

Proposed Disposal of the Entire Asset Portfolio of RHT Health Trust ("RHT")

29 August 2018



Disclaimer

This set of presentation slides should be read in conjunction with the Circular dated 29 August 2018 relating to the Proposed Disposal and the Proposed Trust Deed Amendments (the “Circular”). Unless otherwise stated, terms undefined herein shall bear the same meanings ascribed to them in the Circular.

For the reader’s convenience, except where the exchange rate between the INR and the SGD is expressly stated otherwise, certain INR amounts in this Announcement have been translated into SGD based on the closing exchange rate on 20 August 2018, being the latest practicable date prior to the printing of the Circular (the “**Latest Practicable Date**”) of INR50.90:SGD1.00 as extract from Bloomberg L.P. However, such translations should not be construed as representations that any INR amounts which may be received in connection with the Proposed Disposal or otherwise can or will be converted into SGD at that or any other rate. As at the date of this Announcement, given that the date of Completion cannot be meaningfully estimated, the Trustee-Manager has NOT entered into any forward contracts in respect of the Consideration. Accordingly, should the INR depreciate against the SGD, the Consideration received in SGD will be correspondingly less.

Notwithstanding the foregoing, as set out in the Amendment Announcement, the parties had agreed to the Foreign Exchange Adjustments Amendment, whereunder the Consideration (and adjustments thereto) shall be computed on the INR:SGD closing offer rate on Bloomberg L.P. one (1) Business Day prior to Completion unless such closing offer rate is lower than the closing offer rate on 30 September 2018, in which case the reference rate for computing the Consideration (and adjustments thereto) shall be the closing offer rate on 30 September 2018. The Foreign Exchange Adjustments Amendment is subject to Fortis obtaining the approval of its shareholders at an extraordinary general meeting to be convened. The Trustee-Manager will make the necessary announcement to update Unitholders when there are further developments in relation to the foregoing.

Transaction Summary

Acquiror	<ul style="list-style-type: none">Fortis Healthcare Limited (“FHL” or “Fortis”).
Transaction Structure	<ul style="list-style-type: none">Acquisition of the entire asset portfolio of RHT Health Trust (“RHT”) by Fortis, for an Estimated Consideration of INR 46,500 million⁽¹⁾ (the “Proposed Disposal”). This comprises all of RHT’s Indian Subsidiaries and its 49.0% interest in Fortis Hospotel Limited (“FHTL”), 12 Clinical Establishments (“CEs”), 4 Greenfield CEs and 2 Operating Hospitals in India.
Long Stop Date	<ul style="list-style-type: none">As set out in the Amendment Announcement, parties had agreed to amend the Long Stop Date in the MPA for the fulfillment of the Conditions Precedent from 30 September 2018 to 31 December 2018⁽²⁾ (the “Extension”).
Exchange Rate for Computation of Consideration	<ul style="list-style-type: none">INR:SGD closing offer rate on Bloomberg L.P. one (1) Business Day prior to Completion unless such closing offer rate is lower than the closing offer rate on 30 September 2018, in which case the reference rate for computing the Consideration (and adjustments thereto) shall be the closing offer rate on 30 September 2018⁽³⁾ (“Foreign Exchange Adjustment Amendment”).
Independent Financial Advisor to the Board	<ul style="list-style-type: none">KPMG Corporate Finance Pte Ltd.
Financial Advisor to the Board	<ul style="list-style-type: none">Merrill Lynch (Singapore) Pte. Ltd.
Independent Valuer	<ul style="list-style-type: none">Duff & Phelps India Private Limited

Notes:

- (1) Assuming the Consideration of INR 46,500 million with the only adjustment to the Consideration is downwards by INR500 million due to parties not obtaining warranty and indemnity insurance.
- (2) Pursuant to the Amendment Agreement, Fortis has agreed to compensate RHT for all reasonable costs that may be incurred by RHT for obtaining any services from legal advisers, independent financial adviser, tax advisers, valuers and reporting accountants for Completion of the Proposed Disposal solely and directly arising from the Extension (“Costs and Expenses Amendment”). The Costs and Expenses Amendment is subject to the approval by the shareholders of Fortis at an extraordinary general meeting to be convened.
- (3) The Foreign Exchange Adjustment Amendment is subject to Fortis obtaining the approval of its shareholders at an extraordinary general meeting to be convened.

Transaction Summary

Estimated Net Consideration

- Approximately S\$669.6 million based on an INR:SGD exchange rate of INR50.90:SGD1.00⁽¹⁾ after repayment of external borrowing of approximately S\$234.1 million;
- The Estimated Net Consideration represents a Consideration per Unit of approximately S\$0.825 (“**Estimated Consideration per Unit**”).

Special Distribution & Estimated Distribution Per Unit

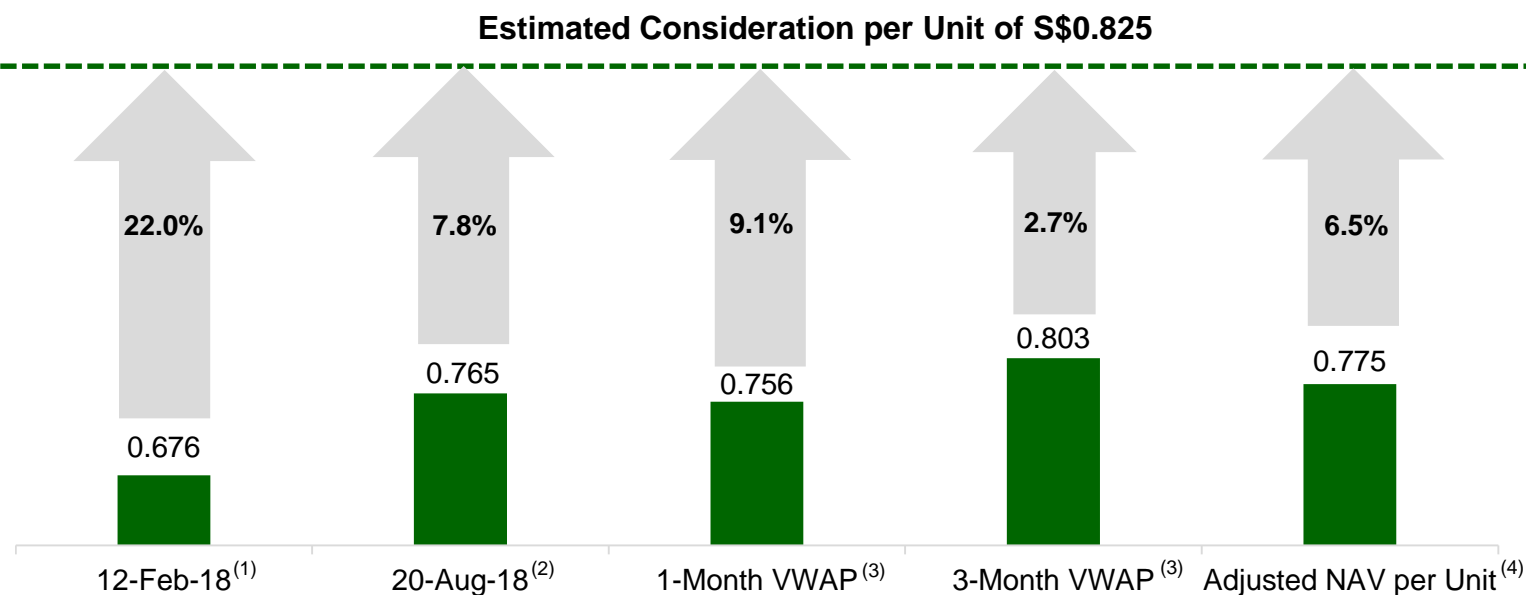
- The Trustee-Manager intends to distribute the approximately 95% of the Net Proceeds to Unitholders as soon as practicable following the completion via a special distribution, after setting aside the Performance Fee and estimated transaction costs and expenses of approximately S\$15.2 million.
- The Trustee-Manager will also be retaining 5% of the Net Proceeds to cover on-going expenses post the Proposed Disposal.
- Indicative Special Distribution per Unit of approximately S\$0.766.

Notes:

(1) Based on the closing rate on Bloomberg L.P. on 20 August 2018.

Rationale for the Proposed Disposal

Attractive Opportunity to Realise Value



Source: Bloomberg

Notes:

- (1) Closing price on 12 February 2018 (being the last full trading day of the Units prior to the 13 February Announcement). Adjusted for the accumulated amount available for distribution of 3.45 Singapore cents for the nine months ended 31 December 2017 ("9MFY2018 Distributable Amount").
- (2) Closing price on 20 August 2018, being the Latest Practicable Date.
- (3) Adjusted for the undistributed 9MFY2018 Distributable Amount. The volume weighted average price is sourced from Bloomberg L.P.. Bloomberg L.P. has not provided its consent to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information.
- (4) Based on the Exchange Rate and adjusted for the accumulated amount available for distribution of 3.29 Singapore cents for 1 July 2017 to 31 March 2018. Please refer to paragraph 4.1 of the IFA Letter set out in Appendix B of the Circular for further details.

Rationale for the Proposed Disposal

Attractive Returns

The Proposed Disposal represents a return of approximately 58.1%⁽¹⁾ and an internal rate of return (“IRR”) per annum of approximately 10.2% in Singapore dollars terms and presents an opportunity for RHT to realise the investments in the Sale Securities and unlock further value for the Unitholders.

Difficulties in Sourcing for Quality Healthcare Assets in India

It has been challenging for RHT to undertake acquisitions or diversify its operator over the years as it is not easy to find quality healthcare assets for sale in India, particularly in clinical establishments which are strategically located in top tier cities and suitable for the provision of multi-specialty medical services. Healthcare operators are often reluctant to monetise their assets to RHT and for RHT to lease it back to them for fear of losing control over their assets. This has limited the growth opportunities for RHT.

Mitigation of Market Risks

The Proposed Disposal, if consummated, will enable Unitholders to realise value for their Units in the near future, as compared to the realisation of value through potential future appreciation of RHT’s Unit price and distribution payments, which may or may not materialise. This will enable the value in RHT to be realised without any further exposure by RHT to market risks.

Notes:

- (1) Based on (i) Special Distribution per Unit of S\$0.766, (ii) estimated distribution in FY2019 (based on 90% of the amounts available for distribution following the Special Distribution of S\$0.040 per Unit) amounting to approximately S\$0.036, and (iii) estimated aggregate of the distributions since the listing of RHT of S\$0.621, against RHT’s market capitalisation at time of its listing of S\$0.90.

Approvals Required for the Proposed Disposal

The Proposed Disposal will be subject to, amongst others, approval of the Unitholders

Conditions Precedent applicable to RHT

- Unitholders' approval;
- Noteholders' / Lenders approval⁽¹⁾;
- No change of control of any member of the Trustee-Manager, the Vendors and RHT's Indian Subsidiaries ("**Seller Group**");
- No legal or regulatory prohibitions; and
- No material adverse effect.

Conditions Precedent applicable to Fortis

- Approval from the Competition Commission of India ("**CCI**");
- Shareholders' approval⁽²⁾; and
- No legal or regulatory prohibitions.
- Shareholders' approval is required for the

Notes:

(1) Consent of the Noteholders was obtained on 30 April 2018.

(2) Approval by the shareholders of Fortis for the Proposed Disposal was obtained on 5 May 2018. Fortis will additionally be seeking approval from its shareholders for the Foreign Exchange Adjustment Amendment and the Costs and Expenses Amendment

Recommendation

- ✓ The IFA has opined that the Proposed Disposal is on normal commercial terms and is not prejudicial to RHT and its minority Unitholders
- ✓ The Trustee-Manager's Independent Directors recommend that Unitholders **VOTE IN FAVOUR** of the Proposed Disposal at the EGM
- ✓ The Trustee-Manager's Directors recommend that Unitholders **VOTE IN FAVOUR** of the Proposed Trust Deed Amendments at the EGM

Directors' Recommendations

“Based on, inter alia, the IFA Letter and the rationale for the Proposed Disposal as set out in Paragraph 4 of the Circular, the Independent Directors are of the view that the Proposed Disposal with Fortis as an interested person is on normal commercial terms and would not be prejudicial to RHT and its minority Unitholders. Accordingly, the Independent Directors recommend that Unitholders **VOTE IN FAVOUR** of the Proposed Disposal of the Sale Securities at the EGM.”

“The Directors have considered the rationale for the proposed amendments to the Trust Deed and are of the view that the proposed amendments would be beneficial to, and is in the interests of, RHT's Unitholders. Accordingly, the Directors recommend that Unitholders **VOTE IN FAVOUR** of the proposed Trust Deed Amendments at the EGM.”

Note: It is important that the extracts of the IFA Recommendation and Directors' Recommendations are read together with and in the context of the Circular (including the IFA Letter set out in Appendix B thereto) in its entirety. You are advised against relying solely on these extracts.

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