	6,360
Deferred tax assets:				
Minimum alternate taxes credit (MAT credit)	**6,011**	3,082	**–**	482
Deferred tax expense			**5,141**	6,842

* Net of deferred tax assets on carry forward losses/unabsorbed capital allowances

Minimum alternate taxes credit ("MAT credit")

If the tax liability computed under the normal provisions of the Indian Income Tax Act, 1961 ("IITA") is less than 18.5% of the book profits shown in the profit and loss account, after making certain specified adjustments, an entity is liable to pay Minimum Alternate Tax ("MAT") at a rate of 18.5% of the book profits. MAT paid during any financial year is creditable for a period of 10 years against future tax liabilities arising under the normal provisions of the IITA. Should the MAT credit be assessed to be not recoverable, the same will be written off the profit and loss.

Unrecognised tax losses and unabsorbed capital allowances

At the end of the reporting period, the Group has tax losses of approximately $16,585,000 (2015: $2,574,000) and unabsorbed capital allowances of approximately $28,351,000 (2015: $36,052,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised for approximately $13,169,000 (2015: $2,011,000) due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

Tax consequences of proposed distributions

There are no income tax consequences (2015: nil) attached to the distributions to the unitholders proposed by the Trust but not recognised as a liability in the financial statements.

Notes to the Financial Statements

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21. OTHER ASSETS

	GROUP	
	2016 $'000	2015 $'000
Prepaid taxes	**24,507**	23,164
Prepayment	**276**	–
Net carrying amount	**24,783**	23,164

Prepaid taxes

Prepaid taxes mainly relate to tax deducted at source on service fee and hospital income. These prepaid taxes are offset against any corporate tax payable for the year of assessment. The unutilised amount will be refunded on the finalisation of the assessment which is not expected to be completed within the next twelve months.

22. TRADE RECEIVABLES

	GROUP	
	2016 $'000	2015 $'000
Service fees due from subsidiaries of a substantial unitholder	**24,248**	24,298
Hospital fees	**1,052**	987
Others	**512**	522
Total trade receivables (Gross)	**25,812**	25,807
Less: Allowance for impairment	**(472)**	(574)
Total trade receivables (Net)	**25,340**	25,233

Trade receivables are non-interest bearing, generally on 30 to 90 days' (2015: 30 to 90 days') terms and denominated in Indian Rupees. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Receivables that are past due but not impaired

The Group has trade receivables amounting to $377,000 (2015: $447,000) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

Trade receivables past due but not impaired

	GROUP	
	2016 $'000	2015 $'000
Lesser than 30 days	**181**	136
30 – 60 days	**65**	94
61 – 90 days	**33**	79
91 – 150 days	**25**	106
More than 150 days	**73**	32
	377	447

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For the financial year ended 31 March 2016

22. TRADE RECEIVABLES (cont'd)

Receivables that are impaired

The Group's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	GROUP	
	2016 $'000	**2015 $'000**
Trade receivables – nominal amounts	**1,017**	715
Less: Allowance for impairment	**(472)**	(574)
	545	141
Movement in allowance accounts:		
At 1 April	**574**	477
(Written off)/charge for the year	**(61)**	70
Exchange differences	**(41)**	27
At 31 March	**472**	574

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted payments. These receivables are not secured by any collateral or credit enhancements.

23. CASH AND BANK BALANCES

	GROUP		TRUST	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Cash at bank	**5,806**	4,053	**344**	251
Cash at hand	**25**	117	**–**	–
Cash and cash equivalents	**5,831**	4,170	**344**	251

Cash and short-term deposits denominated in foreign currencies at 31 March are as follows:

	GROUP	
	2016 $'000	**2015 $'000**
Indian Rupees	**1,724**	1,887

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24. LOANS AND BORROWINGS

	GROUP		TRUST	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Non-current				
Bonds	**60,000**	–	**60,000**	–
Term loans	**101,695**	62,287	**–**	–
Deferred payment scheme	**1,617**	1,389	**–**	–
Loan from a related party	**3,286**	–	**–**	–
	166,598	63,676	**60,000**	–
Current				
Bonds	**525**	–	**525**	–
Term loans	**1,803**	61,182	**–**	–
Deferred payment scheme	**1,110**	1,195	**–**	–
	3,438	62,377	**525**	–

Bonds

On 22 July 2015, the Group issued a $60 million fixed rate notes at fixed interest rate of 4.5%, due and payable semi-annually in arrears and will mature on 22 July 2018. The notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Group and at all times rank pari passu and rateably, without any preference or priority among themselves, and pari passu with all other present and future secured obligations (other than subordinated obligations and priorities created by law) of the Group. The proceeds from the issuance of notes were used for early repayment of the $60 million DBS facility.

Term loans – SGD loans

During the year, the Group entered into a $30 million revolving loan facility with United Overseas Bank for the acquisition of land and expansion projects. The interest is based on Swap Offer Rate plus 2.5% per annum. The loan facility will cease on 30 June 2017. As of 31 March 2016, the Group has fully utilised the facility.

The Group has an existing loan facility with DBS Bank Ltd for an amount of $32.5 million and a loan facility with Deutsche Bank AG, Singapore Branch, for an amount of $32.5 million in connection with the acquisition of Mohali Clinical Establishment. The interest paid will be Swap Offer Rate plus 3.5% per annum. The loan is repayable at the end of three years from May 2015.

The loan facilities have been considered as non-current as the Group expects to repay the same on maturity. Interest expense payable to the lenders has been recorded as current as the amount is expected to be repaid within the next twelve months.

The amount of unamortised upfront fee in connection with the term loans as of 31 March 2016 and 31 March 2015 are $1.7 million and $3.0 million respectively.

Each of the loan is secured by:

- irrevocable pledge on the shares of FGHIPL on pari passu basis;
- non-disposable undertaking on the hospital infrastructure companies owned by FGHIPL on pari passu basis; and
- first pari passu legal assignment over the interest, benefits and rights over all existing and future loans granted by the borrower to its subsidiaries.

Notes to the Financial Statements

For the financial year ended 31 March 2016

24. LOANS AND BORROWINGS (cont'd)

Term loans – INR loans

During the year, the Group entered into two INR term loan facilities with Axis Bank Limited amounting to INR 600 million and INR 1,700 million. The interest rate based on India Base Rate plus 0.75% per annum. The term of the facilities is four years from date of first drawdown including moratorium of one year.

The loan facility of INR 600 million and INR 1,700 million are secured by BG Road 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 31 March 2016 is INR 414.6 million ($8.4 million).

Deferred payment scheme

The Group entered into an agreement with Philips Electronics India Limited ("Philips") for purchasing radiology equipment on a deferred payment basis for a total consideration of $5,372,868 ("Consideration") in FY2013.

Of the total consideration, $4,029,651 ("Fixed Instalments") in the form of deferred credit shall be paid in twenty (20) quarterly instalments over five years:

1st Year : 10% of outstanding amount
2nd Year : 15% of outstanding amount
3rd Year : 20% of outstanding amount
4th Year : 25% of outstanding amount
5th Year : 30% of outstanding amount

The interest rate for the first year is 9% and on a reducing basis. The interest rate from the second year onwards is State Bank of India Base Lending Rate + 50 basis points. In addition, there is a variable payment each quarter calculated on 0.38% of the Operating revenues of Fortis Hospital, Gurgaon. The Group at its sole option may choose to repay in full, the outstanding liabilities to Philips.

Loan from a related party

The loan from a related party was unsecured, interest free and is expected to be repayable at the end of two years from 31 March 2016.

25. TRADE AND OTHER PAYABLES

	GROUP	
	2016 $'000	**2015 $'000**
Trade payables		
– Third parties	**5,643**	6,138
Other payables		
– Third parties	**389**	824
	6,032	6,962

Trade payables

Trade payables are non-interest bearing and are normally settled on 30 to 60 days' (2015: 30 – 60 days') terms.

Other payables

Other payables are non-interest bearing, unsecured, repayable upon demand and are to be settled in cash.

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26. OTHER LIABILITIES

	GROUP		TRUST	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Current				
Amounts due to related parties	**75,086**	69,194	**2,569**	3,094
Accrued operating expenses	**5,714**	4,253	**534**	1,442
Statutory dues	**8,231**	7,562	**–**	–
Others	**986**	543	**–**	–
	90,017	81,552	**3,103**	4,536

Amounts due to related parties

Amounts due to related parties relate to (i) $72.5 million (2015: $66.0 million) payable to Fortis Healthcare Limited for its 51% interest in FHTL, subject to fulfilment of certain conditions, applicable laws including receipt of necessary approvals from all third parties and (ii) $2.6 million (2015: $3.1 million) due to the Trustee-Manager which mainly pertains to the Trustee-Manager fees.

Statutory dues

This mainly relates to withholding taxes incurred and payable for the respective financial years to Indian tax authorities for interest expense payable from the Indian subsidiaries to a Singapore incorporated subsidiary. Such amounts are to be paid within the next twelve months. Other amounts relate to service taxes and provident fund payable.

27. DERIVATIVE FINANCIAL INSTRUMENTS

	GROUP					
	2016			2015		
	Contract notional amount $'000	Asset $'000	Liability $'000	Contract notional amount $'000	Asset $'000	Liability $'000
Foreign currency forward contracts (current)	**63,000**	**891**	**–**	74,744	–	6,834

The Group has entered into foreign currency forward contracts to hedge the Group's cashflow from India in Indian Rupees.

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For the financial year ended 31 March 2016

28. UNITS IN ISSUE

	GROUP AND TRUST			
	2016		2015	
	No. of issued units ('000)	$'000	No. of issued units ('000)	$'000
Issued and fully paid ordinary unit:				
At 1 April	**794,633**	**507,180**	791,018	503,760
Payment of Trustee-Manager fees in units	**3,209**	**3,219**	3,615	3,420
At 31 March	**797,842**	**510,399**	794,633	507,180

The unitholders are entitled to receive distributions as and when declared by the Trust. All units carry one vote per unit without restrictions. The units have no par value.

29. OTHER RESERVES

(a) ***Capital reserve***

FHL transferred businesses to KHL and FHML at below fair value. The amount of $210,216,000 (2015: $210,216,000) of capital reserve represents the excess of interest of FHML and KHL in the net fair value of the identifiable assets and liabilities transferred over the consideration. This reserve in substance represents FHL's contribution to the Group for its retained interest.

(b) ***Foreign currency translation reserve***

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(c) ***Revaluation reserve***

The revaluation reserve represents increases in the fair value of land and buildings, net of tax, and decreases to the extent that such decreases relate to an increase on the same asset previously recognised in other comprehensive income.

(d) ***Capital redemption reserve***

Capital redemption reserve is a statutory reserve created in accordance with India's Companies Act 1956 in connection to redemption of preference shares of an Indian 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.

(e) ***Re-measurement of defined benefit plan reserve***

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.

Notes to the Financial Statements

For the financial year ended 31 March 2016

30. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

The Group has entered into several service agreements in relation to the management of the Group and its Clinical Establishments operations. These agreements are entered into with the Trustee-Manager and FHL group of companies, which are companies that are controlled by a unitholder that has significant influence over the Group. The fee structures of these services are as follows:

I. Trustee-Manager's fees

Under the trust deed, the Trustee-Manager is entitled to the following:

Management fee

Base fee

The base fee (the "Base fee") is 0.4% per annum of the Group's net assets value pursuant to the trust deed and is paid quarterly.

Performance fee

The performance fee ("Performance fee") is 4.5% per annum of distributable income of the Group pursuant to the trust deed for the relevant financial year (calculated before accounting for the Management fee in the relevant financial year), and paid quarterly.

The Base fee and the Performance fee (collectively the "Management fee") shall be payable only for the period commencing from 19 October 2012.

Trustee fee

The Trustee fee is 0.03% per annum of the Group's net assets value, subject to a minimum of $15,000 per month, excluding out-of-pocket expenses and paid quarterly.

Acquisition fee

The Acquisition fee is a one-off payment of 1.0% on the acquisition price of the investment acquired.

II. Sale and purchase of goods and services

	GROUP	
	2016 $'000	**2015 $'000**
Service fee earned from subsidiaries of a substantial unitholder	**129,475**	124,382
Trustee-Manager fee paid to the Trustee-Manager	**6,755**	6,657

Included in the service fee is Technology renewal fee. During the term of the HMSA, FHL group of companies must maintain a technology renewal fund ("TRF") for funding the replacement, refurbishment and/or upgrade of medical equipment owned or used by the Hospital Services Company. A fixed amount from the Base Service Fee payable to each Hospital Services Company under each HMSA for each quarter shall be retained by FHL group of companies for deposit into the TRF on a quarterly basis ("Retained TRF Amount").

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For the financial year ended 31 March 2016

30. SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

II. Sale and purchase of goods and services (cont'd)

FHL group of companies can draw on the TRF to pay for expenditure incurred by the Hospital Services Company for the replacement, refurbishment and/or upgrade of medical equipment owned or used by the Hospital Services Company (the "Technology renewal fee"). Any amounts withdrawn from the TRF shall require the prior written consent of the Hospital Services Company, and may only be used for the purposes of replacing any medical equipment owned by the Hospital Services Company.

III. Compensation of key management personnel

Key management of the Group are the executive officers of the subsidiary entities. The compensation paid or payable to key management for employee services is shown below:

	GROUP	
	2016 $'000	2015 $'000
Short-term employee benefits paid to key management personnel	**369**	339

31. COMMITMENTS

(a) ***Capital commitments***

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements is as follows:

	GROUP	
	2016 $'000	2015 $'000
Capital commitments in respect of property, plant and equipment	**14,316**	16,538

(b) ***Operating lease commitments – as lessee***

The Group leases office premises from non-related parties under non-cancellable operating lease agreements. Minimum lease payments recognised as an expense in profit or loss for the financial year ended 31 March 2016 amounted to $348,663 (2015: $293,341). The future minimum lease payments under non-cancellable operating leases contracted for at the reporting date but not recognised as payable, are as follows:

	GROUP	
	2016 $'000	2015 $'000
Not later than one year	**392**	292
Later than one year but not later than five years	**3,511**	823
	3,903	1,115

Notes to the Financial Statements

For the financial year ended 31 March 2016

31. COMMITMENTS (cont'd)

(c) ***Medical service commitments***

The Group has entered into individual HMSA with FHL group of companies wherein the Group is required to provide and maintain the Group's Clinical Establishments along with other services like out-patient diagnostics and radio diagnostic. The term of the individual HMSA is 15 years and the Group is entitled to receive composite service fee i.e. base and variable fee. The base fee is fixed and increase 3% year on year. The variable fee is based on a percentage of the FHL group of companies' net operating income in accordance with the HMSA. Future minimum base fee receivable at the end of the reporting period is as follows:

	GROUP	
	2016 $'000	**2015 $'000**
Not later than one year	**84,291**	89,113
Later than one year but not later than five years	**363,221**	381,675
Later than five years	**668,214**	825,909
	1,115,726	1,296,697

32. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) ***Fair value hierarchy***

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy have the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

There has been no transfer between Level 1, Level 2 and Level 3 during the financial year ended 31 March 2016.

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For the financial year ended 31 March 2016

32. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd)

(b) ***Assets and liabilities measured at fair value***

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Quoted prices in active markets for identical instruments (Level 1) $'000	Significant observable inputs other than quoted prices (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000
Group				
2016				
Non-financial asset:				
Property, plant and equipment (Note 15)	**–**	**–**	**780,965**	**780,965**
Financial assets:				
Unquoted shares (Note 19)	**–**	**–**	**72,471**	**72,471**
Short term investments (Note 19)	**5,300**	**–**	**–**	**5,300**
Derivatives (Note 27)				
– Foreign currency forward contracts	**–**	**891**	**–**	**891**

	Quoted prices in active markets for identical instruments (Level 1) $'000	Significant observable inputs other than quoted prices (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000
Group				
2015				
Non-financial asset:				
Property, plant and equipment (Note 15)	–	–	760,598	760,598
Financial assets:				
Unquoted shares (Note 19)	–	–	66,083	66,083
Financial liabilities:				
Derivatives (Note 27)				
– Foreign currency forward contracts	–	6,834	–	6,834

Notes to the Financial Statements

For the financial year ended 31 March 2016

32. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd)

(c) ***Level 2 fair value measurements***

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Derivatives

Foreign currency forward contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing, using present value calculations. The models incorporate various inputs including the foreign exchange spot and forward rates, and forward rate curves.

(d) ***Level 3 fair value measurements***

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair Value at 31 March 2016 ($'000)	Valuation techniques	Significant unobservable inputs	Range of significant unobservable inputs	Relationship of significant unobservable inputs to fair value
Financial asset:					
Financial assets:					
(Note 19)					
Unquoted shares	72,471	DCF method	WACC	13%	Increase/ (decrease) in the WACC by 1% will result in a (decrease)/ increase in fair value by $3.4 million/ $4.3 million
			Long-term growth rate for cash flows	4%	Increase/ (decrease) in the growth rate by 1% will result in an increase/ (decrease) in fair value by $2.3 million/ $1.9 million

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32. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd)

(d) ***Level 3 fair value measurements (cont'd)***

(i) Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)

Description	Fair Value at 31 March 2016 ($'000)	Valuation techniques	Significant unobservable inputs	Range of significant unobservable inputs	Relationship of significant unobservable inputs to fair value
Non-financial asset:					
Property, plant and equipment: (Note 15)					
Freehold land	445,227	Direct comparison approach	Price per square feet	$27 to $406	Increase/ (decrease) in estimated price per square feet will result in a higher/(lower) fair value
Leasehold land	102,861	Direct comparison approach	Price per square feet	$35 to $163	Increase/ (decrease) in estimated price per square feet will result in a higher/(lower) fair value
Buildings	232,877	Depreciated replacement cost approach	Replacement cost per square feet	$64 to $89	Increase/ (decrease) in estimated replacement cost per square feet will result in a higher/(lower) fair value
			Balance economic life	33 years to 42 years	Increase/ (decrease) in estimated balance useful life will result in a higher/(lower) fair value

Notes to the Financial Statements

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32. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd)

(d) ***Level 3 fair value measurements (cont'd)***

(i) Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)

Description	Fair Value at 31 March 2015 ($'000)	Valuation techniques	Significant unobservable inputs	Range of significant unobservable inputs	Relationship of significant unobservable inputs to fair value
Financial asset:					
Financial assets: (Note 19)					
Unquoted shares	66,083	DCF method	WACC	11.03%	Increase/ (decrease) in the WACC by 1% will result in a (decrease)/ increase in fair value by $6.9 million
			Long-term growth rate for cash flows	5%	Increase/ (decrease) in the growth rate by 1% will result in an increase/ (decrease) in fair value by $8.9 million

Notes to the Financial Statements

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32. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd)

(d) ***Level 3 fair value measurements (cont'd)***

(i) Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)

Description	Fair Value at 31 March 2015 ($'000)	Valuation techniques	Significant unobservable inputs	Range of significant unobservable inputs	Relationship of significant unobservable inputs to fair value
Non-financial asset:					
Property, plant and equipment: (Note 15)					
Freehold land	414,753	Direct comparison approach	Price per square feet	$29 to $424	Increase/ (decrease) in estimated price per square feet will result in a higher/(lower) fair value
Leasehold land	107,088	Direct comparison approach	Price per square feet	$64 to $316	Increase/ (decrease) in estimated price per square feet will result in a higher/(lower) fair value
Buildings	238,757	Depreciated replacement cost approach	Replacement cost per square feet	$67 to $88	Increase/ (decrease) in estimated replacement cost per square feet will result in a higher/(lower) fair value
			Balance economic life	34 years to 43 years	Increase/ (decrease) in estimated balance useful life will result in a higher/(lower) fair value

Notes to the Financial Statements

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32. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd)

(d) ***Level 3 fair value measurements (cont'd)***

(ii) *Valuation policies and procedures*

The Group engages external, independent and qualified valuers to determine the fair value of the Group's unquoted shares and properties at the end of every financial year.

The Trustee-Manager is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge for the valuation of the unquoted shares and properties.

For valuation performed by external valuers, management reviews the appropriateness of the valuation methodologies and assumptions adopted.

Significant changes in fair value measurements from period to period are evaluated by management for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent external sources, or internal sources if necessary and appropriate. Significant valuation issues are reported to the Audit and Risk Management Committee.

(e) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value***

Financial assets - current (other than short term investments and unquoted shares) (Note 19), trade receivables (Note 22), other assets - current, cash and bank balances (Note 23), loans and borrowings (Note 24), trade and other payables (Note 25) and other liabilities - current (Note 26).

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

Notes to the Financial Statements

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32. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd)

(f) ***Assets not carried at fair value but for which fair value is disclosed***

The following table shows an analysis of the Group's assets not measured at fair value at 31 March but for which fair value is disclosed.

	Quoted prices in active markets for identical instruments (Level 1) $'000	Significant observable inputs other than quoted prices (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000	Carrying amount $'000
2016					
Group					
Assets:					
Financial assets (non-current)					
(Note 19)	**–**	**–**	**27,142**	**27,142**	**36,047**
Liabilities:					
Loans and (non-current)					
- Loan from a related party	**–**	**–**	**3,068**	**3,068**	**3,286**
2015					
Group					
Assets:					
Financial assets (non-current)					
(Note 19)	–	–	30,482	30,482	35,151

Determination of fair value

Financial assets (non-current) (Note 19) and lans and borrowings (non-current)(Note 24)

The fair value of the financial assets (non-current) and loans and borrowings (non-current) have been determined using discounted expected cash flows at market incremental lending rates for similar types of lending, borrowing or leasing agreements at the end of the reporting period.

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32. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd)

(g) ***Fair value of financial instruments by classes that are not carried at fair value but for which fair value is disclosed***

The fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value are as follows:

	2016		2015	
	Carrying amount $'000	Fair value $'000	Carrying amount $'000	Fair value $'000
Financial assets:				
Group				
Financial assets (non-current) (Note 19)	**36,047**	**27,142**	35,151	30,482
Financial liabilities:				
Loans and borrowing (non-current)				
– Loan from a related party	**3,286**	**3,068**	–	–
Trust				
Loan to a subsidiary	**478,922**	*****	457,459	*

* The loan is unsecured and non-interest bearing. It has no fixed repayment terms and is repayable only when the subsidiary's cash flow permits. Accordingly, fair value is not determinable as the timing of the future cash flows arising from the loan cannot be estimated reliably.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Trust is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks. It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient.

The following sections provide details regarding the Group's and Trust's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) ***Credit risk***

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade receivables.

Trade receivable

Credit risk on service fee receivable is concentrated with FHL group of companies which is also the substantial unitholder of the Trust. As at the reporting date, 96% (2015: 96%) of the total trade receivables was due from FHL located in India. FHL are debtors with good payment record with the Group and has provided banker's guarantee for 2 months of service fee receivable.

For hospital income receivable from corporate clients, these clients are debtors with good payment record with the Group.

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33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) ***Credit risk (cont'd)***

Other financial assets

For other financial assets including cash and bank balances, short term deposits and investment in mutual funds, the Group minimises credit risk by dealing with good credit rating counterparties.

The maximum exposure to credit risk is represented by the carrying value of each financial asset on the balance sheet.

(b) ***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from loans and borrowings. The Group's interest bearing loans and borrowings (Note 24) at floating rate are re-priced at intervals of less than 3 to 12 months from the end of the reporting period.

Management has assessed that the impact of market changes to interest rate to be insignificant and no sensitivity analysis has been performed.

(c) ***Foreign currency risk***

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's net investments in foreign subsidiaries. The Group's net investments in foreign subsidiaries are not hedged as currency positions in INR are considered long-term in nature.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the INR exchange rates against the respective functional currency of the Group entities, with all other variables held constant.

	2016		2015	
	Profit before tax $'000	**Equity $'000**	**Profit before tax $'000**	**Equity $'000**
INR/SGD				
– strengthened 5% (2015: 5%)	**2,100**	**33,175**	1,800	34,500
– weakened 5% (2015: 5%)	**(2,100)**	**(33,175)**	(1,800)	(34,500)

Please refer to Note 27 for more details.

(d) ***Liquidity risk***

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group and the Trust's exposure to liquidity risk arises primarily from mismatch of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Notes to the Financial Statements

For the financial year ended 31 March 2016

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(d) ***Liquidity risk (cont'd)***

The table below summarises the maturity profile of the Group's and the Trust's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Within 1 year $'000	1 – 5 years $'000	Total $'000
Group			
2016			
Trade and other payables	**6,032**	**–**	**6,032**
Other liabilities	**89,976**	**3,304**	**93,280**
Loans and borrowings	**11,736**	**175,425**	**187,161**
	107,744	**178,729**	**286,473**
2015			
Trade and other payables	6,962	–	6,962
Other liabilities	81,351	1,567	82,918
Derivative financial instruments	6,834	–	6,834
Loans and borrowings	67,102	72,721	139,823
	162,249	74,288	236,537
Trust			
2016			
Other liabilities	**3,103**	**–**	**3,103**
Loans and borrowings	**2,707**	**64,039**	**66,746**
	5,810	**64,039**	**69,849**
2015			
Other liabilities	4,536	–	4,536

Notes to the Financial Statements

For the financial year ended 31 March 2016

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(e) ***Classification of financial instruments***

Set out below is a comparison by category of all the Group's and Trust's financial instruments that are carried out in the financial statements.

	Loans and receivables $'000	Fair value through profit or loss $'000	Total $'000
Group			
2016			
Assets			
Non-current			
Financial assets	**36,047**	**–**	**36,047**
Current			
Trade receivables	**25,340**	**–**	**25,340**
Financial assets	**7,312**	**72,471**	**79,783**
Other assets	**782**	**–**	**782**
Derivative financial instruments	**–**	**891**	**891**
Cash and bank balances	**5,831**	**–**	**5,831**
	75,312	**73,362**	**148,674**

	Financial liabilities carried at amortised cost $'000	Fair value through profit or loss $'000	Total $'000
2016			
Liabilities			
Non-current			
Loans and borrowings	**166,598**	**–**	**166,598**
Other liabilities	**3,304**	**–**	**3,304**
Current			
Loans and borrowings	**3,438**	**–**	**3,438**
Trade and other payables	**6,032**	**–**	**6,032**
Other liabilities	**17,501**	**72,471**	**89,972**
	196,873	**72,471**	**269,344**

Notes to the Financial Statements

For the financial year ended 31 March 2016

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(e) ***Classification of financial instruments (cont'd)***

Set out below is a comparison by category of all the Group's and Trust's financial instruments that are carried out in the financial statements.

	Loans and receivables $'000	Available-for-sale $'000	Total $'000
Group			
2015			
Assets			
Non-current			
Financial assets	35,151	–	35,151
Current			
Trade receivables	25,233	–	25,233
Financial assets	1,856	66,083	67,939
Other assets	446	–	446
Cash and bank balances	4,170	–	4,170
	66,856	66,083	132,939

	Financial liabilities carried at amortised cost $'000	Fair value through profit or loss $'000	Total $'000
2015			
Liabilities			
Non-current			
Loans and borrowings	63,676	–	63,676
Other liabilities	1,567	–	1,567
Current			
Loans and borrowings	62,377	–	62,377
Trade and other payables	6,962	–	6,962
Other liabilities	15,268	66,083	81,351
Derivative financial instruments	–	6,834	6,834
	149,850	72,917	222,767

Notes to the Financial Statements

For the financial year ended 31 March 2016

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(e) ***Classification of financial instruments (cont'd)***

	Loans and receivables $'000
Trust	
2016	
Assets	
Current	
Cash and bank balances	**344**
Financial assets	**49,090**
Non-current	
Loan to a subsidiary	**478,922**
	528,356

	Financial liabilities carried at amortised cost $'000
2016	
Liabilities	
Non-current	
Loans and borrowings	**60,000**
Current	
Other liabilities	**3,103**
Loans and borrowings	**525**
	63,628

Notes to the Financial Statements

For the financial year ended 31 March 2016

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(e) ***Classification of financial instruments (cont'd)***

	Loans and receivables $'000
Trust	
2015	
Assets	
Current	
Cash and bank balances	251
Financial assets	55,794
Non-current	
Loan to a subsidiary	457,459
	513,504

	Financial liabilities carried at amortised cost $'000
2015	
Liabilities	
Current	
Other liabilities	4,536

Notes to the Financial Statements

For the financial year ended 31 March 2016

34. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure to support its businesses and maximise unitholders' value.

In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of distribution payment, return capital to unitholders, issue new units, buy back issued units, obtain new borrowings or sell assets to reduce borrowings. The Group may also issue new units to finance future growth.

The Group seeks to raise non-recourse debt structured specifically to match the cash flow profile of its underlying assets. The Group's general philosophy on leverage is to ensure that its subsidiaries have sufficient financial flexibility to meet their capital expenditure and operational needs, and at the same time, service their debt obligations promptly and reliably.

The Trustee-Manager monitors capital based on the ratio of the Group's net borrowings to net assets attributable to Unitholders. Net borrowings are calculated as total loans and borrowings less cash and cash equivalents.

	GROUP	
	2016 $'000	2015 $'000
Net borrowings	**164,205**	121,883
Net assets attributable to Unitholders	**739,608**	769,133
Ratio	**22.2%**	15.8%

35. SEGMENT INFORMATION

The Trustee-Manager considers that the Group operates primarily within a single business segment which is the provision of medical and Clinical Establishment services and within a single geographical segment, being India.

As the rendering of services to patients in earning of hospital income is not material, no separate business segment has been disclosed.

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	REVENUE		NON-CURRENT ASSETS	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
India	**142,920**	136,442	**972,837**	964,111

The non-current assets information presented above consist of intangible assets and property, plant and equipment.

Information about a major customer

Revenue from FHL group of companies contributed 91% (2015: 91%) of the total revenue of the Group.

Notes to the Financial Statements

For the financial year ended 31 March 2016

36. DISTRIBUTIONS

	GROUP AND TRUST	
	2016 $'000	2015 $'000
Declared and paid during the year		
– Exempt (one-tier) distribution of 3.90 cents per unit paid on 15 December 2015 (2015: 3.61 cents per unit paid on 10 December 2014)	**31,051**	28,632
Proposed but not recognised as a liability as at 31 March		
– Exempt (one-tier) distribution of 3.82 cents per unit paid on 15 June 2016 (2015: of 3.71 cents per unit paid on 17 June 2015)	**30,478**	29,481
Total distributions paid during the year	**60,532**	52,244

37. SUBSEQUENT EVENT

The Group will be holding an Extraordinary General Meeting to seek the unitholders' approval for the proposed disposal of 51.0% of the compulsorily convertible debentures ("CCDs") (eliminated in the consolidated financial statements), in FHTL and 100.0% of the compulsorily convertible preference shares ("CCPS") (see NTA 19 – Unquoted shares) in Escorts Heart Institute and Research Centre Limited ("EHIRCL"), for a net consideration of INR 9,610.2 million ($195.32 million). In the year of disposal, a one-off gain and a corresponding increase net profit is expected to be recorded. Following the disposal, the recurring net profit of the Group is expected to decrease accordingly.

38. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements for the financial year ended 31 March 2016 were authorised for issue in accordance with a resolution of the Board of Directors of the Trustee-Manager on 24 June 2016.

Statistics of Unitholdings

As at 22 June 2016

ISSUED UNITS

Total Units 799,594,944 (one vote per unit)

DISTRIBUTION OF UNITHOLDINGS

	No. of Unitholders	%	No. of Units	%
1 – 99	2	0.05	11	0.00
100 – 1,000	713	17.88	689,274	0.09
1,001 – 10,000	1,993	49.98	11,924,801	1.49
10,001 – 1,000,000	1,254	31.44	67,924,757	8.49
1,000,001 AND ABOVE	26	0.65	719,056,101	89.93
TOTAL	**3,988**	**100.00**	**799,594,944**	**100.00**

TWENTY LARGEST UNITHOLDERS

		No. of Units	%
1	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	223,008,644	27.89
2	CITIBANK NOMINEES SINGAPORE PTE LTD	119,938,455	15.00
3	RAFFLES NOMINEES (PTE) LIMITED	83,018,611	10.38
4	DBS NOMINEES (PRIVATE) LIMITED	75,178,507	9.40
5	HSBC (SINGAPORE) NOMINEES PTE LTD	46,625,200	5.83
6	DBSN SERVICES PTE. LTD.	36,421,398	4.55
7	ABN AMRO NOMINEES SINGAPORE PTE LTD	29,925,100	3.74
8	MERRILL LYNCH (SINGAPORE) PTE LTD	17,540,030	2.19
9	DB NOMINEES (SINGAPORE) PTE LTD	16,424,415	2.05
10	BANK OF SINGAPORE NOMINEES PTE. LTD.	11,870,300	1.48
11	RELIGARE HEALTH TRUST TRUSTEE MANAGER PTE LTD	11,463,000	1.43
12	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	9,064,977	1.13
13	BNP PARIBAS SECURITIES SERVICES SINGAPORE BRANCH	5,424,106	0.68
14	PHILLIP SECURITIES PTE LTD	4,982,500	0.62
15	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	4,139,007	0.52
16	OCBC SECURITIES PRIVATE LIMITED	3,894,600	0.49
17	CIMB SECURITIES (SINGAPORE) PTE. LTD.	3,793,568	0.47
18	KGI FRASER SECURITIES PTE LTD	3,177,500	0.40
19	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	2,783,300	0.35
20	NTUC FAIRPRICE CO-OPERATIVE LTD	2,200,000	0.28
	TOTAL	**710,873,218**	**88.88**

Statistics of Unitholdings

As at 22 June 2016

SUBSTANTIAL UNITHOLDERS AS AT 22 JUNE 2016 (as recorded in the Register of Substantial Unitholders)

	DIRECT INTEREST Number of Units		DEEMED INTEREST Number of Units	
	Units	**%**	**Units**	**%**
Fortis Healthcare International Limited	220,676,944	27.60%	–	–
Fortis Healthcare Limited [1]	–	–	232,139,944	29.03%
Fortis Healthcare Holdings Ltd [1]	–	–	232,139,944	29.03%
RHC Holding Private Limited [1]	–	–	232,139,944	29.03%
Malav Holdings Pvt. Ltd. [1]	–	–	232,139,944	29.03%
Malvinder Mohan Singh [1]	4,500,000	0.56%	232,139,944	29.03%
Japna Malvinder Singh [1]	–	–	232,139,944	29.03%
Shivi Holdings Pvt. Ltd. [1]	–	–	232,139,944	29.03%
Shivinder Mohan Singh [1]	–	–	232,139,944	29.03%
Aditi Shivinder Singh [1]	–	–	232,139,944	29.03%

(1) Each of the Fortis Healthcare Limited, Fortis Healthcare Holdings Ltd, RHC Holding Private Limited, Malav Holdings Pvt. Ltd., Shivi Holdings Pvt. Ltd., Malvinder Mohan Singh, Japna Malvinder Singh, Shivinder Mohan Singh and Aditi Shivinder Singh are deemed interested in the units held by Fortis Healthcare International Limited and the Trustee Manager.

The percentage of unitholdings is calculated based on the total issued unit capital of 799,594,944 units.

PERCENTAGE OF UNITHOLDINGS IN THE HANDS OF PUBLIC

Based on the information available to the Trustee-Manager as at 22 June 2016, approximately 70.02% of RHT's units were in the hands of public. Accordingly, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

Notice of Annual General Meeting of Unitholders

RELIGARE HEALTH TRUST
(Registration No. 2012006)
(A business trust constituted on 29 July 2011 under the laws of the Republic of Singapore and registered under the Business Trusts Act, Chapter 31A of Singapore)

Managed by Religare Health Trust Trustee Manager Pte. Ltd.
(Company Registration No. 201117555K)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the unitholders of Religare Health Trust ("**RHT**" and unitholders of RHT, "**Unitholders**") will be held at Suntec Singapore International Convention & Exhibition Centre, Room MR 330, 1 Raffles Boulevard, Singapore 039593 on Friday, 29 July 2016 at 10.00 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Report of the Religare Health Trust Trustee Manager Pte. Ltd. ("**Trustee-Manager**"), Statement by the Trustee-Manager and the Audited Financial Statements of RHT and its subsidiaries for the financial year ended 31 March 2016 together with the Auditors' Report thereon.

(Resolution 1)

2. To re-appoint Messrs Ernst & Young LLP as auditors of RHT and to authorise the Trustee-Manager to fix their remuneration.

(Resolution 2)

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution, with or without any modifications:

3. PROPOSED UNIT ISSUE MANDATE

That pursuant to Clause 6.1.1 of the deed of trust dated 29 July 2011 constituting RHT, as amended and restated by an amending and restating deed dated 25 September 2012 and supplemented by a supplemental deed dated 27 September 2012 (together, the "**Trust Deed**"), Section 36 of the Business Trusts Act, Chapter 31A of Singapore (the "**BTA**") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Trustee-Manager, on behalf of RHT, be and is hereby authorised and empowered to:

(a) (i) issue units in RHT ("**Units**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Units,

at any time and upon such terms and conditions and for such purposes and to such persons as the Trustee-Manager may in its absolute discretion deem fit; and

(b) issue Units in pursuance of any Instrument made or granted by the Trustee-Manager while this Resolution is in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

Notice of Annual General Meeting of Unitholders

provided that:

(1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued pursuant to Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50.0%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a pro-rata basis to Unitholders shall not exceed twenty per cent. (20.0%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below);

(2) subject to such manner of calculation as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of Units that may be issued pursuant to sub-paragraph (1) above, the total number of issued Units (excluding treasury Units, if any) shall be based on the total number of issued Units (excluding treasury Units, if any) at the time of the passing of this Resolution, after adjusting for:

(i) any new Units arising from the conversion or exercise of any Instruments which are outstanding or subsisting as at the date this Ordinary Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of Units;

(3) in exercising the authority conferred by this Resolution, the Trustee-Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), the BTA and the Trust Deed for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);

(4) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of RHT or the date by which the next Annual General Meeting of RHT is required by applicable laws and regulations to be held, whichever is earlier;

(5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Trustee-Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and

(6) the Trustee-Manager be and is hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Trustee-Manager may consider expedient or necessary or in the interest of RHT to give effect to the authority conferred by this Resolution. (Please see Explanatory Note)

(Resolution 3)

4. To transact any other business which may properly be transacted at an Annual General Meeting.

By Order of the Board
Religare Health Trust Trustee Manager Pte. Ltd.
as Trustee-Manager of Religare Health Trust
(Company Registration No. 201117555K)

Abdul Jabbar Bin Karam Din
Chan Poh Kuan
Joint Company Secretaries

Singapore, 8 July 2016

Notice of Annual General Meeting of Unitholders

EXPLANATORY NOTE:

Resolution 3

Resolution 3 proposed, if passed, will empower the Trustee-Manager to issue Units, make or grant Instruments convertible into Units and to issue Units pursuant to such Instruments from the date of the Annual General Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by applicable law or regulations to be held, or the date on which such authority is varied or revoked by RHT in a general meeting of the Unitholders, whichever is earliest. The aggregate number of Units to be issued pursuant to Resolution 3 (including Units to be issued in pursuance of Instruments made or granted) shall not exceed fifty per cent. (50.0%) of the total number of issued Units, of which up to twenty per cent. (20.0%) may be issued other than on a pro-rata basis (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to Unitholders.

For the purpose of determining the aggregate number of Units that may be issued, the percentage of the total number of issued Units will be calculated based on the total number of issued Units at the time the Resolution 3 in item 3 above is passed, after adjusting for (i) new Units arising from the conversion or exercise of any convertible securities and (ii) any subsequent bonus issue, consolidation or subdivision of Units.

For the avoidance of doubt, the authority to issue Units pursuant to Resolution 3 includes the issuance of Units by the Trustee-Manager to itself in the event that the Trustee-Manager elects, in accordance with Clause 12.9.1 of the Trust Deed to receive all or any part of the Fees payable to the Trustee-Manager under Clause 12 of the Trust Deed (save for the inception fees referred to in Clause 12.3.2) due and payable to it in Units instead of cash.

IMPORTANT NOTICE

(1) A Unitholder entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his/her stead at the same meeting. A proxy need not be a Unitholder.

(2) A corporation which is a Unitholder may, by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Unitholders and the person so authorised shall be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

(3) The instrument appointing a proxy must be lodged at the office of the RHT's Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd., at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for the Annual General Meeting.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Trustee-Manager (or its agents or service providers) for the purpose of the processing, administration and analysis by the Trustee-Manager (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Trustee-Manager (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Trustee-Manager (or its agents or service providers), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Trustee-Manager (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Trustee-Manager in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

Corporate Information

THE TRUSTEE-MANAGER

Religare Health Trust Trustee Manager Pte. Ltd.
Company registration number: 201117555K

BOARD OF DIRECTORS

Mr Ravi Mehrotra
Executive Chairman

Mr Gurpreet Singh Dhillon
Executive Director and Chief Executive Officer

Mr Pawanpreet Singh
Executive Director and Chief Financial Officer

Mr Eng Meng Leong
Independent Director

Mr Sydney Michael Hwang
Independent Director

Dr Yogendra Nath Mathur
Lead Independent Director

Mr Peter Joseph Seymour Rowe
Independent Director

BOARD COMMITTEES

Audit & Risk Management Committee
Mr Peter Joseph Seymour Rowe, Chairman
Mr Eng Meng Leong, Member
Dr Yogendra Nath Mathur, Member

Renumeration Committee
Mr Eng Meng Leong, Chairman
Mr Sydney Michael Hwang, Member
Mr Peter Joseph Seymour Rowe, Member

Nominating Committee
Mr Sydney Michael Hwang, Chairman
Dr Yogendra Nath Mathur, Member
Mr Ravi Mehrotra, Member

COMPANY SECRETARIES

Mr Abdul Jabbar Bin Karam Din (LLB (Hons))
Ms Chan Poh Kuan (FCIS)

AUDITOR

Ernst and Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583
Phone: (65) 6535 7777
Fax: (65) 6438 8710

Partner-in-charge: Nelson Chen
Appointed since financial year ended 31 March 2012

REGISTERED ADDRESS

9 Battery Road
#15-01 Straits Trading Building
Singapore 049910
Phone: (65) 6535 3600
Fax: (65) 6225 6846

OPERATING ADDRESS

302 Orchard Road
#18-02/03 Tong Building
Singapore 238862
Phone: (65) 6603 5780
Fax: (65) 6603 5782

UNIT REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623
Phone: (65) 6536 5355
Fax: (65) 6536 1360

SGX Code

RF1U

Proxy Form

RELIGARE HEALTH TRUST

(Registration No. 2012006)
(A business trust constituted on 29 July 2011 under the laws of the Republic of Singapore)
Managed by Religare Health Trust Trustee Manager Pte. Ltd.
(Company Registration No. 201117555K)

PROXY FORM – ANNUAL GENERAL MEETING

(Before completing this form, please read the notes behind)

I/We, _____ (Name)

of _____ (Address)

being a Unitholder/Unitholders of Religare Health Trust ("**RHT**"), hereby appoint:

Name	Address	NRIC/ Passport Number	Proportion of Unitholdings	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/ Passport Number	Proportion of Unitholdings	
			No. of Units	%

or, both of whom failing, the Chairman of the Annual General Meeting as my/our proxy/proxies to attend and vote for me/us on my/our behalf and if necessary, to demand a poll, at the Annual General Meeting of RHT to be held at Suntec Singapore International Convention & Exhibition Centre Room MR330, 1 Raffles Boulevard, Singapore 039593 on Friday, 29 July 2016 at 10.00 a.m. and any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Annual General Meeting in accordance with my/our directions as indicated hereunder. Where no such direction is given, the proxy/proxies may vote or abstain from voting at his/their discretion, as he/they will on any matter arising at the Annual General Meeting.

No.	Resolutions	No. of Votes For*	No. of Votes Against*
	ORDINARY BUSINESS		
1.	Adoption of Report of the Trustee-Manager, Statement by the Trustee-Manager and the Audited Financial Statements of RHT and its subsidiaries for the financial year ended 31 March 2016 together with the Auditors' Report. (Resolution 1)		
2.	Re-appointment of Messrs Ernst & Young LLP as Auditors of RHT and to authorise the Trustee-Manager to fix their remuneration. (Resolution 2)		
	SPECIAL BUSINESS		
3.	To approve the Proposed Unit Issue Mandate. (Resolution 3)		
4.	Any other business.		

* If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2016

Total number of Units held

_____

Signature(s) of Unitholder(s) or Common Seal

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to Proxy Form

1. In accordance with the Business Trusts Act and the Trust Deed, a Unitholder of Religare Health Trust ("**RHT**", and a Unitholder of RHT, "**Unitholder**") entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such Unitholder's form of proxy appoints more than one proxy, the proportion of the unitholding concerned to be represented by each proxy shall be specified in the form of proxy. Where a Unitholder appoints two proxies and does not specify the number of Units to be represented by each proxy, the Units held by the Unitholder are deemed to be equally divided between the proxies.

2. A proxy need not be a Unitholder.

3. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against his/her name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), he/she should insert that number of Units. If the Unitholder has Units registered in his/her name in the Register of Unitholders of RHT, he/she should insert that number of Units. If the Unitholder has Units entered against his/her name in the said Depository Register and Units registered in his/her name in the Register of Unitholders, he/she should insert the aggregate number of Units entered against his/her name in the said Depository Register and registered in his/her name in the Register of Unitholders. If no number is inserted, this form of proxy appointing a proxy or proxies will be deemed to relate to all the Units held by the Unitholder.

4. The instrument appointing a proxy or proxies (the "**Proxy Form**") must be in writing under the hand of the appointor or his/her attorney duly authorised in writing or if the appointor is a corporation, it must be executed either under the common seal or under the hand of an officer or attorney so authorised.

5. A corporation which is a Unitholder, may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of Unitholders and the person so authorised shall be entitled to exercise the power on behalf of the corporation so represented as the corporation could exercise in person if it were an individual. The Trustee-Manager shall be entitled to treat a copy of such resolution certified by a director of the corporation to be a true copy, or a certificate under the seal of the corporation as conclusive evidence of the appointment or revocation of appointment of a representative under this paragraph.

6. This Proxy Form (together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority) must be deposited at the office of RHT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, not less than 48 hours before the time fixed for holding the Annual General Meeting or adjourned meeting, at which the person named in the Proxy Form appointing a proxy or proxies proposes to vote, and in default the Proxy Form shall not be treated as valid.

7. Any alteration made in this Proxy Form should be initialled by the person who signs it.

8. The Trustee-Manager shall be entitled to reject a Proxy Form appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Unitholders whose Units are entered in the Depository Register, the Trustee-Manager shall be entitled and bound:

   (a) to reject any Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against the name of the Unitholder in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting, as certified by CDP to the Trustee-Manager; and

   (b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Unitholder is or are able to cast on a poll a number which is the number of Units entered against the name of that Unitholder in the Depository Register as at 48 hours before the time of the relevant meeting as certified by CDP to the Trustee-Manager, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Unitholder.

   No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution.

9. All Unitholders will be bound by the outcome of the Annual General Meeting regardless of whether they have attended or voted at the Annual General Meeting.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Trustee-Manager (or its agents or service providers) for the purpose of the processing, administration and analysis by the Trustee-Manager (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Trustee-Manager (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Trustee-Manager (or its agents or service providers), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Trustee-Manager (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Trustee-Manager in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

RELIGARE HEALTH TRUST TRUSTEE-MANAGER PTE. LTD.
(As Trustee-Manager of Religare Health Trust)

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