RELIGARE | HEALTH TRUST
Values that bind

RELIGARE HEALTH TRUST
(a business trust constituted on 29 July 2011 and registered on 25 September 2012 under the laws of the Republic of Singapore)

CIRCULAR DATED 10 APRIL 2014

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION



The Mohali Clinical Establishment

CIRCULAR TO UNITHOLDERS IN RELATION TO:

(1) THE PROPOSED ACQUISITION OF THE CLINICAL ESTABLISHMENT BUSINESS AT THE MOHALI CLINICAL ESTABLISHMENT FROM AN INTERESTED PERSON;

(2) THE PROPOSED ACQUISITION OF THE PLANT AND MACHINERY AT THE MOHALI CLINICAL ESTABLISHMENT FROM AN INTERESTED PERSON; AND

(3) THE PROPOSED HOSPITAL AND MEDICAL SERVICES AGREEMENT WITH AN INTERESTED PERSON IN RESPECT OF THE PROVISION OF CLINICAL ESTABLISHMENT SERVICES AT THE MOHALI CLINICAL ESTABLISHMENT.

Singapore Exchange Securities Trading Limited (the "SGX-ST") takes no responsibility for the accuracy or correctness of any statements or opinions made, or reports contained, in this Circular. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your units in Religare Health Trust ("RHT"), you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form in this Circular, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

Nomura Singapore Limited, Religare Capital Markets Corporate Finance Pte. Limited and Standard Chartered Securities (Singapore) Pte. Limited ("Standard Chartered Securities") were the joint issue managers ("Joint Issue Managers") for the initial public offering and listing of RHT (the "Offering"). CIMB Securities (Singapore) Pte. Ltd., DBS Bank Ltd., Nomura Securities Singapore Pte. Ltd., Religare Capital Markets (Singapore) Pte. Limited and Standard Chartered Securities were the joint global coordinators, bookrunners and underwriters ("Joint Bookrunners") of the Offering. The Joint Issue Managers and the Joint Bookrunners assume no responsibility for the contents of this Circular.

IMPORTANT DATES & TIMES

EVENT	DATE AND TIME
Determination of entitlement to attend, speak and vote at the Extraordinary General Meeting/ Last date and time for lodgment of Proxy Forms	**26 April 2014 at 10.00 a.m.**
Date and time of Extraordinary General Meeting	**28 April 2014 at 10.00 a.m.**
Venue of Extraordinary General Meeting	**Level 3, Room 326 Suntec Singapore International Convention & Exhibition Centre 1 Raffles Boulevard, Suntec City Singapore 039593**

RELIGARE HEALTH TRUST
MANAGED BY
RELIGARE HEALTH TRUST TRUSTEE MANAGER PTE. LTD.

Independent Financial Adviser to the Independent Directors of Religare Health Trust Trustee Manager Pte. Ltd.

Deloitte.



Facade of OPD block of the Mohali Clinical Establishment

OVERVIEW OF THE PROPOSED TRANSACTIONS

This overview section is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Words and expressions not defined herein have the same meaning as in the main body of this Circular unless the context requires otherwise. Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding. Meanings of defined terms may be found in the Glossary to this Circular.

The Mohali Clinical Establishment

The Mohali Clinical Establishment is located in Sector 62 of Mohali, a city close to Chandigarh in northwest India. It is operated under the name of Fortis Hospital, Mohali as a multi-specialty hospital which also provides emergency trauma care services, and serves as a "hub" for a number of smaller, secondary hospitals in the surrounding areas. Fortis Hospital, Mohali includes a superspecialty cardiac center equipped to provide advanced cardiac treatments for all forms of heart disease, a cancer institute and a general multi-specialty hospital.

The hospital commenced operations in June 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 currently has an Installed Bed Capacity of 355 beds. The construction of a specialist oncology block was completed at the Mohali Clinical Establishment in September 2013.

The Fortis Hospital, Mohali, is accredited by Joint Commission International and National Accreditation Board for Hospitals and Healthcare Providers. The pathology laboratory at the Fortis Hospital, Mohali being operated by SRL Limited is accredited by National Accreditation Board for Testing and Calibration Laboratories, and the ISO Standards 9001 and 14001.

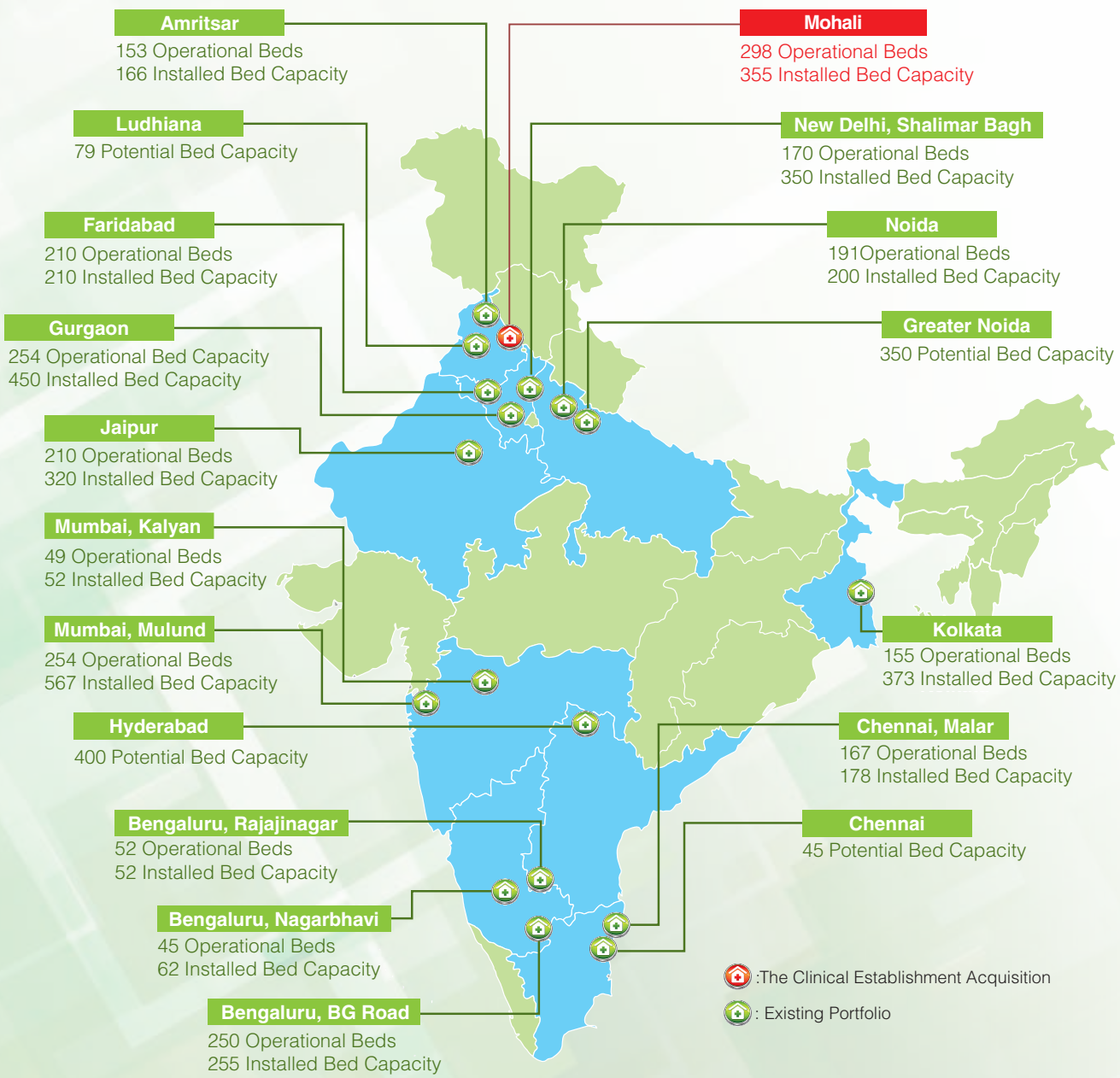
Address	Sector 62, Phase VIII, SAS Nagar, Mohali 160 062
Nature of Interest	Freehold
Ownership Interest	100%
Purchase Consideration of Clinical Establishment	₹2,700.0 million (S$56.8 million)
Clinical Establishment Valuation	C&W: ₹2,758.0 million (S$58.0 million)
Purchase Consideration of the Proposed Transactions	₹2,850.3 million (S$59.9 million)
Clinical Establishment Enterprise Valuation	DTZ: ₹ 2,902 million (S$61.0 million)
Approximate Land Size (sq ft)	358,164
Approximate Built-up Area (sq ft)	434,172
Commencement of Operations	June 2001

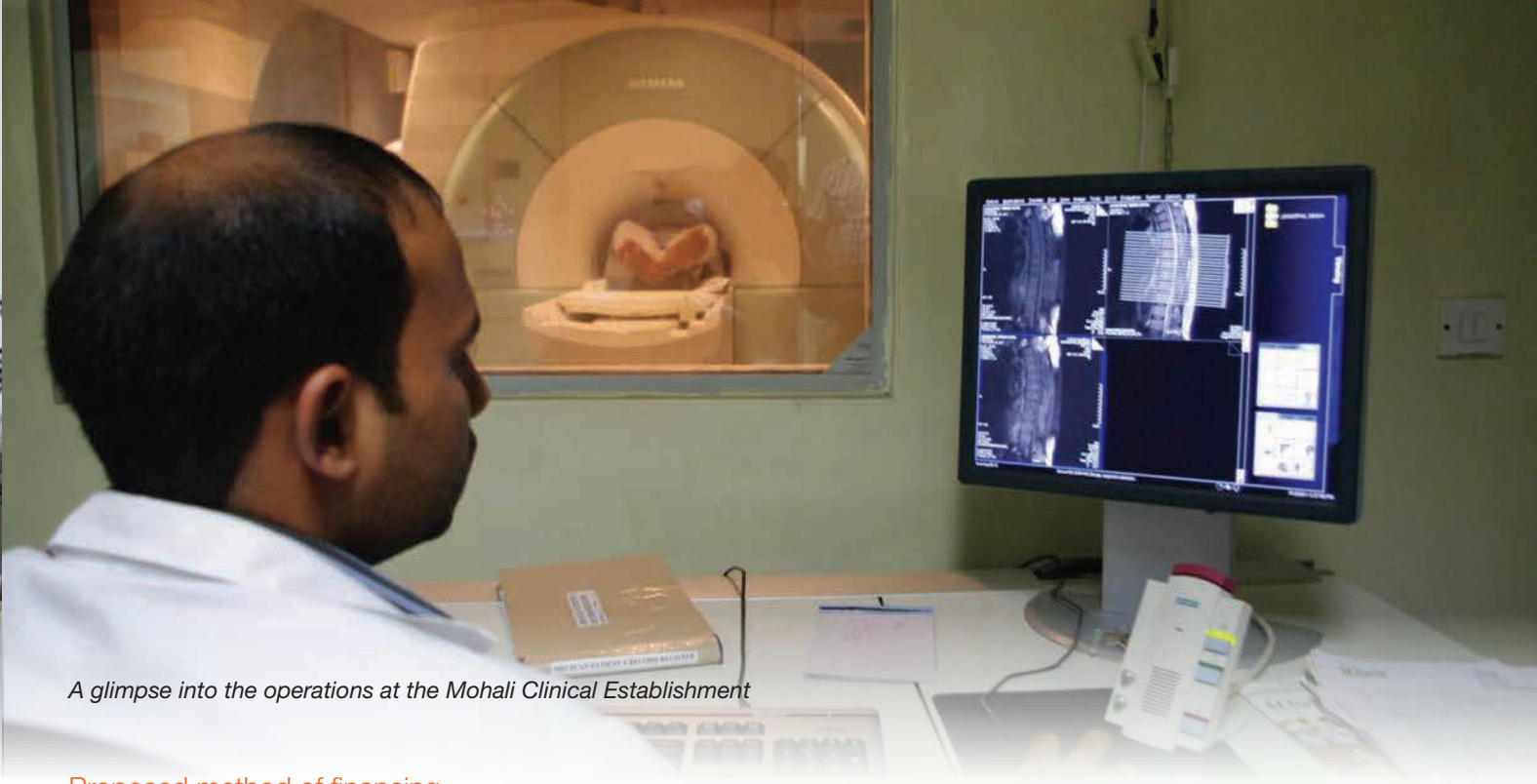
[1] Valuations in SGD are based on the foreign exchange rate of S$1.00 = ₹47.55 as at 31 March 2014. Valuations of the Mohali Clinical Establishment are as at 19 December 2013 by C&W and 31 December 2013 by DTZ.



Emergency Entrance of The Mohali Clinical Establishment

Location of The Mohali Clinical Establishment





A glimpse into the operations at the Mohali Clinical Establishment

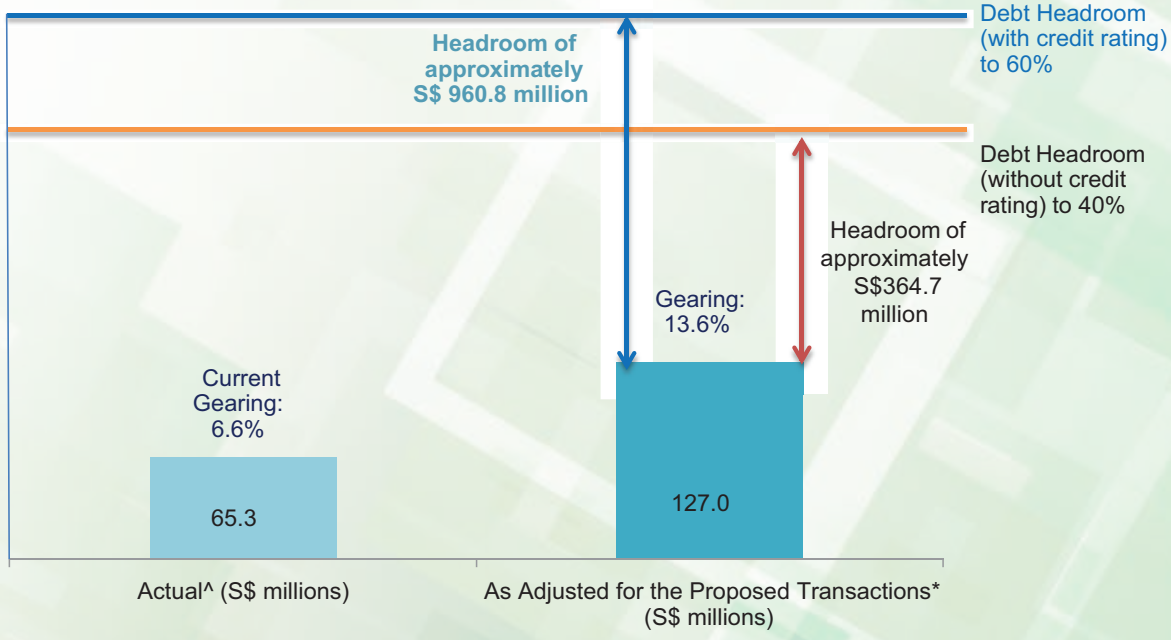
Proposed method of financing

The Total Transaction Costs of S$70.7 million is expected to be financed wholly by debt. Approximately S$70.1 million of the Total Transaction Cost will be payable in cash, of which the Trustee-Manager intends to fund S$65.0 million by debt financing. DBS Bank Limited and Deutsche Bank AG, Singapore Branch will provide the Facility to FGHIPL.

In the event that the debt facility is insufficient, the Trustee-Manager will use RHT's available cash balances to fund the remainder of the Total Transaction Cost payable in cash.

Debt headroom after the Proposed Transactions

RHT continues to have a relatively low gearing of 13.6% following the completion of the Proposed Transactions, thereby allowing opportunities to leverage for future growth.



^ Based on audited financial statements of RHT Group for FY2013

* Excludes unamortised finance expenses



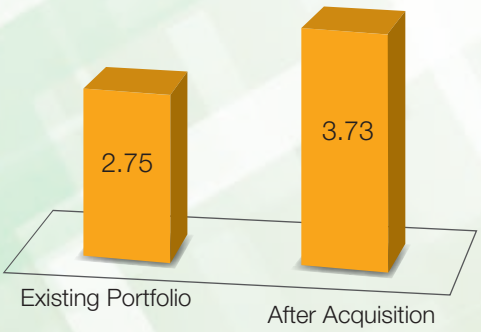
A glimpse into the operations at the Mohali Clinical Establishment

BENEFITS TO UNITHOLDERS

Yield accretion for Unitholders

The Trustee-Manager will endeavour to ensure that the Proposed Transactions, which would add an additional 355 beds to the Installed Bed Capacity of RHT's portfolio, would be DPU accretive for Unitholders. Assuming the Proposed Transactions were completed on the Listing Date, the pro forma DPU of RHT for the period from the Listing Date to 31 March 2013 would have increased from 3.55 cents to 3.73 cents per Common Unit. Excluding the non-recurring Base Service Fee, the pro forma DPU would have increased to 3.67 cents per Common Unit.

PRO FORMA DPU FOR FY2013 (cents)



Opportunity to acquire an accredited asset in India

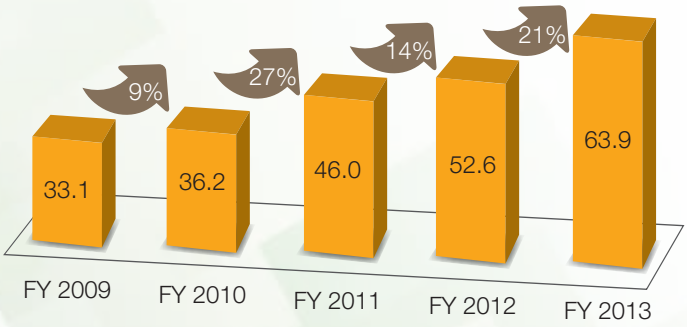
The Proposed Transactions represent an opportunity for RHT to acquire a clinical establishment that is accredited to international standards in India and which is already operated by a leading hospital operator. The Trustee-Manager also believes that the Mohali Clinical Establishment is well positioned for the middle to upper income segment of the healthcare market in the Chandigarh Capital Region, Punjab, as well as medical tourists.

Stable revenues & predictable cash flows

The Proposed Transactions are in line with the Trustee-Manager's strategy of pursuing opportunities for healthcare asset acquisitions that will provide stable cash flows and opportunities for future income and growth. The Mohali Clinical Establishment was the first hospital set up by Fortis in 2001 and has the second highest operating revenues in Fortis portfolio^. Accordingly, in respect of the Mohali Clinical Establishment, the Trustee-Manager believes that there is more certainty in the predictability of cash flows. In addition, the new oncology block at the Mohali Clinical Establishment (which increased the Installed Bed Capacity of the Mohali Clinical Establishment by 55) was completed in September 2013.

MOHALI HOSPITAL REVENUE (S$ MILLION)

CAGR: 17.9% PER YEAR



Economies of scale and strengthening of RHT's presence in northern region of India.

The Mohali Clinical Establishment is located in the well-connected and growing state of Punjab where RHT already has a clinical establishment at Amritsar and a greenfield site in Ludhiana. The Proposed Transactions are expected to provide RHT with economies of scale in the state of Punjab.

The Mohali Clinical Establishment is also well connected to major locations in the city via road networks, and is approximately 5 kilometres from the Mohali railway station and 10 kilometres from the Chandigarh airport, one of the major airports in the northern region of India.

^ Based on actual revenues for the 9 months ended 31 December 2013.



A patient room at the Mohali Clinical Establishment

RATIONALE FOR THE INTERESTED PERSON TRANSACTIONS

Fortis is a leading healthcare chain in India with an established operating track record

Fortis is a leading integrated healthcare delivery service provider in India. The healthcare verticals of Fortis primarily comprise hospitals, diagnostics and day care speciality facilities. Fortis currently operates its healthcare delivery services in India, Singapore, Dubai, Mauritius and Sri Lanka with 66 healthcare facilities (including projects under development), a Potential Bed Capacity of over 10,000 beds and over 260 diagnostic centres.

Fortis has received accreditations and certifications for certain of its hospitals from the JCI based in the United States of America, NABH and NABL in India and the ISO standards 9001 and 14001.

Fortis' record of managing RHT's existing portfolio

Fortis has a track record of managing and operating the Existing Portfolio, and the Trustee-Manager believes that a continued relationship with Fortis in respect of RHT's operations in India will be beneficial to RHT and its Unitholders.

Continuity in operations of the Fortis Hospital, Mohali

The Fortis Hospital, Mohali, is Fortis' first hospital and it has managed and operated the hospital since June 2001. The management and operation of the Fortis Hospital, Mohali by Fortis will ensure operational continuity and stability.

OVERVIEW OF RELIGARE HEALTH TRUST

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

RHT has a large portfolio of strategically-located Clinical Establishments and operating hospitals across India, currently comprising 11 Clinical Establishments, 4 greenfield Clinical Establishments and 2 operating hospitals. The existing portfolio ("Existing Portfolio"), as at 31 March 2013, is valued at S$772 million. In addition, RHT during its initial public offering, secured a right of first refusal over the Sponsor's medical and healthcare infrastructure located in Asia, Australasia and emerging markets in the rest of the world.

RHT endeavours to provide unitholders with an attractive rate of return through regular and stable distributions by investing in a portfolio of income-generating assets with upside growth potential. RHT is sponsored by Fortis and is managed by Religare Health Trust Trustee Manager Pte. Ltd.

An enlarged portfolio

The table below sets out selected information on the Enlarged Portfolio – comprising the Existing Portfolio and the Acquisition.

	EXISTING PORTFOLIO	ENLARGED PORTFOLIO	INCREASE
No. of Operational Beds	2,160	2,458	13.8%
No. of Installed Beds	3,235	3,590	11.0%
Valuation (S$ million)	772	833	7.9%

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PROXY FORM

CORPORATE INFORMATION

Board of Directors of Religare Health Trust Trustee Manager Pte. Ltd. (the trustee-manager of RHT) (the "Trustee-Manager")	Mr Ravi Mehrotra (Executive Chairman) Mr Gurpreet Singh Dhillon (Executive Director and Chief Executive Officer) Mr Pawanpreet Singh (Executive Director and Chief Financial Officer) Dr Yogendra Nath Mathur (Lead Independent Director) Mr Sydney Michael Hwang (Independent Director) Mr Peter Joseph Seymour Rowe (Independent Director) Mr Eng Meng Leong (Independent Director)
Registered Office of the Trustee-Manager	9 Battery Road #15-01 Straits Trading Building Singapore 049910
Principal Place of Business of the Trustee-Manager	80 Raffles Place #11-20 UOB Plaza 2 Singapore 048624
Legal Adviser to the Trustee-Manager as to Singapore Law	**Rajah & Tann LLP** 9 Battery Road #25-01 Straits Trading Building Singapore 049910
Legal Adviser to the Trustee-Manager in relation to the Proposed Transactions as to Indian Law	**Amarchand & Mangaldas & Suresh A. Shroff & Co.** Peninsula Chambers Peninsula Corporate Park Ganpatrao Kadam Marg Lower Parel, Mumbai 400 013 India
Legal Adviser to the Trustee-Manager as to Property Title under Indian Law	**Vaish Associates Advocates** 106, Peninsula Centre Dr. S. S. Rao Road Parel, Mumbai 400 012 India
Reporting Auditor	**Ernst & Young LLP** One Raffles Quay North Tower, Level 18 Singapore 048583
Independent Financial Adviser to the Independent Directors of the Trustee-Manager (the "IFA")	**Deloitte & Touche Corporate Finance Pte Ltd** 6 Shenton Way OUE Downtown 2 #32-00 Singapore 068809

Independent Clinical Establishment Valuer	**Cushman & Wakefield (India) Pvt. Ltd.** B-6/8, Commercial Complex Opp. Deer Park Safdarjung Enclave New Delhi 110 029 India
Independent Clinical Establishment Enterprise Valuer	**DTZ International Property Advisers Private Limited** #804 Time Tower Mehrauli-Gurgaon Road Gurgaon 122 002 India
Independent Business Undertaking Valuer	**K K Mankeshwar & Co. Chartered Accountants** King's Way 7 Mohan Nagar Nagpur 440 001 India
Independent P&M Valuer	**M/s. Sapient Services Pvt. Ltd.** L-83, Lajpat Nagar – II New Delhi 110 024 India
Unit Registrar and Unit Transfer Office	**Boardroom Corporate & Advisory Services Pte. Ltd.** 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623

OVERVIEW

This overview section is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Meanings of defined terms may be found in the Glossary to this Circular.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

Background to the Approvals Sought

Escorts Heart and Super Specialty Hospital Limited ("**EHSSHL**"), a wholly-owned subsidiary of RHT, had on 2 February 2014 agreed with Radha Soami Satsang Beas ("**RSSB**" or the "**Vendor**") on the form of a deed of sale ("**Sale Deed**") to be executed for the purchase by EHSSHL from the Vendor of the land, hospital building and structure, and all rights associated with the land and building including the newly constructed oncology block, any development rights and any other future development rights over the land ("**Property**") in respect of an operating clinical establishment at Mohali (the "**Mohali Clinical Establishment**", and the proposed purchase by EHSSHL, the "**Clinical Establishment Acquisition**"). The Vendor has undertaken to execute the Sale Deed on such date as EHSSHL may at its own sole discretion determine, after (i) the approval of unitholders of RHT ("**Unitholders**") of the Interested Person Transactions and (ii) prior to the expiry of 210 days from 2 February 2014.

In conjunction with the Clinical Establishment Acquisition, EHSSHL proposes to enter into:

(a) a business transfer agreement ("**Business Transfer Agreement**") with Fortis Healthcare Limited ("**Fortis**"), for the purchase of certain of its business undertakings relating to the Mohali Clinical Establishment, relating to the provision of out-patient rehabilitation and consultation services and day care services and radiology and imaging diagnostic services (together, the "**Clinical Establishment Business**") in relation to the hospital run and operated by Fortis at the Mohali Clinical Establishment ("**Fortis Hospital, Mohali**", and the proposed purchase by EHSSHL, the "**Business Acquisition**")[1];

(b) a deed of sale ("**Asset Transfer Deed**") with Fortis for the purchase of its immovable plant and machinery[2] ("**Plant and Machinery**") at the Mohali Clinical Establishment ("**P&M Acquisition**"); and

(c) a hospital and medical services agreement with Fortis to provide Clinical Establishment Services (as defined herein) to the patients at the Fortis Hospital, Mohali for and on behalf of Fortis in respect of the Mohali Clinical Establishment (the "**Hospital and Medical Services Agreement**").

Unitholders of RHT ("**Unitholders**") should note that the execution of the Sale Deed, the Business Transfer Agreement, the Asset Transfer Deed and the Hospital and Medical Services Agreement are conditional upon, *inter alia*, Unitholders' approval of the resolutions. In the event Unitholders do not approve any of the resolutions, the Trustee-Manager will not proceed with the Proposed

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1 Fortis is a leading healthcare chain in India with other directly held businesses apart from the Clinical Establishment Business at the Fortis Hospital, Mohali. As such, the Business Acquisition has been structured as a business transfer to enable the Clinical Establishment Business to be carved out of the existing businesses of Fortis.

2 Comprising leasehold improvements (including improvements made to the civil structure of the Mohali Clinical Establishment), plant and machinery (including lifts, chillers, water treatment facilities, electrical and smoke detectors), medical equipment (primarily comprising echocardiography machines) and other assets (including furniture, televisions, computers and beds).

Transactions. For the avoidance of doubt, EHSSHL will **not** execute the Sale Deed if Unitholders do not approve any of the resolutions. If Unitholders approve the Interested Person Transactions, EHSSHL intends to complete the Proposed Transactions simultaneously.

Summary of Approvals Sought

The Trustee-Manager is seeking the approval of Unitholders for the following resolutions:

(1) **Resolution 1**: The proposed acquisition of the Clinical Establishment Business at the Mohali Clinical Establishment from an interested person;

(2) **Resolution 2**: The proposed acquisition of the Plant and Machinery at the Mohali Clinical Establishment from an interested person; and

(3) **Resolution 3**: The proposed Hospital and Medical Services Agreement with an interested person in respect of the provision of Clinical Establishment Services at the Mohali Clinical Establishment,

(together, the "**Interested Person Transactions**").

Overview of the Proposed Transactions

In furtherance of the Trustee-Manager's acquisition growth strategy, RHT wishes to acquire the Mohali Clinical Establishment. The acquisition is subject to the approval by Unitholders of the Interested Person Transactions which will have to be entered into in connection with the Clinical Establishment Acquisition (the Clinical Establishment Acquisition together with the Interested Person Transactions, the "**Proposed Transactions**").

Description of the Mohali Clinical Establishment

The Fortis Hospital, Mohali is operated at the Mohali Clinical Establishment as a multi-specialty hospital, and is located in Sector 62 of Mohali, a city close to Chandigarh in northwest India. It 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 June 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 currently has an Installed Bed Capacity of 355 beds.

Hospital and Medical Services Agreement

Under the Hospital and Medical Services Agreement proposed to be entered into between EHSSHL and Fortis, EHSSHL will provide, *inter alia,* the following healthcare, medical and related services (collectively, the "**Clinical Establishment Services**"):

(a) OPD Services to the patients at the Fortis Hospital, Mohali, for and on behalf of Fortis;

(b) Radio Diagnostic Services to the patients at the Fortis Hospital, Mohali, for and on behalf of Fortis;

(c) maintain and operate the Mohali Clinical Establishment to allow Fortis to run the Fortis Hospital, Mohali for providing healthcare services to patients; and

(d) establish, set-up and provide Ancillary Services (as defined herein).

Fortis will pay EHSSHL a service fee for the Clinical Establishment Services provided by EHSSHL, comprising:

(a) a fixed fee (the "**Base Service Fee**") for the provision of the Clinical Establishment Services, payable quarterly;

(b) a variable fee, payable quarterly and calculated based on 7.5% of the Operating Income of Fortis for each quarter (the "**Variable Service Fee**"); and

(c) a non-recurring Base Service Fee[1] of ₹36.3 million (S$0.8 million) for the first year from the effective date of the Hospital and Medical Services Agreement ("**HMSA Effective Date**") and ₹24.5 million (S$0.5 million) for the second year from the HMSA Effective Date to cater for the stabilisation required[2] for the new oncology block,

(collectively, the "**Service Fee**").

Rationale

(a) Rationale for the Proposed Transactions

The Trustee-Manager believes that the Proposed Transactions will bring the following key benefits to Unitholders:

(i) Opportunity for RHT to acquire an accredited asset in India

The Proposed Transactions represent an opportunity for RHT to acquire a clinical establishment that is accredited to international standards in India and which is already operated by a leading hospital operator. The Trustee-Manager also believes that the Mohali Clinical Establishment is well positioned to cater to the middle to upper income segment of the healthcare market in the Chandigarh Capital Region, Punjab, as well as medical tourists.

(ii) Economies of scale and strengthening of RHT's presence in the northern region of India

The Mohali Clinical Establishment is located in the well-connected and growing state of Punjab where RHT already has a clinical establishment at Amritsar and a greenfield site in Ludhiana. The Proposed Transactions are expected to provide RHT with economies of scale in the state of Punjab.

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1 The annualised Base Service Fee for the Mohali Clinical Establishment from the HMSA Effective Date is ₹147.81 million (S$3.1 million) for FY2015.

2 The time frame for the oncology block to stabilise and contribute meaningfully to the revenue of the Fortis Hospital, Mohali, is expected to be three years. Accordingly, the Trustee-Manager had negotiated with Fortis for a fixed non-recurring stabilisation fee for the oncology block component to cater for the stabilisation required.

The Mohali Clinical Establishment is also well connected to major locations in the city via road networks, and is approximately five kilometres from the Mohali railway station and 10 kilometres from the Chandigarh airport, one of the major airports in the northern region of India.

(iii) Yield accretion for Unitholders

The Trustee-Manager will endeavour to ensure that the Proposed Transactions, which would add an additional 355 beds to the Installed Bed Capacity of RHT's portfolio, would be DPU accretive for Unitholders. Assuming the Proposed Transactions were completed on 19 October 2012, the date of listing of RHT on the SGX-ST ("**Listing Date**"), the pro forma DPU of RHT for the period from the Listing Date to 31 March 2013 would have increased from 3.55 cents to 3.73 cents per Common Unit.

(iv) Stable revenues and predictable cash flows

The Proposed Transactions are in line with the Trustee-Manager's strategy of pursuing opportunities for healthcare asset acquisitions that will provide stable cash flows and opportunities for future income and growth. The Mohali Clinical Establishment was the first hospital set up by Fortis in 2001 and has the second highest operating revenues in Fortis' portfolio based on actual revenues for the nine month period ended 31 December 2013. Accordingly, in respect of the Mohali Clinical Establishment, the Trustee-Manager believes that there is more certainty in the predictability of cash flows. In addition, the new oncology block at the Mohali Clinical Establishment (which increased the Installed Bed Capacity of the Mohali Clinical Establishment by 55 beds) was completed in September 2013.

(b) Rationale for the Interested Person Transactions

The Trustee-Manager believes that the Interested Person Transactions are beneficial to RHT as they would allow RHT to acquire a yield-accretive asset with a leading operator in Fortis already in place, as well as provide stable revenue with predictable cash flows. In reaching its views as set out above, the Trustee-Manager has considered the following:

(i) Fortis is a leading healthcare chain in India with an established operating track record

Fortis is a leading integrated healthcare delivery service provider in India. The healthcare verticals of Fortis primarily comprise hospitals, diagnostics and day care speciality facilities. Fortis currently operates its healthcare delivery services in India, Singapore, Dubai, Mauritius and Sri Lanka with 66 healthcare facilities (including projects under development), a Potential Bed Capacity of over 10,000 beds and over 260 diagnostic centres.

Fortis has received accreditations and certifications for certain of its hospitals from the Joint Commission International ("**JCI**")[1] based in the United States of America, National Accreditation Board for Hospitals and Healthcare Providers ("**NABH**")[2] in India, National Accreditation Board for Testing and Calibration Laboratories ("**NABL**")[3] in India and the International Organisation for Standardisation ("**ISO**") Standards 9001 and 14001.

(ii) Fortis' proven capability to generate strong revenue growth

Revenue from Fortis' healthcare business grew at a rate of 52.7% from FY2008 to FY2012, driven by successful acquisitions, improved utilisation rates, improving occupancy, decreasing average length of stay for in-patient care and its continued focus on high-end healthcare services and specialisation mix.

(iii) Fortis' record of managing RHT's Existing Portfolio

Fortis has a track record of managing and operating the Existing Portfolio, and the Trustee-Manager believes that a continued relationship with Fortis in respect of RHT's operations in India will be beneficial to RHT and its Unitholders.

(iv) Continuity in operations of the Fortis Hospital, Mohali

The Fortis Hospital, Mohali is Fortis' first hospital and it has managed and operated the hospital since June 2001. The management and operation of the Fortis Hospital, Mohali by Fortis will ensure operational continuity and stability.

Estimated Costs of the Proposed Transactions

The total costs to be incurred in respect of the Proposed Transactions are currently estimated to be S$70.7 million, comprising the following:

(a) the consideration payable under the Sale Deed to the Vendor (in respect of the Property at the Mohali Clinical Establishment) of ₹2,700.0 million (S$56.8 million) ("**Sale Deed Consideration**");

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1 JCI is the international arm of The Joint Commission (US), which has a presence in more than 90 countries today. The Joint Commission and JCI are both non-governmental, not-for-profit United States corporations. In September 2011, JCI received re-accreditation from the International Society for Quality in Health Care ("**ISQua**"). Accreditation by ISQua provides assurance that the standards, training and processes used by JCI to survey the performance of health care organisations meet the highest international benchmarks for accreditation bodies. JCI offers the international community standards-based, objective processes for evaluating health care organisations. The goal of the program is to stimulate continuous, sustained improvement in health care organisations by applying international consensus standards, International Patient Safety Goals, and data measurement support. (Source: JCI)

2 NABH is a constituent board of Quality Council of India, set up to establish and operate accreditation programmes for healthcare organisations. NABH is an institutional member and board member of ISQua. Accreditation by NABH is public recognition of the achievement of accreditation standards by a healthcare organisation, demonstrated through an independent external peer assessment of that organisation's level of performance in relation to the standards. (Source: NABH)

3 NABL is an autonomous body under the aegis of the Department of Science & Technology, Government of India, and is registered under the Societies Act of India 1860. NABL has been established with the objective to provide the government, industry associations and the industry in India in general with a scheme for third-party assessment of the quality and technical competence of testing and calibration laboratories. The Government of India has authorised NABL as the accreditation body for Testing and Calibration Laboratories. NABL accreditation is formal recognition of competent laboratories, providing a ready means for customers to find reliable testing and calibration services in order to meet their demands, and enhances customer confidence in accepting testing and calibration reports issued by accredited laboratories. (Source: NABL)

(b) the consideration payable under the Business Transfer Agreement to Fortis (in respect of the Clinical Establishment Business) of ₹38.8 million (S$0.8 million) ("**Business Transfer Agreement Consideration**"), subject to adjustment in accordance with the terms and conditions set out therein (see Paragraph 2.4 of the Letter to Unitholders for further details);

(c) the consideration payable under the Asset Transfer Deed to Fortis (in respect of the Plant and Machinery) of ₹111.5 million (S$2.3 million) ("**Asset Transfer Deed Consideration**"), subject to adjustment in accordance with the terms and conditions set out therein (see Paragraph 2.5 of the Letter to Unitholders for further details);

(d) the acquisition fee payable to the Trustee-Manager pursuant to the Trust Deed (the "**Acquisition Fee**"), amounting to approximately S$0.6 million (being the aggregate of 1.0% of the Sale Deed Consideration and 0.5% of the Business Transfer Agreement Consideration and Asset Transfer Deed Consideration)[1], to be paid in Common Units[2] ; and

(e) estimated costs (professional fees and diligence costs (S$0.4 million), upfront debt financing costs (S$3.9 million) and stamp duties and other taxes (S$5.9 million)) totalling approximately S$10.2 million,

(together, the "**Total Transaction Cost**").

Method of Financing

Approximately S$70.1 million of the Total Transaction Cost will be payable in cash, of which the Trustee-Manager intends to fund S$65.0 million by debt financing. It is intended that DBS Bank Ltd and Deutsche Bank AG, Singapore Branch will provide loan facilities to FGHIPL. The Trustee-Manager will use RHT's available cash balances to fund the remainder of the Total Transaction Cost payable in cash.

The estimated upfront financing cost in relation to the proposed financing is approximately S$3.9 million.

(See Paragraph 5 of the Letter to Unitholders for further details.)

Interested Person Transactions

As at 3 April 2014, being the latest practicable date prior to the printing of this Circular (the "**Latest Practicable Date**"), Fortis Healthcare International Limited ("**FHIL**"), a wholly-owned subsidiary of Fortis, holds 220,676,944 Units, which is equivalent to approximately 27.9% of the total number of units in issue in RHT ("**Units**"). Fortis is deemed to be interested in these Units held by FHIL. Fortis is therefore regarded as a "controlling unitholder" and an "interested person" of RHT under the Listing Manual. The transactions contemplated under each of the Business Transfer

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1 Under RHT's Trust Deed, where the Fortis Group or the Religare Group has an interest (whether direct or indirect) of more than 50.0% in any investments acquired directly or indirectly by RHT, 0.5% of the acquisition price of the investment will be payable to the Trustee-Manager as acquisition fees. In all other cases, 1.0% of the acquisition price of any investment acquired directly or directly by RHT will be payable to the Trustee-Manager as acquisition fees. The Acquisition Fee of approximately S$0.6 million comprises S$15,500 (0.5% of the Business Transfer Agreement Consideration of S$0.8 million and the Asset Transfer Deed Consideration of S$2.3 million) and S$568,000 (1% of the Sale Deed Consideration of S$56.8 million).

2 The actual issue price of the Units to be issued to the Trustee-Manager will be at the relevant market price, being the volume weighted average price for a Unit for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the period of 10 business days immediately preceding the relevant business day. "Business day" for this purpose means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are generally open for business in Singapore and the SGX-ST is open for trading.

Agreement, Asset Transfer Deed and Hospital and Medical Services Agreement to be entered into between EHSSHL and Fortis will constitute "interested person transactions" under Chapter 9 of the Listing Manual.

The aggregate of the Business Transfer Agreement Consideration and the Asset Transfer Deed Consideration to be paid under the Business Transfer Agreement and the Asset Transfer Deed respectively, and the Base Service Fees[1] to be received under the Hospital and Medical Services Agreement ("**Aggregate Interested Person Transactions Amount**"), is approximately 8.5% of the RHT Group's latest audited net tangible assets. Accordingly, the approval of Unitholders is required.

(See Paragraph 2 of the Letter to Unitholders for further details.)

Relative Figures Computed Based on Rule 1006 Bases

The Trustee-Manager is of the view that the Clinical Establishment Acquisition, the Business Acquisition and the P&M Acquisition are in the ordinary course of RHT's business as these are within the investment mandate of RHT and do not change the risk profile of RHT. Nonetheless, the Trustee-Manager has computed the relative figures on the bases set out in Rule 1006 of the Listing Manual for information.

(See Paragraph 2.9 of the Letter to Unitholders for further details)

1 The Variable Service Fee is a variable fee payable quarterly and calculated based on 7.5% of the Operating Income of Fortis for each quarter. It has not been taken into account in this calculation as it varies from period to period and will depend on the Operating Income at the Fortis Hospital, Mohali.

INDICATIVE TIMETABLE

Event	Date and Time
Determination of entitlement to attend, speak and vote at the Extraordinary General Meeting/Last date and time for lodgment of Proxy Forms	26 April 2014, at 10.00 a.m.
Date and time of the EGM	28 April 2014, at 10.00 a.m.
If approval for the Interested Person Transactions is obtained at the EGM:	
Completion date for the Proposed Transactions	30 April 2014, or such other date as may be agreed between EHSSHL and the Vendor or Fortis (as the case may be)

The timetable for the events scheduled to take place after the extraordinary general meeting (the "**EGM**") is indicative only and is subject to change at the Trustee-Manager's absolute discretion. Any changes to the timetable above (including any determination of the relevant dates) will be announced.

LETTER TO UNITHOLDERS

RELIGARE HEALTH TRUST TRUSTEE MANAGER PTE. LTD.

(as trustee-manager of Religare Health Trust)

Directors of the Trustee-Manager

Mr Ravi Mehrotra (Executive Chairman)

Mr Gurpreet Singh Dhillon
(Executive Director and Chief Executive Officer)

Mr Pawanpreet Singh
(Executive Director and Chief Financial Officer)

Dr Yogendra Nath Mathur (Lead Independent Director)

Mr Sydney Michael Hwang (Independent Director)

Mr Peter Joseph Seymour Rowe (Independent Director)

Mr Eng Meng Leong (Independent Director)

Registered Office

9 Battery Road
#15-01 Straits Trading Building
Singapore 049910

10 April 2014

To: Unitholders of Religare Health Trust

Dear Sir/Madam

1. SUMMARY OF APPROVALS SOUGHT

The Trustee-Manager is convening the EGM to seek the approval of the Unitholders for the following resolutions:

(1) **Resolution 1**: The proposed acquisition of the Clinical Establishment Business at the Mohali Clinical Establishment from an interested person;

(2) **Resolution 2**: The proposed acquisition of the Plant and Machinery at the Mohali Clinical Establishment from an interested person; and

(3) **Resolution 3**: The proposed Hospital and Medical Services Agreement with an interested person in respect of the provision of Clinical Establishment Services at the Mohali Clinical Establishment.

Unitholders should note that the execution of the Sale Deed, the Business Transfer Agreement, the Asset Transfer Deed and the Hospital and Medical Services Agreement are conditional upon, *inter alia*, Unitholders' approval of the resolutions. For the avoidance of doubt, EHSSHL will not execute the Sale Deed if Unitholders do not approve any of the resolutions. In the event Unitholders do not approve any of the resolutions, the EHSSHL will not proceed with the Proposed Transactions.

2. THE PROPOSED TRANSACTIONS

2.1 Overview of the Proposed Transactions

EHSSHL, a wholly-owned subsidiary of RHT, had on 2 February 2014 agreed with the Vendor on the form of the Sale Deed to be executed for the purchase by EHSSHL of the Property. The Vendor has undertaken to execute the Sale Deed on such date as EHSSHL may at its own sole discretion determine, after (i) the approval of Unitholders of RHT of the Interested Person Transactions and (ii) prior to the expiry of 210 days from 2 February 2014.

In conjunction with the Clinical Establishment Acquisition, EHSSHL proposes to enter into:

(a) the Business Transfer Agreement with Fortis for the purchase of its Clinical Establishment Business at the Mohali Clinical Establishment;

(b) the Asset Transfer Deed with Fortis for the purchase of the Plant and Machinery at the Mohali Clinical Establishment; and

(c) the Hospital and Medical Services Agreement with Fortis in respect of the provision of Clinical Establishment Services at the Mohali Clinical Establishment.

As the Vendor, which is a registered society in India under the Societies Registration Act of India, 1860, is not an "interested person" within the meaning set out in Chapter 9 of the Listing Manual, the Clinical Establishment Acquisition is not an interested person transaction under Chapter 9 of the Listing Manual. Please refer the announcement made by the Trustee-Manager on SGXNET on 7 February 2014 in response to the SGX-ST's queries on an article in The Business Times dated 7 February 2014, as set out in **Appendix G** of this Circular.

However, the execution of the Sale Deed is conditional upon Unitholders' approval of the Interested Person Transactions.

2.2 Information on the Fortis Hospital, Mohali operated at the Mohali Clinical Establishment

The Fortis Hospital, Mohali is operated at the Mohali Clinical Establishment as a multi-specialty hospital, and is located in Sector 62 of Mohali, a city close to Chandigarh in northwest India. It also provides emergency trauma care services, and serves as a "hub" for a number of smaller, secondary hospitals in the surrounding areas. The Fortis Hospital, Mohali includes a superspecialty cardiac center equipped to provide advanced cardiac treatments for all forms of heart disease, a cancer institute, a general multi-specialty hospital, and the Fortis Inn rehabilitation center designed to provide "step-down" care to patients based outside the Mohali area to help them fully recover from surgery, as well as accommodation for visitors, including attendants and patients' relatives.

The hospital commenced operations in June 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 currently has an Installed Bed Capacity of 355 beds.

The Fortis Hospital, Mohali is accredited by JCI and NABH. The pathology laboratory at the Fortis Hospital, Mohali being operated by SRL Limited is accredited by NABL.

The construction of a specialist oncology block was completed in September 2013 at a cost of ₹284.4 million (S$6.0 million), all of which was or will be borne by the Vendor.

Address	Sector 62, Phase VIII, SAS Nagar, Mohali 160 062
Nature of Interest	Freehold
Hospital Services Company	Escorts Heart and Super Specialty Hospital Limited
Interest of RHT in Hospital Services Company	100.0%
Fortis Operating Company	Fortis Healthcare Limited
Name of Fortis Hospital	Fortis Hospital, Mohali
Commencement of Operations	June 2001
Care Type	Tertiary
Approximate Land Size (sq ft)	358,164
Approximate Built-up Area (sq ft)	434,172
Operational Beds as at 30 September 2013	298
Installed Bed Capacity as at 30 September 2013	355
Operating Theatres as at 30 September 2013	8
Certifications and Accreditations	• NABH • NABL • JCI
Appraised Value by the Independent Clinical Establishment Valuer (C&W) as at 19 December 2013	₹2,758 million (S$58.0 million)
Appraised Value by the Independent Clinical Establishment Enterprise Valuer (DTZ) as at 31 December 2013	₹2,902 million (S$61.0 million)

2.3 Sale Deed

Under the Sale Deed, EHSSHL will purchase the Property from the Vendor at a consideration of ₹2,700.0 million (S$56.8 million) and otherwise on the terms and conditions set out in the Sale Deed.

The consideration was negotiated between EHSSHL and the Vendor and arrived at after taking into account, amongst other things, the Independent Clinical Establishment Valuation set out in **Part 1 of Appendix E** of this Circular. The valuation was commissioned by the Trustee-Manager and the valuation by C&W, the Independent Clinical Establishment Valuer, as at the valuation date of 19 December 2013 was ₹2,758 million (S$58.0 million) and was based on the sales comparison and depreciated replacement cost methods.[1]

Payment of the consideration will be made in full to the Vendor on the execution of the Sale Deed.

Certain key terms and conditions of the Sale Deed are set out in **Appendix A** to this Circular. You are advised to read this Paragraph 2.3 together with **Part 1 of Appendix A** to this Circular carefully and in its entirety.

2.4 Business Transfer Agreement

Under the Business Transfer Agreement, it is proposed that Fortis transfers its Clinical Establishment Business at the Mohali Clinical Establishment to EHSSHL on an "*as is where is basis*" at a consideration of ₹38.8 million (S$0.8 million) and otherwise on the terms and conditions set out Business Transfer Agreement.

The Business Transfer Agreement Consideration is subject to adjustment in the event the net balance of the current assets less current liabilities in the final closing accounts for the Clinical Establishment Business exceeds or is less than (respectively) that as at 30 September 2013 by at least 15%. However, no (i) upward adjustment may exceed ₹10 million (S$0.2 million), and (ii) downward adjustment may exceed ₹10 million (S$0.2 million) ("**Adjusted BTA Consideration**"). The Adjusted BTA Consideration shall be paid to Fortis within seven Business Days from the date on which Fortis provides the final closing accounts to EHSSHL as on the Transfer Date.

The consideration was negotiated between EHSSHL and Fortis on an arm's length basis and arrived at after taking into account, amongst other things, the Independent Business Undertaking Valuation set out in **Part 3 of Appendix E** of this Circular. The valuation was commissioned by the Trustee-Manager and the valuation by KKM, the Independent Business Undertaking Valuer, as at the valuation date of 31 August 2013 was ₹57.1 million (S$1.2 million) and was based on the aggregate of the weighted average value of the net asset value (₹2.7 million), asset valuation (₹3.0 million) and discounted cash flow (₹51.4 million) methods.[2]

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1 Sales comparison approach – C&W identified three land comparables which are used for a hospital, school and nursing home. As these are not direct comparables, adjustments were made in respect of location, size, accessibility and frontage, distance from the city centre and negotiation. The respective premium/discount as a result of such adjustments were applied to their prices to arrive at the effective price of the land value of the Property.

Depreciated replacement costs method – C&W also considered the present value of the replacement cost of the existing building (including but not limited to civil structure, interior works, electrical, chillers, plumbing works, fire detection and security systems, elevators). The depreciation of around 27% was arrived at considering the useful life and age of the building.

2 Net asset value approach – KKM has considered the book value of the Clinical Establishment Business, including the total assets and deducting debt, dues, borrowings and liabilities, including contingent liabilities, if any.

Asset valuation method – KKM has estimated the cost of replacing the assets, which takes into consideration the market value of various assets or the expenditure required for such infrastructure. The estimated replacement cost is then depreciated according to the age of such assets.

Discounted cash flow method – a range of assumptions was considered by KKM, including the weighted average cost of capital (13.64%), revenue growth and terminal capitalisation rate (4.0%). A five year cashflow was projected together with a terminal value which refers to the present value of the Clinical Establishment Business as a going concern beyond the period of projections (with no finite timeline) taking into consideration sustainable capital investment required for the Clinical Establishment Business.

Certain key terms and conditions of the Business Transfer Agreement are set out in **Appendix A** to this Circular. You are advised to read this Paragraph 2.4 together with **Part 2 of Appendix A** to this Circular carefully and in its entirety.

2.5 Asset Transfer Deed

Under the Asset Transfer Deed, it is proposed that Fortis transfer the Plant and Machinery at the Mohali Clinical Establishment to EHSSHL on an "*as is where is basis*" at a consideration of ₹111.5 million (S$2.3 million) and otherwise on the terms and conditions set out in the Asset Transfer Deed. The Asset Transfer Deed Consideration will be paid on the execution of the Asset Transfer Deed.

The Asset Transfer Deed Consideration is subject to adjustment based on an updated valuation of the Plant & Machinery as at the date of the Asset Transfer Deed, to be prepared by an independent valuer within 20 days of the execution of the Asset Transfer Deed. Any additional consideration shall be paid to Fortis based on the updated valuation within 30 days of the execution of the Asset Transfer Deed. However, the additional consideration payable shall not exceed ₹10 million (S$0.2 million).

The consideration was negotiated between EHSSHL and Fortis on an arm's length basis and arrived at after taking into account, amongst other things, the Independent P&M Valuation set out in **Part 4 of Appendix E** of this Circular. The valuation was commissioned by the Trustee-Manager and the valuation by Sapient, the Independent P&M Valuer as at the valuation date of 31 August 2013 was ₹111.5 million (S$2.3 million) and was based on the depreciated replacement cost method.[1] The weighted average age and depreciation periods for the Plant and Machinery are as follows:

Category of Plant and Machinery	**Weighted average depreciation (years)**	**Weighted average age of asset (years)(5)**
Leasehold Improvements(1)	7	9
Plant and Machinery(2)	11	11
Medical Equipment(3)	3	8
Other Assets(4)	10	9

Notes:

(1) Includes improvements made to the civil structure of the Mohali Clinical Establishment.

(2) Includes lifts, chillers, water treatment facilities, electrical and smoke detectors.

(3) Primarily comprises echocardiography machines.

(4) Includes furniture, televisions, computers and beds.

(5) No fair value is attributable to assets which have been fully depreciated.

Certain key terms and conditions of the Asset Transfer Deed are set out in **Appendix A** to this Circular. You are advised to read this Paragraph 2.5 together with **Part 3 of Appendix A** to this Circular carefully and in its entirety.

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1 Sapient has estimated the expected costs of replacing existing assets to be transferred from Fortis with similar or equivalent new assets as at the date of the Independent P&M Valuation. This cost is depreciated according to the economic life and age of the assets.

2.6 Hospital and Medical Services Agreement

Under the Hospital and Medical Services Agreement proposed to be entered into between EHSSHL and Fortis, EHSSHL will provide, *inter alia,* the following healthcare and medical and related services (collectively, the "**Clinical Establishment Services**"):

(a) OPD Services to the patients at the Fortis Hospital, Mohali, for and on behalf of Fortis;

(b) Radio Diagnostic Services to the patients at the Fortis Hospital, Mohali, for and on behalf of Fortis;

(c) maintain and operate the Mohali Clinical Establishment to allow Fortis to run the Fortis Hospital, Mohali for providing healthcare services to patients; and

(d) establish, set-up and provide Ancillary Services (as defined herein).

Fortis will pay EHSSHL a service fee for the Clinical Establishment Services provided by EHSSHL, comprising:

- a fixed fee (the "**Base Service Fee**") for the provision of the Clinical Establishment Services, payable quarterly. On and from 1 April 2015, the Base Service Fee shall be increased by 3.0% (over the immediately preceding quarter's Base Service Fee) at the beginning of each Financial Year. In addition, the Base Service Fee shall be revised upwards as mutually agreed by the parties in writing, for any capital expenditure, for any upgrade or expansion of the Mohali Clinical Establishment/Clinical Establishment Services incurred by EHSSHL or the parties mutually agreeing to increase the Retained TRF Amount (as defined below) from time to time;

- a variable fee, payable quarterly and calculated based on 7.5% of the Operating Income of Fortis for each quarter (the "**Variable Service Fee**"); and

- a non-recurring Base Service Fee of ₹36.3 million (S$0.8 million) for the first year from the effective date of the Hospital and Medical Services Agreement ("**HMSA Effective Date**") and ₹24.5 million (S$0.5 million) for the second year from the HMSA Effective Date to cater for the stabilisation required[1] for the new oncology block[2],

(collectively, the "**Service Fee**").

"**Operating Income**" is defined as the aggregate of all revenues billed by Fortis and derived at the Mohali Clinical Establishment from the provision of the healthcare services, net of all discounts, deductions, adjustments and waivers. These shall include without limitation, income from the room charges, operation theatre charges, procedure charges, drugs and consumables, medical and diagnostic services, but shall exclude service tax, sales tax or other government levies. However, it shall exclude other incomes such as

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1 The time frame for the oncology block to stabilise and contribute meaningfully to revenue of Fortis Hospital, Mohali is expected to be three years. Accordingly, the Trustee-Manager had negotiated with Fortis for a fixed non-recurring stabilisation fee for the oncology block component to cater for the stabilisation required.

2 Assuming the Proposed Transactions were completed on the Listing Date, the pro forma DPU of RHT for the period from the Listing Date to 31 March 2013 would have increased from 3.55 cents to 3.73 cents per Common Unit (which, for the avoidance of doubt, excludes Sponsor Units). The non-recurring Base Service Fee represents 1.6% of the aforementioned 3.73 cents pro forma DPU of RHT. Excluding the non-recurring Base Service Fee, the pro forma DPU would have increased to 3.67 cents per Common Unit.

interest, profit on the sale of investments and assets and other such revenues or incomes which are not derived from the provision of healthcare services at the Mohali Clinical Establishment.

The amount of the Base Service Fee for the Mohali Clinical Establishment from the HMSA Effective Date is as follows:

Period	Base Service Fee (₹million)
FY2015 (annualised)	147.81 (S$3.1 million)

The terms of the Hospital and Medical Services Agreement were negotiated between EHSSHL and Fortis on an arm's length basis after taking into account, amongst other things, (i) the Independent Clinical Establishment Enterprise Valuation set out in **Part 2 of Appendix E** of this Circular, and (ii) the marketable yield of the Mohali Clinical Establishment compared to the clinical establishments in the RHT's Existing Portfolio. The valuation was commissioned by the Trustee-Manager. The valuation by DTZ, the Independent Clinical Establishment Enterprise Valuer, as at the valuation date of 31 December 2013 was ₹2,902 million (S$61.0 million) and was based on the discounted cash flow method[1] taking into consideration the terms of the proposed Hospital and Medical Services Agreement.

The key terms and conditions of the Hospital and Medical Services Agreement (save as described above in relation to Service Fees) are similar to the terms of the hospital and medical services agreements entered into in respect of RHT's clinical establishments in the Existing Portfolio.

Certain key terms and conditions of the Hospital and Medical Services Agreement are set out in **Appendix A** to this Circular. You are advised to read this Paragraph 2.6 together with **Part 4 of Appendix A** to this Circular carefully and in its entirety.

2.7 Estimated Costs of the Proposed Transactions

The total costs to be incurred in respect of the Proposed Transactions are currently estimated to be S$70.7 million, comprising the following:

(a) the Sale Deed Consideration of ₹2,700.0 million (S$56.8 million) payable to RSSB pursuant to the Sale Deed in respect of the Property at the Mohali Clinical Establishment;

(b) the Business Transfer Agreement Consideration of ₹38.8 million (S$0.8 million) payable to Fortis pursuant to the Business Transfer Agreement in respect of the Clinical Establishment Business, subject to adjustment in accordance with the terms and conditions set out in the Business Transfer Agreement (see Paragraph 2.4 above);

(c) the Asset Transfer Deed Consideration of ₹111.5 million (S$2.3 million) payable to Fortis pursuant to the Asset Transfer Deed in respect of the Plant and Machinery, subject to adjustment in accordance with the terms and conditions set out in the Asset Transfer Deed (see Paragraph 2.5 above);

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1 A range of assumptions was considered by DTZ including the weighted average cost of capital (13.25%), variable fee growth and terminal capitalisation rate (11.0%). The discounted cash flow was projected assuming an investment horizon of ten years and assuming that the Mohali Clinical Establishment is disposed of at the end of ten years.

(d) the Acquisition Fee amounting to approximately S$0.6 million (being the sum of 1.0% of the Sale Deed Consideration and 0.5% of the Business Transfer Agreement Consideration and Asset Transfer Deed Consideration)[1] payable to the Trustee-Manager pursuant to the Trust Deed, such Acquisition Fee to be paid in Common Units ("**Acquisition Fee Units**"). The Acquisition Fee Units will be paid to the Trustee-Manager upon completion of the Proposed Transactions; and

(e) estimated costs (professional fees and diligence costs (S$0.4 million), upfront debt financing costs (S$3.9 million) and stamp duties and other taxes (S$5.9 million)) totalling approximately S$10.2 million, which will be borne by RHT.

2.8 Relative Figures under Chapter 9 of the Listing Manual

Under Chapter 9 of the Listing Manual, an immediate announcement and Unitholders' approval is required in respect of a transaction between an entity at risk in the RHT Group and RHT's interested persons if the value of that transaction exceeds 5.0% of the latest audited consolidated net tangible assets ("**NTA**") of RHT.

As at the date of this Announcement, Fortis Healthcare International Limited ("**FHIL**"), a wholly-owned subsidiary of Fortis, holds 220,676,944 Units, which is equivalent to approximately 27.9% of the total number of units in issue in RHT ("**Units**"). Fortis is deemed to be interested in these Units held by FHIL. Fortis is therefore regarded as a "controlling unitholder" and an "interested person" of RHT under the Listing Manual. The transactions contemplated under the Business Transfer Agreement, the Asset Transfer Deed and the Hospital and Medical Services Agreement will constitute "interested person transactions" under Chapter 9 of the Listing Manual.

The aggregate of the Business Transfer Agreement Consideration, the Asset Transfer Deed Consideration and the Base Service Fees[2] to be received under the Hospital and Medical Services Agreement ("**Aggregate Interested Person Transactions Amount**"), is more than 5.0% of the RHT Group's latest audited NTA.

For illustration purposes, based on the latest audited financial information of the RHT Group for FY2013, the audited consolidated NTA of the Group was S$714.5 million. Accordingly, in relation to the RHT Group, for the purposes of Rule 906(1)(a) of the Listing Manual, if the value of a transaction which is proposed to be entered into in the current Financial Year by RHT with an interested person is of a value equal to, or more than S$35.7 million, being 5.0% of the latest audited NTA of the RHT Group, Unitholders' approval will be required.

The Aggregate Interested Person Transactions Amount expressed as a percentage of the RHT Group's latest consolidated audited NTA as at 31 March 2013 is approximately 8.7%. Accordingly, the Interested Person Transactions are subject to the approval of Unitholders of RHT.

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1 Under RHT's Trust Deed, where the Fortis Group or the Religare Group has an interest (whether direct or indirect) of more than 50.0% in any investments acquired directly or indirectly by RHT, 0.5% of the acquisition price of the investment will be payable to the Trustee-Manager as acquisition fees. In all other cases, 1.0% of the acquisition price of any investment acquired directly or directly by RHT will be payable to the Trustee-Manager as acquisition fees.

2 The Variable Service Fees under the Hospital and Medical Services Agreement have not been taken into account in this calculation as these vary from period to period and will depend on the Operating Income at the Fortis Hospital, Mohali.

2.9 Relative figures in relation to the Clinical Establishment Acquisition, the Business Acquisition and the P&M Acquisition computed on the bases set out in Rule 1006

2.9.1 The Trustee-Manager is of the view that the Clinical Establishment Acquisition, the Business Acquisition and the P&M Acquisition are in the ordinary course of RHT's business as the clinical establishment being acquired is within the investment mandate of RHT and does not change the risk profile of RHT. Nonetheless, the Trustee-Manager has computed the relative figures on the bases set out in Rule 1006 of the Listing Manual.

2.9.2 The relative figures computed on the following bases set out in Rules 1006(b) and 1006(c) of the Listing Manual are as follows:

(a) the net profits attributable to the assets acquired, compared with RHT's net profits; and

(b) the aggregate value of the consideration given, compared with RHT's market capitalisation.

The relative figure of the number of Common Units issued by RHT as consideration for an acquisition compared with the total number of Units (comprising Common Units and Sponsor Units) previously in issue does not apply in relation to the Clinical Establishment Acquisition, the Business Acquisition and the P&M Acquisition as no Units will be issued as consideration for the Clinical Establishment Acquisition, the Business Acquisition and the P&M Acquisition.

The relative figure for the Clinical Establishment Acquisition, the Business Acquisition and the P&M Acquisition using the applicable bases of comparison described in sub-paragraph 2.9.2 above is set out in the table below:

Rule	Comparison of:	The Clinical Establishment Acquisition, the Business Acquisition and the P&M Acquisition	RHT	Relative figure (%)
1006(b)	The net loss attributable to the assets acquired or disposed of, compared with the group's net profit	(0.1)[(1)]	30.3[(2)]	(0.3)
1006(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation	59.9	684.2[(3)]	8.8

Note:

(1) For the purposes of calculating the net profit attributable to the Mohali Clinical Establishment for the nine months ended 31 December 2013, the Trustee-Manager has made certain assumptions about, *inter alia*, the revenue, charges, costs, expenses and taxes attributable to the Clinical Establishment Services. Net loss is attributable to the Mohali Clinical Establishment having taken into account finance expenses, fees payable to the Trustee-Manager and tax incidences expected to result from the Proposed Transactions. Notwithstanding the foregoing, had the Mohali Clinical Establishment been part of the RHT Group for the nine months ended 31 December 2013, the distributable income attributable to the Mohali Clinical Establishment would have been approximately S$0.9 million. Please see also sub-paragraph 3.1(c) below.

(2) Based on RHT's net profits for the nine months ended 31 December 2013.

(3) Based on RHT's market capitalisation as at the Latest Practicable Date.

2.10 Acquisition Fees Payable to the Trustee-Manager

The Trustee-Manager will be entitled under the Trust Deed to receive an Acquisition Fee of approximately S$0.6 million. The Acquisition Fee Units shall be paid to the Trustee-Manager upon the completion of the Proposed Transactions.

Assuming that the Acquisition Fee Units are issued at S$0.85[1] per Unit (purely for illustrative purposes only and based on the 10-day VWAP as at the Latest Practicable Date), approximately 705,882 Common Units will be issued to the Trustee-Manager, comprising 0.09% of the number of Units in issue at the Latest Practicable Date.

2.11 Directors' Service Contracts

No person is proposed to be appointed as a director of the Trustee-Manager in connection with the Proposed Transactions.

2.12 Certain other Considerations

2.12.1 Occupancy Certificate for the Mohali Clinical Establishment

An occupancy certificate is a certificate issued by local/municipal authorities, permitting the use and occupation of the built-up structure after verification by such authorities that it has been constructed and completed in compliance with the approved plans and other applicable laws. A full occupancy certificate has not been obtained for the Mohali Clinical Establishment. The local development authority may not allow EHSSHL to undertake operations from the portions of the Mohali Clinical Establishment in respect of which the occupancy certificate has not been obtained and this may affect the price at which the Mohali Clinical Establishment may be sold. As at the Latest Practicable Date, the full occupancy certificate for the ground floor and the rehabilitation block of the Hospital Building (the rehabilitation block constitutes approximately 4.5% of the gross floor area of the Property) has not been obtained.

In addition, the local development authority may have discretionary powers to impose penalties on EHSSHL for occupying such part of the Mohali Clinical Establishment without the necessary occupancy certificate.

Any discontinuation of operations at the Mohali Clinical Establishment may adversely affect the revenues of Fortis, and consequently, that of EHSSHL and RHT. In such an event, RHT's business, financial condition, results of operations, and/or prospects and its ability to make distributions to the Unitholders may be adversely affected.

The Trustee-Manager notes that the Fortis Hospital, Mohali (which is operated at the Mohali Clinical Establishment) commenced operations in June 2001. The Trustee-Manager believes that the risk is also mitigated by the Vendor providing EHSSHL an indemnity at all times to the full extent and hold harmless from and against any and all direct losses, liabilities, claims, damages, costs and expenses (including reasonable legal fees) actually incurred or suffered by EHSSHL on account of any action taken by authorities in respect of the construction of the property and on account of non-receipt of the full occupancy certificate for the ground floor and the rehabilitation block of the

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1 The actual issue price of the Units to be issued to the Trustee-Manager will be at the relevant market price, being the volume weighted average price for a Unit for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the period of 10 business days immediately preceding the relevant business day. "Business day" for this purpose means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are generally open for business in Singapore and the SGX-ST is open for trading.

Hospital Building. In addition, EHSSHL will commence the application process for the occupancy certificate for the ground floor and the rehabilitation block of the Hospital Building after the completion of the Clinical Establishment Acquisition.

2.12.2 Non-Convertible Bonds

FGHIPL intends to utilise the proposed loan facilities from DBS Bank Ltd and Deutsche Bank AG, Singapore Branch to FGHIPL (see Paragraph 5 below) to provide an inter-company shareholders' loan to Religare Healthtrust Services Pte. Ltd. ("**RHSPL**"), a newly incorporated and wholly-owned subsidiary of FGHIPL. RHSPL intends to utilise the proceeds from the inter-company loan to subscribe for interest-bearing non-convertible bonds ("**NCBs**") in EHSSHL. The subscription monies received by EHSSHL will be used to finance the Clinical Establishment Acquisition, the Business Acquisition and the P&M Acquisition. EHSSHL intends to record expenditure (including interest) paid on the NCBs as a deductible from income taxable.

Under the Indian Income Tax Act, 1961, no deduction is allowed on expenditure (including interest) which is not incurred for the purpose of a business or earning income, or is incurred for earning a tax exempt income, in computing the taxable income of EHSSHL. In addition, any expenditure (including interest) paid on the NCBs to a non-resident associated company that is in excess of an arm's length rate may not be allowed as tax deductible expenditure when computing the taxable income of EHSSHL.

The deduction of an arm's length interest from income taxable should be allowed in this instance as the monies from the NCBs are being used to finance the Clinical Establishment Acquisition, the Business Acquisition and the P&M Acquisition and hence regarded as expenditure incurred for the purpose of a business or earning income. In the event that any such deduction by EHSSHL is not allowed, tax would be levied at the prevailing tax rates on the amount of disallowance, together with interest on the tax payable, and penalties of up to three times the amount of tax due on the disallowed amount and this may result in a material adverse effect on the business, financial condition, results of operations, and/or prospects of RHT and the ability of RHT to make distributions to Unitholders.

3. RATIONALE

3.1 Rationale for the Proposed Transactions

The Trustee-Manager believes that the Clinical Establishment Acquisition will bring the following key benefits to Unitholders:

(a) Opportunity for RHT to acquire an accredited asset in India

The Proposed Transactions represent an opportunity for RHT to acquire a clinical establishment that is accredited to international standards in India and which is already operated by a leading hospital operator. The Trustee-Manager also believes that the Mohali Clinical Establishment is well positioned to cater to the middle to upper income segment of the healthcare market in the Chandigarh Capital Region, Punjab, as well as medical tourists.

(b) Economies of Scale and Strengthening of RHT's presence in the Northern region of India

The Mohali Clinical Establishment is located in the well-connected and growing state of Punjab where RHT already has a clinical establishment at Amritsar and a greenfield site in Ludhiana. The Proposed Transactions are expected to provide RHT with economies of scale in the state of Punjab.

The Mohali Clinical Establishment is also well connected to major locations in the city via road networks, and is approximately five kilometres from the Mohali railway station and 10 kilometres from the Chandigarh airport, one of the major airports in the northern region of India.

(c) Yield accretion for Unitholders

The Trustee-Manager will endeavour to ensure that the Proposed Transactions, which would add an additional 355 beds to the Installed Bed Capacity of RHT's portfolio, would be DPU accretive for Unitholders. Assuming the Proposed Transactions were completed on the Listing Date, the pro forma DPU of RHT for the period from the Listing Date to 31 March 2013 would have increased from 3.55 cents to 3.73 cents per Common Unit. Excluding the non-recurring Base Service Fee referred to in Paragraph 2.6 above, the pro forma DPU would have increased to 3.67 cents per Common Unit.

Had the Mohali Clinical Establishment been part of the RHT Group on the Listing Date, it would have generated a Net Service Fee of S$2.6 million for the period from the Listing Date to 31 March 2013 (see Paragraph 4.1 below for pro forma financial effects). The Trustee-Manager has chosen to finance the Clinical Establishment Acquisition, the Business Acquisition and the P&M Acquisition substantially by debt to achieve a good balance of equity and debt in RHT's capital structure. In preparing the pro forma financial effects of the Proposed Transactions, the entire interest expense of S$1.7 million has been attributed to the Mohali Clinical Establishment. If this interest expense had not been taken into consideration, there would have been a net profit attributable to the Mohali Clinical Establishment for the same period. The Trustee-Manager also notes that the newly constructed oncology block is a recent addition to the Mohali Clinical Establishment and is expected to provide organic growth for and stabilise within the next three years.

Please also see Paragraph 4.2 below for a profit forecast prepared by the Trustee-Manager in relation to the Mohali Clinical Establishment.

(d) Stable revenues and predictable cash flows

The Proposed Transactions are in line with the Trustee-Manager's strategy of pursuing opportunities for healthcare asset acquisitions that will provide stable cash flows and opportunities for future income and growth. The Mohali Clinical Establishment was the first hospital set up by Fortis in 2001 and has the second highest operating revenues in Fortis' portfolio based on actual revenues for the nine month period ended 31 December 2013. Accordingly, in respect of the Mohali Clinical Establishment, the Trustee-Manager believes that there is more certainty in the predictability of cash flows. In addition, the new oncology block at the Mohali Clinical Establishment (which increased the Installed Bed Capacity of the Mohali Clinical Establishment by 55 beds) was completed in September 2013.

3.2 Rationale for the Interested Person Transactions

The Trustee-Manager believes that the Interested Person Transactions are beneficial to RHT as they would allow RHT to acquire a yield-accretive asset with a leading operator in Fortis already in place as well as provide stable revenue with predictable cash flows. In reaching its views as set out above, the Trustee-Manager has considered the following:

(a) The Fortis Group is a leading healthcare chain in India with an established operating track record

The Fortis Group is a leading integrated healthcare delivery service provider in India. The healthcare verticals of the Fortis Group primarily comprise hospitals, diagnostics and day care speciality facilities. The Fortis Group currently operates its healthcare delivery services in India, Singapore, Dubai, Mauritius and Sri Lanka with 66 healthcare facilities (including projects under development), a Potential Bed Capacity of over 10,000 beds and over 260 diagnostic centres.

The Fortis Group has received accreditations and certifications for certain of its hospitals from JCI based in the United States of America, NABH and NABL in India and the International Organisation for Standardisation ("**ISO**") Standards 9001 and 14001.

(b) Fortis' proven capability to generate strong revenue growth

Revenue from the Fortis Group's healthcare business grew at a rate of 52.7% from FY2008 to FY2012, driven by successful acquisitions, improved utilisation rates, improving occupancy, decreasing average length of stay for in-patient care and its continued focus on high-end healthcare services and specialisation mix.

(c) Fortis' record of managing RHT's Existing Portfolio

The Fortis Group has a track record of managing and operating the Existing Portfolio, and the Trustee-Manager believes that a continued relationship with the Fortis Group in respect of RHT's operations in India will be beneficial to RHT and its Unitholders.

(d) Continuity in operations of the Fortis Hospital, Mohali

The Fortis Hospital, Mohali is Fortis' first hospital and it has managed and operated the hospital since June 2001. The management and operation of the Fortis Hospital, Mohali by Fortis will ensure operational continuity and stability.

4. DETAILS OF THE PROPOSED TRANSACTIONS

4.1 Pro Forma Financial Effects of the Proposed Transactions

The pro forma financial effects of the Proposed Transactions on the Net Service Fee and Hospital Income, EPU, DPU and NAV per Unit presented below are strictly for illustrative purposes. Certain assumptions, including but not limited to the following, have been taken into consideration:

(a) an indicative aggregate purchase consideration of ₹2,850.3 million with S$59.9 million being used as the Singapore dollar equivalent based on the INR/SGD exchange rate as at 31 March 2014;

(b) bank borrowings of approximately S$65.0 million are drawn down to finance the Proposed Transactions, with an upfront fee of 6.0% (S$3.9 million) on such bank borrowings being amortised over the term of the Hospital and Medical Services Agreement;

(c) the Acquisition Fee of approximately S$0.6 million payable to the Trustee-Manager is paid in the form of Common Units;

(d) 50.0% of the Trustee-Manager's Management Fees in respect of the Mohali Clinical Establishment is paid in the form of Common Units issued at a price of S$0.85[1] per Unit; and

(e) the Trustee-Manager has assumed that interest expenditure on the NCBs are allowed as tax deductible expenditures when computing the taxable income of EHSSHL.

4.1.1 Pro Forma Net Service Fee and Hospital Income, EPU and DPU of the Proposed Transactions

FY2013

The table below sets out the pro forma financial effects of the Proposed Transactions on the Net Service Fee and Hospital Income, EPU and DPU for FY2013, as if the Proposed Transactions were completed on the Listing Date.

In addition to the general assumptions made above, the following assumptions were made in preparing the pro forma Net Service Fee and Hospital Income, EPU and DPU of the Proposed Transactions for the period from the Listing Date to 31 March 2013:

(a) the average INR/SGD exchange rate for FY2013 was ₹44.04:S$1.00;

(b) the cash generated from operations at the Mohali Clinical Establishment for the period from the Listing Date to 31 March 2013 is ₹138.7 million (approximately S$3.1 million);

(c) financing costs of approximately S$1.7 million are incurred on the Facilities;

(d) fees payable to the Trustee-Manager of approximately S$0.8 million of which S$0.7 million are assumed to be paid in Units at an issue price of S$0.85[1] (comprising Acquisition Fees incurred in relation to the Mohali Clinical Establishment and Management Fees in respect of the Mohali Clinical Establishment for the period from the Listing Date to 31 March 2013); and

(e) withholding tax expense of ₹10.1 million (approximately S$0.2 million) incurred in relation to the additional interest on non-convertible bonds ("**NCBs**") invested into EHSSHL for the Proposed Transactions.

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1 The actual issue price of the Units to be issued to the Trustee-Manager will be at the relevant market price, being the volume weighted average price for a Unit for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the period of 10 business days immediately preceding the relevant business day. "Business day" for this purpose means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are generally open for business in Singapore and the SGX-ST is open for trading.

	Pro Forma Effects of the Proposed Transactions for FY2013	
	Before the Proposed Transactions	**After the Proposed Transactions**
Net Service Fee and Hospital Income (S$ million)	29.5[(1)]	32.1
Net Adjusted Profits (S$ million)	17.3[(2)]	17.1[(3)]
Distributable Income (S$ million)	20.1[(4)]	21.2
Units in issue (million)		
Common Units in issue (million)[(2)]	567.5[(5)]	568.3
Total Units in issue (million)	788.1[(5)]	789.0[(6)]
EPU (cents)		
Based on Common Units	3.04	3.01
Based on Total Units	2.19	2.17
DPU (cents)		
Based on Common Units	3.55[(4)]	3.73
Based on Total Units	2.55[(4)]	2.69

Notes:

(1) Based on the Net Service Fee and Hospital Income derived from the audited financial statements of RHT for FY2013.

(2) Based on the Net Loss in the audited financial statements of RHT for FY2013 adjusted for one – off items including share of results of associates, issue expenses and reclassification of foreign currency translation reserve.

(3) Excludes one-time professional fees, diligence costs, stamp duties and other taxes and expenses related to the Proposed Transactions. Includes finance expenses (see sub-paragraph 4.1.1(c) above) and fees payable to the Trustee-Manager (see sub-paragraph 4.1.1(d) above).

(4) Based on the Distributable Income and DPU as announced on 21 May 2013.

(5) Number of Units in issue as at 31 March 2013.

(6) Assuming S$0.7 million of the fees payable to the Trustee-Manager are paid in Units (see sub-paragraph 4.1.1(d) above).

4.1.2 Pro Forma NAV of the Proposed Transactions

The table below sets out the pro forma financial effects of the Proposed Transactions on the NAV as at 31 March 2013, as if the Proposed Transactions were completed on 19 October 2012, the date of listing of RHT.

	Pro Forma Effects of the Proposed Transactions as at 31 March 2013	
	Before the Proposed Transactions	**After the Proposed Transactions**
NAV (S$'000)	714.5[(1)]	715.3[(2)]
Units in issue (million)	788.1[(3)]	789.0[(4)]
NAV per Unit ($)	0.907	0.907

Notes:

(1) Based on the audited financial statements of the RHT Group for 31 March 2013.

(2) Excludes professional fees, diligence costs, stamp duties and other taxes and expenses.

(3) Number of Units issued as at 31 March 2013.

(4) Assuming S$0.7 million of the fees payable to the Trustee-Manager are paid in Units (see sub-paragraph 4.1.1(d) above).

4.1.3 Pro Forma Capitalisation of the Proposed Transactions

The table below sets out the pro forma financial effect of the Proposed Transactions on the capitalisation of RHT as at 31 March 2013.

	Pro Forma Effects of the Proposed Transactions as at 31 March 2013	
	Actual[1] (S$ millions)	**As Adjusted for the Proposed Transactions (S$ millions)**
Short-term debt:		
Secured debt	1.0	1.0
Unsecured debt	1.9	1.9
Total short-term debt	2.9	2.9
Long-term debt:		
Secured debt[2]	62.4	124.1
Unsecured debt	–	–
Total long-term debt	62.4	124.1
Total debt:	**65.3**	**127.0**
Unitholders' funds	714.5	715.3
Total Unitholders' funds	714.5	715.3
Total Capitalisation	**779.8**	**842.3**

Notes:

(1) Based on the audited financial statements of the RHT Group for FY2013.

(2) Excludes unamortised finance expenses.

4.2 Profit forecast

The Trustee-Manager believes that the Proposed Transactions will be accretive and result in RHT having a higher distributable income.

The table below illustrates the cash generated from operations at the Mohali Clinical Establishment as a result of the Proposed Transactions before interest repayment and distributable income at RHT (assuming a completion date on 31 March 2014) for the Financial Year ending 31 March 2015. The forecast in the table below must be read together with the detailed Profit Forecast in **Appendix B** of this Circular and the Reporting Auditor's Report on the Profit Forecast in **Appendix C** of this Circular.

	FY2015 (S$ million)
Cash generated from operations at EHSSHL from the Transactions before interest repayment	6.1
Distributable income at RHT	1.5

The Proposed Transactions are in line with the Trustee-Manager's strategy to acquire assets with the objective of enhancing distributions to Unitholders. Following the Proposed Transactions, the enterprise value of the RHT Group's assets will increase from S$772.0 million (as at 31 March 2013) to S$833.0 million.

5. METHOD OF FINANCING

Approximately S$70.1 million of the Total Transaction Cost will be payable in cash, of which the Trustee-Manager intends to fund S$65.0 million by debt financing. It is intended that DBS Bank Ltd. and Deutsche Bank AG, Singapore Branch will provide the loan facilities to FGHIPL. The Trustee-Manager will use RHT's available cash balances to fund the remainder of the Total Transaction Cost payable in cash.

Loan Facility from DBS Bank Ltd.

FGHIPL, in connection with the Offering, had on 18 October 2012 entered into a facility agreement with DBS Bank Ltd. ("**Original DBS Facility**") for debt financing in an amount of S$60,000,000 ("**Facility A**"), all of which has been fully drawn down as at the Latest Practicable Date. It is intended that FGHIPL will enter into an amended and restated facility agreement with (1) DBS Bank Ltd., New Delhi Branch, as arranger and (2) DBS Bank Ltd., as agent (the "**Amended and Restated DBS Facility**") for additional debt financing of S$32,500,000 ("**Facility B**")[1]. The Amended and Restated DBS Facility is supplemental the Original DBS Facility.

The interest rate for Facility A is the Singapore dollar swap rate for the applicable period plus 2.00% per annum while the interest rate for Facility B is proposed to be the Singapore dollar swap rate for the applicable period plus 3.50% per annum.

Loan Facility from Deutsche Bank AG, Singapore Branch

It is also intended that FGHIPL will enter into a facility agreement with Deutsche Bank AG, Singapore Branch, as arranger and agent (the "**Deutsche Bank Facility**") for debt financing of S$32,500,000.

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1 FGHIPL, had on 18 October 2012 entered into a facility agreement with DBS Bank Ltd. for debt financing in an amount of S$60,000,000, all of which has been fully drawn down as at the Latest Practicable Date.

The interest rate on the Deutsche Bank Facility is proposed to be the Singapore dollar swap rate for the applicable period plus 3.50% per annum.

Security

The security for the Amended and Restated DBS Facility and the Deutsche Bank Facility includes:

- an assignment over the interest, benefits and rights over all existing and future loans granted by FGHIPL to its subsidiaries; and

- a share charge over all the shares in the share capital of FGHIPL owned by the Trustee-Manager.

6. ADVICE OF THE INDEPENDENT FINANCIAL ADVISER

The Trustee-Manager has appointed Deloitte & Touche Corporate Finance Pte Ltd as the IFA to advise the Independent Directors in relation to the Interested Person Transactions. A copy of the IFA's Letter, containing the IFA's advice in full, is set out in **Appendix D** to this Circular and Unitholders are advised to read the IFA's Letter carefully.

Having given due consideration to certain factors and subject to the qualifications set out in the IFA Letter and taking into account the prevailing conditions as at the Latest Practicable Date, the IFA is of the opinion that the Interested Person Transactions are on normal commercial terms and are not prejudicial to RHT and its minority Unitholders.

The IFA is of the opinion that the Independent Directors recommend that Unitholders vote in favour of the Interested Person Transactions to be proposed at the EGM.

7. DIRECTORS' RECOMMENDATIONS

Based on*, inter alia,* the opinion of the IFA (as set out in the IFA's Letter in **Appendix D** to this Circular) and the rationale for the Interested Person Transactions as set out in Paragraph 3 above, the Independent Directors believe that the Interested Person Transactions are 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 Interested Person Transactions (Resolutions 1 to 3) to be proposed at the EGM.

The Board of Directors unanimously believes that the Interested Person Transactions are consistent with RHT's strategic business objectives, and the commercial merits of the Interested Person Transactions as set out in the Circular are deserving of the full support of Unitholders.

8. EXTRAORDINARY GENERAL MEETING

The EGM will be held on Monday, 28 April 2014 at 10.00 a.m. at Level 3, Room 326, Suntec Singapore International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593, for the purpose of considering and, if thought fit, passing with or without modification, the resolutions set out in the Notice of Extraordinary General Meeting on pages H-1 and H-2 of this Circular. The purpose of this Circular is to provide Unitholders with relevant information about the resolutions in relation to the Interested Person Transactions. Approval by way of an Ordinary Resolution is required in respect of each of the Interested Person Transactions.

A Depositor shall not be regarded as a Unitholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Units entered against his name in the Depository Register, as certified by the CDP as at 48 hours before the time fixed for the EGM.

9. ABSTENTION FROM VOTING

Rule 919 of the Listing Manual prohibits interested persons and their associates (as defined in the Listing Manual) from voting on a resolution in relation to a matter in respect of which such persons are interested in at the EGM.

Accordingly, Fortis and its associates will abstain from voting on the resolutions relating to the Interested Person Transactions. In addition, as at the Latest Practicable Date, Mr Malvinder Mohan Singh holds 4,000,000 Common Units in RHT and is deemed interested in 220,676,944 Sponsor Units held by Fortis Healthcare International Limited (a wholly-owned subsidiary of Fortis) in RHT and 2,886,000 Common Units held by the Trustee-Manager in RHT. Accordingly, Mr Malvinder Mohan Singh and the Trustee-Manager will abstain from voting and will ensure that their associates will abstain from voting on the resolutions relating to the Interested Person Transactions.

10. ACTION TO BE TAKEN BY UNITHOLDERS

Unitholders will find enclosed in this Circular the Notice of EGM and a Proxy Form.

If a Unitholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the enclosed Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 not later than 10.00 a.m. on 26 April 2014, being 48 hours before the time fixed for the EGM. The completion and return of the Proxy Form by a Unitholder will not prevent him from attending and voting in person at the EGM if he so wishes.

Persons who have an interest in the approval of the resolutions must decline to accept appointment as proxies unless the Unitholder concerned has specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of such resolution.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transactions and the Group and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading, and the Directors are satisfied that the profit forecast has been stated after due and careful enquiry.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

12. CONSENTS

Each of the Reporting Auditor, the IFA, the Independent Clinical Establishment Valuer, the Independent Clinical Establishment Enterprise Valuer, the Independent Business Undertaking Valuer and the Independent P&M Valuer has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and, respectively, the Reporting Auditor's Report on the Profit Forecast, the IFA's Letter and the Valuation Summary Letters, and all references thereto, in the form and context in which they are included in this Circular.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Trustee-Manager[1] at 9 Battery Road, #15-01, Singapore 049910 during normal business hours from the date of this Circular up to and including the date falling three months after the date of this Circular:

(1) the letter of undertaking from the Vendor dated 2 February 2014, including the agreed form of the Sale Deed;

(2) a draft of the Business Transfer Agreement;

(3) a draft of the Asset Transfer Deed;

(4) a draft of the Hospital and Medical Services Agreement;

(5) the Reporting Auditor's Report on the Profit Forecast;

(6) the IFA's Letter; and

(7) the valuation report and valuation summary letter in relation to the property value of the Mohali Clinical Establishment issued by the Independent Clinical Establishment Valuer;

(8) the valuation report and valuation summary letter in relation to the enterprise value of the Mohali Clinical Establishment issued by the Independent Clinical Establishment Enterprise Valuer;

(9) the valuation report and valuation summary letter in relation to radio diagnostic and outpatient department business at the Mohali Clinical Establishment issued by the Independent Business Undertaking Valuer;

(10) the valuation report and valuation summary letter in relation to plant and machinery at the Mohali Clinical Establishment issued by the Independent P&M Valuer;

(11) the unaudited financial statements of RHT for the financial period ended 31 December 2013; and

(12) the written consents of each of the Reporting Auditor, the IFA, the Independent Clinical Establishment Valuer, the Independent Clinical Establishment Enterprise Valuer, the Independent Business Undertaking Valuer and the Independent P&M Valuer.

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1 Prior appointment with the Trustee-Manager will be appreciated.

The Trust Deed will be available for inspection at the registered office of the Trustee-Manager for so long as RHT is in existence.

Yours faithfully

RELIGARE HEALTH TRUST TRUSTEE MANAGER PTE. LTD.
(as trustee-manager of Religare Health Trust)
Company Registration No. 201117555K

Ravi Mehrotra
Executive Chairman

IMPORTANT NOTICE

The past performance of RHT is not necessarily indicative of the future performance of RHT.

This Circular may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, foreign exchange rates, interest rate trends, cost of capital and capital availability, tax expenses, benefits and deductions, competition from similar clinical establishments, changes in operating expenses (including employee wages, benefits and training costs), changes in any laws and regulations and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Trustee-Manager's current view of future events.

Unitholders should also note that there is no assurance that the Proposed Transactions will be completed and there is currently no legally binding obligation on Fortis to complete the Interested Person Transactions. Unitholders should note that the execution of the Sale Deed, the Business Transfer Agreement, the Asset Transfer Deed and the Hospital and Medical Services Agreement are conditional upon, *inter alia*, Unitholders' approval of the Interested Person Transactions. In the event Unitholders do not approve any of the Interested Person Transactions, the Trustee-Manager will not proceed with the Proposed Transactions. Unitholders should also note that there is currently no legally binding obligation on Fortis to enter into the Interested Person Transactions.

If you have sold or transferred all your Units, you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

GLOSSARY

In this Circular, the following definitions apply throughout unless otherwise stated:

Acquisition Fee	:	The acquisition fee of approximately S$0.6 million (being the sum of 1.0% of the Sale Deed Consideration and 0.5% of the Business Transfer Agreement Consideration and Asset Transfer Deed Consideration) payable to the Trustee-Manager pursuant to the Trust Deed
Acquisition Fee Units	:	The Common Units to be issued to the Trustee-Manager in respect of the Acquisition Fee
Ancillary Services	:	All services and facilities which are ancillary to the operation and management of a hospital, including a pharmacy, a cafeteria, a book shop, automated teller machines, a rehabilitation and recovery centre for the patients of the Fortis Hospital, Mohali, and other amenities for the convenience of patients and/or their attendants
Asset Transfer Deed	:	The proposed deed of sale between EHSSHL and Fortis, relating to the purchase by EHSSHL of the Plant and Machinery
Asset Transfer Deed Consideration	:	The consideration of ₹111.5 million (S$2.3 million) payable to Fortis under the Asset Transfer Deed
Audit and Risk Management Committee	:	The audit and risk management committee of the Trustee-Manager, comprising Mr Peter Joseph Seymour Rowe, Dr Yogendra Nath Mathur and Mr Eng Meng Leong
Base Service Fee	:	A fixed quarterly fee for the provision of the Clinical Establishment Services under the Hospital and Medical Services Agreement
Board	:	The board of directors of the Trustee-Manager
Business Acquisition	:	The proposed acquisition of the Clinical Establishment Business at the Mohali Clinical Establishment pursuant to the Business Transfer Agreement
Business Day	:	(1) In the context of the Business Transfer Agreement, any day other than a Saturday, Sunday or official public holiday in India under the Negotiable Instruments Act, 1881 (2) In the context of the Hospital and Medical Services Agreement, a day other than Saturday and Sunday on which commercial banks are open for normal banking business in New Delhi, India.
Business Transfer Agreement	:	The proposed business transfer agreement between EHSSHL and Fortis, relating to the transfer to EHSSHL of the Clinical Establishment Business at the Mohali Clinical Establishment

Business Transfer Agreement Consideration	:	The consideration of ₹38.8 million (S$0.8 million) payable to Fortis under the Business Transfer Agreement
CDP	:	The Central Depository (Pte) Limited
Circular	:	This circular to Unitholders dated 10 April 2014
clinical establishment	:	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: (1) services for diagnosis and treatment for illness, disease, injury, deformity and/or abnormality; (2) diagnosis of diseases through radiological and other diagnostic or investigative services with the aid of laboratory or other medical equipment; and (3) beds for in-patient treatment
Clinical Establishment Acquisition	:	The proposed acquisition of the Property pursuant to the Sale Deed
Clinical Establishment Business	:	The business undertakings of Fortis, in respect of the Fortis Hospital, Mohali, for the (i) out-patient rehabilitation and consultation services, and day care services, and (ii) radiology and imaging diagnostic services
Clinical Establishment Services	:	Healthcare and medical and related services, including: (1) providing OPD Services to patients at the Fortis Hospital, Mohali, for and on behalf of Fortis; (2) providing Radio Diagnostic Services to patients at the Fortis Hospital, Mohali, for and on behalf of Fortis; (3) maintaining and operating the Mohali Clinical Establishment to allow Fortis to run the Fortis Hospital, Mohali for providing healthcare services to patients; and (4) establishing, setting up and providing the Ancillary Services
controlling unitholder	:	In relation to a business trust, means a person who: (1) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in the trust. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling unitholder; or (2) in fact exercises control over the trust
Common Unit	:	A Unit issued in accordance with the Trust Deed designated as a Common Unit

Directors	:	The directors of the Trustee-Manager
DPU	:	Distributions per Unit
EGM	:	The Extraordinary General Meeting to be held on 28 April 2014 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modification, the resolutions set out in the Notice of EGM set out on pages H-1 and H-2 of this Circular
EHSSHL	:	Escorts Heart and Super Specialty Hospital Limited
EPU	:	Earnings per Unit
Existing Portfolio	:	The existing portfolio of RHT comprising the following: (1) Amritsar Clinical Establishment; (2) Bengaluru, BG Road Clinical Establishment; (3) Chennai, Malar Clinical Establishment; (4) Faridabad Clinical Establishment; (5) Gurgaon Clinical Establishment; (6) Jaipur Clinical Establishment; (7) Kolkata Clinical Establishment; (8) Mumbai, Kalyan Clinical Establishment; (9) Mumbai, Mulund Clinical Establishment; (10) New Delhi, Shalimar Bagh Clinical Establishment; (11) Noida Clinical Establishment; (12) Ludhiana Greenfield Clinical Establishment; (13) Chennai Greenfield Clinical Establishment; (14) Hyderabad Greenfield Clinical Establishment; (15) Greater Noida Greenfield Clinical Establishment; (16) Bengaluru, Nagarbhavi Operating Hospital; and (17) Bengaluru, Rajajinagar Operating Hospital.
Facilities	:	The loan facilities of up to S$65.0 million proposed to be granted by DBS Bank Ltd. and Deutsche Bank AG, Singapore Branch to FGHIPL
FGHIPL	:	Fortis Global Healthcare Infrastructure Pte. Ltd., a wholly-owned subsidiary of RHT
Forecast Period	:	1 April 2014 to 31 March 2015, both dates inclusive
Fortis	:	Fortis Healthcare Limited
Fortis Group	:	Fortis Healthcare Limited and its subsidiaries

Fortis Hospital, Mohali	:	Full fledged full service tertiary hospital being operated from the Mohali Clinical Establishment
Financial Year or **FY**	:	Financial year ended or, as the case may be, ending 31 March
Hospital and Medical Services Agreement	:	The proposed hospital and medical services agreement to be entered into between EHSSHL and Fortis to provide Clinical Establishment Services in respect of the Mohali Clinical Establishment
Hospital Building	:	The hospital building standing on the Property
IFA	:	Deloitte & Touche Corporate Finance Pte Ltd
IFA's Letter	:	The letter from the IFA to the Independent Directors of the Trustee-Manager containing its advice as set out in **Appendix D** to this Circular
Independent Business Undertaking Valuer or **KKM**	:	K K Mankeshwar & Co. Chartered Accountants
Independent Clinical Establishment Valuer or **C&W**	:	Cushman & Wakefield (India) Pvt. Ltd.
Independent Clinical Establishment Enterprise Valuer or **DTZ**	:	DTZ International Property Advisers Private Limited
Independent Directors	:	The independent directors of the Trustee-Manager, being Dr Yogendra Nath Mathur, Mr Sydney Michael Hwang, Mr Peter Joseph Seymour Rowe and Mr Eng Meng Leong
Independent P&M Valuer or **Sapient**	:	M/s. Sapient Services Pvt. Ltd.
Interested Person Transactions	:	Means the transactions contemplated under: (1) the Business Transfer Agreement; (2) the Asset Transfer Deed; and (3) the Hospital and Medical Services Agreement
Installed Bed Capacity	:	The maximum number of beds that can be operated at the hospital without any expansion, renovation and/or upgrading of the civil structure of the building, other than works such as interior, electrical, heat ventilation and air-conditioning works
JCI	:	Joint Commission International
Latest Practicable Date	:	3 April 2014, being the latest practicable date prior to the printing of this Circular

Listing Manual	:	The listing manual of the SGX-ST
Management Fee	:	The base fee and the performance fee payable to the Trustee-Manager under the Trust Deed
Mohali Clinical Establishment	:	The clinical establishment at Mohali proposed to be acquired by the RHT Group
NABH	:	National Accreditation Board for Hospitals and Healthcare Providers
NABL	:	National Accreditation Board for Testing and Calibration Laboratories
NAV	:	Net asset value
Net Service Fee	:	Total revenue less total service fee expense
Net Service Fee and Hospital Income	:	Total revenue less total service fee expense and total hospital expense
NTA	:	Net tangible assets
Offering	:	The initial public offering and listing of RHT
OPD	:	Out-patient rehabilitation and consultation services and day care services
OPD Services	:	The running, operation, management and provision of specific out-patient and day care medical and healthcare services at the Mohali Clinical Establishment
Ordinary Resolution	:	A resolution proposed and passed as such by a majority, being more than 50.0%, of the total number of valid votes cast for and against such resolution at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed
P&M Acquisition	:	The acquisition of the Plant and Machinery at the Mohali Clinical Establishment pursuant to the Asset Transfer Deed
Plant and Machinery	:	The immovable permanent fixtures and fittings, plant and machinery at the Mohali Clinical Establishment proposed to be transferred to EHSSHL pursuant to the Asset Transfer Deed
Potential Bed Capacity	:	The maximum number of beds that can be operated at each hospital when all stages of development are completed
Property	:	The land, hospital building and structure, and all rights associated with the land and building including any development rights and any other future development rights over the land in respect of the Mohali Clinical Establishment

Proposed Transactions	:	The Clinical Establishment Acquisition and the Interested Person Transactions
Prospectus	:	The prospectus of RHT issued by the Trustee-Manager dated 15 October 2012
Radio Diagnostic Services	:	The running, operation, management and provision of all radiology and imaging diagnostic services at the Mohali Clinical Establishment
Religare Group	:	Religare Enterprises Limited and its subsidiaries
RHSPL	:	Religare Healthtrust Services Pte. Ltd.
RHT	:	Religare Health Trust
RHT Group	:	RHT and its subsidiaries, jointly-controlled entities and associated companies
RHT TM	:	Religare Health Trust Trustee Manager Pte. Ltd. (acting in its own capacity)
RSSB or the **Vendor**	:	Radha Soami Satsang Beas
Sale Deed	:	The agreed form of the deed of sale to be entered into between EHSSHL and the Vendor relating to the purchase of the Property
Sale Deed Consideration	:	The consideration payable to the Vendor under the Sale Deed
secondary healthcare	:	Medical Services catering to common ailments, such as internal medicine, general surgery, obstetrics and gynaecology, paediatrics, ear nose and throat, orthopaedics and ophthalmology, as well as central laboratory services, radiology and emergency care
secondary hospital	:	Hospitals offering secondary healthcare
Securities Account	:	The securities account or sub-account maintained by a Depositor (as defined in Section 130A of the Singapore Companies Act) with CDP
SGX-ST	:	Singapore Exchange Securities Trading Limited
Singapore Companies Act	:	Companies Act, Chapter 50 of Singapore
Sponsor Units	:	The Units held by Fortis which are subject to the Distribution Waiver (as defined in the Prospectus)
Substantial Unitholder	:	Any Unitholder with an interest in Units constituting not less than 5.0% of all Units in issue

tertiary healthcare	:	Medical services catering to tertiary needs of medical specialties, such as cardio-thoracic surgery, neurosurgery, nephrology, surgical oncology, neonatology, endocrinology, plastic and cosmetic surgery and nuclear medicine, and laboratory services, such as histopathology and immunology laboratory services
tertiary hospital	:	Hospitals offering tertiary healthcare
Total Transaction Cost	:	The total consideration payable and costs incurred in respect of the Proposed Transactions
Trust Deed	:	The trust deed dated 29 July 2011 constituting RHT, as amended and restated on 25 September 2012 and supplemented on 27 September 2012, and as may be amended, modified or supplemented from time to time
Trustee-Manager	:	Religare Health Trust Trustee Manager Pte. Ltd. (acting in its capacity as trustee-manager of RHT)
Unit	:	An undivided interest in RHT
Unitholder	:	The registered holder for the time being of a Unit including persons so registered as joint holders, except where the registered holder is CDP, the term "Unitholder" shall, in relation to Units registered in the name of CDP, mean, where the context requires, the depositor whose Securities Account with CDP is credited with Units
Valuation Summary Letters	:	The valuation summary letters from the the Independent Clinical Establishment Valuer, the Independent Clinical Establishment Enterprise Valuer, the Independent Business Undertaking Valuer and the Independent P&M Valuer as set out in **Appendix E** to this Circular
Variable Service Fee	:	A variable fee payable quarterly and calculated based on a percentage of the Operating Income of the Fortis Operating Company from the operations of the Fortis Hospital, Mohali during the relevant quarter, under the Hospital and Medical Services Agreement

The terms "Depositor" and "Depository Register" shall have the meanings ascribed to them respectively in Section 130A of the Singapore Companies Act.

The terms "associate" and "interested person" shall have the meanings ascribed to them in the Listing Manual.

Words importing the singular include, where applicable, the plural and vice versa. Words importing the masculine gender include, where applicable, the feminine and neuter genders. References to persons include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted. Any term defined under the Singapore Companies Act or the Listing Manual and used in this Circular shall, where applicable, have the meaning ascribed to it under the Singapore Companies Act or the Listing Manual, as the case may be, unless otherwise provided.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

In this Circular, references to "S$", "SGD" or "Singapore dollars" and "Singapore cents" are to the lawful currency of the Republic of Singapore, and references to "₹", "Indian Rupees", "INR" or "Rupees" are to the lawful currency of the Republic of India.

The exchange rates used in this Circular are for reference only. No representation is made that any Indian Rupee amounts were, could have been, will be or could be converted into Singapore dollar amounts at any of the exchange rates used in this document, at any other rate or at all.

For the reader's convenience, except where the exchange rate between the Indian Rupee and the Singapore dollar is expressly stated otherwise, certain Indian Rupee amounts in this Circular have been translated into Singapore dollars based on the fixed exchange rate of ₹47.55 = S$1.00[1] which was the exchange rate as at 31 March 2014. However such translations should not be construed as representations that Indian Rupee amounts have been, could have been or could be converted into Singapore dollars at that or any other rate.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

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1 Source: 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.

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DETAILS OF THE PROPOSED TRANSACTIONS

1. Sale Deed

For the information of the Unitholders, certain key terms and conditions of the proposed Sale Deed have been summarised as set out below. These key terms and conditions should be read together with the terms and conditions summarised in Paragraph 2.3 of the Letter to Unitholders in this Circular.

Consideration

The Property shall be transferred and conveyed to EHSSHL for the consideration of ₹2,700.0 million (S$56.8 million). Payment of the consideration will be made in full to the Vendor on the execution of the Sale Deed.

Transfer

EHSSHL shall have full ownership rights in respect of the Property from the date of execution of the Sale Deed.

Representations by the Vendor

The Vendor shall represent and warrant to EHSSHL, *inter alia*, that:

(a) it has full corporate power and authority to execute the Sale Deed and to perform its obligations thereunder, and the execution and delivery of Sale Deed has been duly authorised by the Vendor and to its knowledge, it is not restricted by any judgment, injunction, order, decree or award from the execution, delivery and performance of Sale Deed;

(b) the tenure of the Property is freehold non-agricultural land permitted for hospital use;

(c) it has paid all taxes, revenues and assessments payable with respect to the Property until the date of the Sale Deed, including any conversion charges for change of land use;

(d) its title to the Property is clear and marketable and the same is free from encumbrances, liens, claims or demands;

(e) save and except for the full occupancy certificate for the ground floor and the rehabilitation block in the Hospital Building, the Vendor has obtained all required building related approvals and permissions of the said Hospital Building and the oncology block which are required as at the date of the Sale Deed;

(f) there is no interim order or notice restricting or limiting any rights, conditions, etc associated with the ownership of the said Property;

(g) the construction of the Hospital Building is in accordance with the sanctioned plans and the Vendor has obtained all requisite approvals and permissions from all concerned authorities relating to the construction and operation of the hospital building;

(h) it has obtained the Consent to Operate under section 21 of the Indian Air (Prevention and Control of Pollution) Act, 1981 and section 25 and 26 of the Indian Water (Prevention and Control of Pollution) Act, 1974 from the Punjab Pollution Control Board (collectively, the "**PCB Approvals**");

(i) it has obtained approval from Punjab Urban Development Authority for transfer of the land and Hospital Building in favour of EHSSHL, and has paid the requisite transfer fee for the same;

(j) there are no material non-compliances with the applicable law and there are no material breaches under any material agreements entered into by the Vendor which material non-compliance/material breach would affect the title of the Vendor to the said Property or invalidate the transfer/conveyance of the said Property; and

(k) it has not entered into any agreement or arrangement of any kind with any other party or parties in respect of the said Property agreeing to sell/assign/license the said property as a whole or in parts of divided or undivided interest, right and title in the same.

Indemnity from the Vendor

The Vendor shall indemnify EHSSHL and keep EHSSHL indemnified at all times to the full extent and hold harmless from and against any and all direct losses, liabilities, claims, damages, costs and expenses (including reasonable legal fees) actually incurred or suffered by EHSSHL:

(a) on account of breach of the representations made by the Vendor;

(b) in case any such representation turning out to be contrary;

(c) on account of any defect in title to the Property;

(d) on account of any action that may be taken by any third party against the Property on the basis of any deficiency in rights or defect in the title of the Vendor;

(e) on account of any deficiency in the right of the Vendor to assign the Property to EHSSHL;

(f) by any authorities in respect of the construction on the Property;

(g) in respect of the non-receipt of the full occupancy certificate for the ground floor and the rehabilitation block of the Hospital Building, or on account of lapse and non-renewal of the PCB Approvals or otherwise on account of non-receipt, inadequacy or deficiency in any other approvals, permissions, registrations or certificates required for or in respect of the Property;

(h) in respect of the title of the Vendor in any way challenged; and

(i) in case EHSSHL is dispossessed of the Property for any reason connected with the title or actions of the Vendor.

2. Business Transfer Agreement

For the information of the Unitholders, certain key terms and conditions of the Business Transfer Agreement have been summarised as set out below. These key terms and conditions should be read together with the terms and conditions summarised in Paragraph 2.4 of the Letter to Unitholders in this Circular.

Consideration

The Clinical Establishment Business shall be transferred and conveyed to EHSSHL on the Transfer Date on an "*as is where is basis*" for the consideration of ₹38.8 million (S$0.8 million) ("**Business Transfer Agreement Consideration**").

The Business Transfer Agreement Consideration is subject to adjustment in the event the net balance of the current assets less current liabilities in the final closing accounts for the Clinical Establishment Business exceeds or is less than (respectively) that as at 30 September 2013 by at least 15%. However, no (i) upward adjustment may exceed ₹10 million (S$0.2 million), and (ii) downward adjustment may exceed ₹10 million (S$0.2 million) ("**Adjusted BTA Consideration**").

The Adjusted BTA Consideration shall be payable by EHSSHL to Fortis within seven Business Days from the date on which Fortis provides the final closing accounts to EHSSHL, on the date of transfer of the Clinical Establishment Business to EHSSHL ("**Transfer Date**"), by wire transfer or such other mechanism that may be acceptable to the parties.

Right of Termination

In the event that the EHSSHL fails to make payment of the Adjusted BTA Consideration within the stipulated timeframe, Fortis shall have the option to terminate the Business Transfer Agreement and EHSSHL shall transfer the Clinical Establishment Business back to Fortis in the same condition and form as was acquired by it. Additionally, Fortis shall also be entitled to seek specific performance of the Business Transfer Agreement through a court of law. In addition to, and without prejudice to the aforesaid rights of Fortis, in the event that EHSSHL fails to make such payment within the time agreed between the parties, then EHSSHL shall be liable to pay to Fortis, interest for the delayed payments at the rate of 15% per annum from the Transfer Date to the actual date of payment.

Conditions Precedent

The transfer of the Clinical Establishment Business from Fortis to EHSSHL is conditional upon the satisfaction of, *inter alia*, the following conditions precedent:

(a) the execution, delivery and performance of the Sale Deed and the Asset Transfer Deed;

(b) receipt by Fortis of all such other sanctions/approvals/no objection certificates including sanctions of any governmental or regulatory authority, creditor, lessor, or contracting party as may be required to be obtained by Fortis under applicable law or contract for the transfer of the Clinical Establishment Business; and

(c) EHSSHL and Fortis having agreed upon and finalised the terms and conditions of any other ancillary agreements[1] required for completing the transfers contemplated in the Business Transfer Agreement.

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1 Including but not limited to, novation agreements for the transfer of material contracts, employee or consultant contracts from Fortis to EHSSHL.

Transfer Date

On the Transfer Date, the entire legal and beneficial ownership or interest of Fortis in the Clinical Establishment Business, subject to such encumbrances as may be mutually agreed between the parties, shall stand transferred in the name of EHSSHL for the full benefit, advantage and use of EHSSHL, subject to the terms and conditions contained in the Business Transfer Agreement.

With effect from the Transfer Date, the beneficial ownership and risk in the Clinical Establishment Business shall be deemed to have been passed on to EHSSHL, such that all gains and losses arising/accruing in relation to the Clinical Establishment Business, shall be to the account of EHSSHL.

EHSSHL shall be liable for all liabilities pertaining to the Business Undertaking after the Transfer Date and also be entitled to all tax refunds pertaining to the period prior to Transfer Date, which accrue on or after the Transfer Date.

Transfer of Employees

On the Transfer Date, the Purchaser shall take into service the employees and all contract consultants of the Clinical Establishment Business, on and from that date, in the same position applicable as on the Transfer Date and on terms and conditions no less favourable than their existing employment terms as on the Transfer Date.

Transfer of Licenses and Permits

Where any consent of a governmental authority is required for the transfer of any licenses and permits to EHSSHL, and such consent has not been obtained before the Transfer Date ("**Unassigned Licenses and Permits**"), the parties agree to transfer the Clinical Establishment Business without such Unassigned Licenses and Permits, provided that:

(a) the parties shall use their respective best endeavours after the Transfer Date to obtain such Unassigned Licenses and Permits as soon as possible; and

(b) from the Transfer Date until such time as the Unassigned Licenses and Permits are obtained, or until the relevant Unassigned Licenses and Permits are transferred, Fortis shall, to the extent permitted under applicable law, be deemed to hold the benefit of such Unassigned Licenses and Permits in trust for EHSSHL.

Where fresh licenses and permits need to be obtained by EHSSHL by surrender of license in the name of Fortis or otherwise, and EHSSHL has not obtained the same prior to the Transfer Date, EHSSHL shall use its best endeavours to obtain these as soon as possible after the Transfer Date. Fortis shall provide all reasonable assistance to EHSSHL to facilitate the procuring of such fresh licenses and permits, to the extent required. From the Transfer Date until such time as the licenses and permits are obtained by EHSSHL, Fortis shall, to the extent permitted under applicable law, be deemed to hold the benefit of the relevant licenses and permits in trust for EHSSHL.

Representations and Warranties from Fortis

Subject to a disclosure letter to be delivered by Fortis to EHSSHL on a date and in a form and manner as mutually agreed between the parties, Fortis shall represent and warrant (referred to in the Business Transfer Agreement as "**Title and Litigation Warranties**") to EHSSHL (as at the date of the Business Transfer Agreement and as at the Transfer Date), *inter alia*:

(a) that it has good and marketable title to each asset (tangible and intangible), and each asset is legally and beneficially owned by it;

(b) there are no material non-compliances with the applicable law and there are no material breaches under any material agreements entered into by Fortis which material non-compliance/material breach would result in cessation/suspension of the Clinical Establishment Business in the form and manner as carried out on the Transfer Date;

(c) it is not engaged in any litigation or arbitration proceedings in relation to the Clinical Establishment Business or the assets or has received any written notice for any investigation, inquiry or enforcement proceedings by any governmental authority or by any person in relation to the Clinical Establishment Business; and

(d) it has all authorisations required under law for the conduct of the Clinical Establishment Business. The permits and licenses are in full force and effect and it has not received any notice that any permit and license will be/is likely to be revoked, cancelled, modified or suspended, or that it is in default of any permit and license in relation to the Clinical Establishment Business. There are no facts, conditions or circumstances which will result in any permit and license being suspended, cancelled, modified or revoked.

Litigation filed by or against Fortis in relation to the Clinical Establishment Business in connection with any matter which occurred prior to the date such business is transferred to EHSSHL ("**Clinical Establishment Business Litigation**") and which have arisen prior to such transfer date or which relate to a period prior to such transfer date, shall be continued, prosecuted, defended and enforced by Fortis, and EHSSHL shall not be liable for any such litigation. Any receivables realised from the business being transferred on and after the relevant transfer date, whether out of any order, direction, decree or judgment passed in the Clinical Establishment Business Litigation shall also be retained by Fortis.

Fortis shall also provide certain indemnities to EHSSHL and/or their directors, such as indemnities against any and all direct losses, liabilities, claims, damages, costs and expenses (including reasonable legal fees) actually incurred or suffered by EHSSHL and/or its directors, which directly arise out of or result from:

(a) notwithstanding any disclosures made by Fortis, or the due diligence undertaken by the EHSSHL, any misrepresentation or breach of warranties or covenants made by Fortis in the Business Transfer Agreement (other than the Title and Litigation Warranties);

(b) any liabilities relating to the Clinical Establishment Business (including contingent liabilities, whether or not known or contemplated at the time of execution of the Business Transfer Agreement) not fully disclosed in the financial statements for the financial year and the financial period specified in the Business Transfer Agreement, or the closing accounts of the Clinical Establishment Business, duly audited by a firm of independent chartered accountants and drawn up as at the date of transfer of the business to EHSSHL or the due diligence undertaken by EHSSHL;

(c) notwithstanding any disclosures made by Fortis, or the due diligence undertaken by EHSSHL, any Clinical Establishment Business Litigation or any breach of the Title and Litigation Warranties;

(d) any fraud or criminal breach of trust on the part of Fortis; and/or

(e) any taxes payable or suffered by EHSSHL arising from the sale of the Clinical Establishment Business.

The indemnity is subject to the terms in the Business Transfer Agreement, such as the following:

(i) the indemnity covers direct losses suffered by EHSSHL and does not extend to indirect, consequential, exemplary or punitive damages including lost profits, loss of business, loss of opportunity or loss of goodwill;

(ii) Fortis's aggregate liability under the Business Transfer Agreement for all losses is limited to the Adjusted BTA Consideration paid;

(iii) the indemnity by Fortis is given in lieu of all other rights and remedies that EHSSHL may have at law or in equity; and

(iv) EHSSHL may only make claims under the indemnity if such loss relates to, or is due to a breach by Fortis or an event which occurred within a specified period after the date of transfer of the business to EHSSHL, ranging from three to six years after such transfer date (save for claims relating to the breaches referred to in sub-paragraphs (c) and (d) above where EHSSHL is entitled under the agreement to make such claim for a loss suffered on account of such breach at any time).

3. Asset Transfer Deed

For the information of the Unitholders, certain key terms and conditions of the Asset Transfer Deed have been summarised as set out below. These key terms and conditions should be read together with the terms and conditions summarised in Paragraph 2.5 of the Letter to Unitholders in this Circular.

Consideration

The Plant and Machinery shall be transferred and conveyed to EHSSHL on an "*as is where is basis*" for the initial consideration of ₹111.5 million (S$2.3 million) ("**Asset Transfer Deed Consideration**"). Payment of the Initial Consideration will be made in full to Fortis on the execution of the Asset Transfer Deed. The Asset Transfer Deed Consideration is subject to adjustment based on an updated valuation of the Plant & Machinery as at the date of the Asset Transfer Deed, to be prepared by an independent valuer within 20 days of the execution of the Asset Transfer Deed. Any additional consideration shall be paid to Fortis based on the updated valuation within 30 days of the execution of the Asset Transfer Deed. However, the additional consideration payable shall not exceed ₹10 million (S$0.2 million).

No Warranty on Condition, Fitness and Suitability for any Particular Purpose

Except regarding the title of the Plant and Machinery and that it is free from all charges, lien and encumbrance including claim from workmen, Fortis makes no warranty as to the condition, fitness and suitability for any particular purpose and EHSSHL relinquishes all claims against Fortis in respect of the same.

Representations from Fortis

Fortis shall represent, covenant and assure EHSSHL that:

(a) it has full corporate power and authority to execute the Asset Transfer Deed and to perform its obligations thereunder, and the execution and delivery of the Asset Transfer Deed has been duly authorised by the Vendor and to its knowledge, it is not restricted by any judgment, injunction, order, decree or award from the execution, delivery and performance of the Asset Transfer Deed;

(b) it is the sole and absolute owner of, and has good and marketable title to, the Plant and Machinery and has the absolute and sole right to use and possess the same;

(c) the Plant and Machinery are free from all claims and encumbrances of any nature whatsoever and Fortis has full and absolute power and authority to deal with the same;

(d) it has obtained necessary permissions for executing the Asset Transfer Deed for sale of the Plant and Machinery in favour of EHSSHL;

(e) it has not entered into any arrangement, agreement or commitment in respect of the Plant and Machinery with any other person or party nor created any third party rights for the same or any part thereof;

(f) there are no material non-compliances with the applicable law and there are no material breaches under any material agreements entered into by Fortis which material non-compliance/material breach would affect the title of Fortis to the said Plant and Machinery or invalidate the transfer/conveyance of the said Plant and Machinery; and

(g) it is not engaged in any litigation or arbitration proceedings in relation to the Plant and Machinery.

Indemnity from Fortis under the Asset Transfer Deed

Fortis shall indemnify EHSSHL and keep EHSSHL indemnified at all times to the full extent and hold harmless from and against any and all direct losses, liabilities, claims, damages, costs and expenses (including reasonable legal fees) actually incurred or suffered by EHSSHL on account of breach of any of the representations and warranties made by Fortis.

4. Hospital and Medical Services Agreement

For the information of the Unitholders, certain key terms and conditions of the proposed Hospital and Medical Services Agreement have been summarised as set out below. These key terms and conditions should be read together with the terms and conditions summarised in Paragraph 2.6 of the Letter to Unitholders in this Circular.

Term

The term of the Hospital and Medical Services Agreement is for an initial term of 15 years from the date on which EHSSHL commences provision of the Clinical Establishment Services to Fortis. This term may be extended for another 15 years by the mutual consent of the parties ("**Term**"). The provision of the Clinical Establishment Services will commence from the effective date of the Hospital and Medical Services Agreement ("**HMSA Effective Date**").

However, the initial term for the provision of the Radio Diagnostic Services shall be three years and Fortis may, at its own discretion, by written notice no later than six months prior to the expiry of the three-year term, extend the arrangement for the provision of the Radio Diagnostic Services for such term and on such conditions as are mutually acceptable to the parties. If the parties are unable to mutually agree on the terms and conditions for such renewal, then, the arrangement pertaining to the provision of Radio Diagnostic Services by EHSSHL to the patients of the Fortis Hospital, Mohali for and on behalf of Fortis, shall lapse on the expiry of such three year term and the Hospital and Medical Services Agreement shall be deemed to be automatically modified and amended. In such an event, the parties agree that:

(a) the Service Fee payable by Fortis to EHSSHL shall be reduced by such amount as agreed to in writing between the parties;

(b) Fortis shall be entitled to utilise, at its cost, but without payment of any fees to EHSSHL for such utilisation, any radiology and image diagnostics equipment purchased by EHSSHL in the immediately preceding three years from the proceeds of the Technology Renewal Fund, until the expiry of three years from the date of purchase of such equipment by EHSSHL. Fortis shall not be entitled to, at any point, claim any ownership or interest or lien on such equipment and such equipment shall continue to be in the ownership and possession of EHSSHL; and

(c) the parties shall re-evaluate the need/requirement for continuing maintenance of the Technology Renewal Fund and the amount from the Base Service Fee to be retained by Fortis into the Technology Renewal Fund. In the event that the parties determine that the Technology Renewal Fund need not be maintained any longer, then Fortis shall discontinue maintenance of the Technology Renewal Fund and the amounts then lying to the credit of the Technology Renewal Fund shall be paid by Fortis to EHSSHL with immediate effect, after setting off any TRF Advances still outstanding.

Obligations of EHSSHL

Under the Hospital and Medical Services Agreement, EHSSHL shall provide, *inter alia*, the following healthcare and medical and related services to the patients at the Fortis Hospital, Mohali:

(a) provide OPD Services, for and behalf of Fortis;

(b) provide Radio Diagnostic Services, for and on behalf of Fortis;

(c) maintain and operate the Mohali Clinical Establishment to allow Fortis to run the Fortis Hospital, Mohali for providing healthcare services to patients; and

(d) establish and set-up Ancillary Services.

The Ancillary Services shall be determined by EHSSHL after good faith consultation and discussions with Fortis. EHSSHL shall provide the Ancillary Services either by itself or by outsourcing the provision of such Ancillary Services to third parties. The costs of outsourcing such Ancillary Services shall be borne by EHSSHL or the relevant third party (as may be agreed between EHSSHL and such third party). EHSSHL shall also provide housekeeping and facility management services.

Other obligations of EHSSHL include:

(a) procuring, acquiring, installing, running, operating and maintaining (on a round the clock basis) at its own cost and expense, in good working condition all necessary fixtures, fittings, fixed assets, medical equipment and other assets (including any part thereof), as are necessary, required or desirable for establishing, maintaining and operating the Mohali Clinical Establishment and to provide the Radio Diagnostic Services and the OPD Services at the Fortis Hospital, Mohali;

(b) procuring, keeping and maintaining in full force and effect, at its own cost and expense, all annual or other periodic maintenance contracts in relation to the fixtures, fittings, assets and equipment installed at the Mohali Clinical Establishment or used for the provision of the Clinical Establishment Services by EHSSHL in accordance with generally acceptable industry practices or advice or recommendations of the respective manufacturers or suppliers;

(c) recruiting and employing and/or contracting with all necessary medical and non-medical staff, consultants and employees, including, all necessary doctors, consultants, specialists, nurses, ward boys, technicians, management and administrative teams and staff etc. as it may, in its sole discretion, decide are necessary to provide the Clinical Establishment Services;

(d) training and development of all medical and non-medical staff, consultants, and employees deployed by EHSSHL at the Fortis Hospital, Mohali and shall ensure that all such personnel have the requisite training and skill sets required to provide the Clinical Establishment Services;

(e) ensuring that the Mohali Clinical Establishment is fully operational and functional at all times and ensuring uninterrupted supply and provision of all utility services like water, power and electricity and fuel;

(f) obtaining, keeping and maintaining subsisting throughout the term of the Hospital and Medical Services Agreement, all the approvals and licenses which are or which may at any time be required for or in connection with providing the Clinical Establishment Services and approvals which may be required for construction/expansion/ modification/upgrading of the Mohali Clinical Establishment or any other super structure as may be required to be built on the Mohali Clinical Establishment; and

(g) paying and discharging all ground rents or other rental payments, all property taxes, municipal taxes, concessions, charges, cesses and any other charges payable by the owner of the Mohali Clinical Establishment in respect of the Mohali Clinical Establishment and undertaking to prosecute and take all appropriate action, judicial or otherwise, required for efficient, quiet and peaceful use of the Clinical Establishment.

Rights and Obligations of Fortis

Upon the receipt of the Clinical Establishment Services from EHSSHL, Fortis shall have the right to, at its own cost, expense and responsibility, (i) run and manage the affairs of the Fortis Hospital, Mohali, and (ii) provide all additional healthcare services (over and above those provided by EHSSHL), including without limitation, in-patient services and emergency services. Fortis shall be responsible (but shall not be obligated to), at its own cost and expense, for the commencement, running, managing and day-to-day funding of the operations of the Fortis Hospital, Mohali and ancillary healthcare related facilities, including all clinical, medical, surgical and other healthcare related business. Fortis shall also provide

administrative and non-healthcare related services (except those within the responsibility of EHSSHL described above). Such administrative and non-healthcare related services include:

(a) procuring and installing, at its own cost, all furniture, equipments and medical devices and related paraphernalia, as Fortis may, in its sole discretion, decide are necessary for running and managing the hospital, and to provide in-patient services and emergency services at the Fortis Hospital, Mohali other than any other equipment/asset to be provided by EHSSHL;

(b) implementation of a reliable hospital management system;

(c) general administration;

(d) process management;

(e) financial management and accounting and book-keeping;

(f) human resources management;

(g) equipment planning and procurement;

(h) marketing, sales management, branding and goodwill;

(i) quality management;

(j) training and development;

(k) procurement of all supplies and consumables;

(l) procuring, installing and upgrading, at its own cost, requisite equipment and medical devices, medical and non-medical raw materials and supplies and related paraphernalia as it may decide are necessary for running, operating and managing the Fortis Hospital, Mohali and to provide in-patient and emergency services;

(m) engagement and recruitment of all personnel in the Fortis Hospital, Mohali (apart from those under the responsibility of EHSSHL for Radio Diagnostic Services and OPD Services) including doctors, consultants, specialists, management and administrative teams and staff for running and managing the hospital and to provide in-patient and emergency services;

(n) applying for, obtaining, renewing and maintaining at all times, the necessary/requisite approvals from various statutory bodies for running and managing the Fortis Hospital, Mohali and to provide in-patient and emergency services and ensuring compliance with applicable laws, governmental rules, regulations and statutes for this purpose (other than to the extent related to the Clinical Establishment Services and required to be complied with by EHSSHL); and

(o) operation, maintenance and management of emergency response vehicles for the evacuation of patients, when required.

Fortis shall be entitled to outsource all or any part of the services required to be performed by it, provided that it shall continue to be primarily responsible for the performance of such services by the third party to whom such services have been outsourced. Fortis shall not have any rights of ownership on the facility or any super structure thereon including the clinical establishment.

Fees payable to EHSSHL for the Operating Clinical Establishments

Fortis shall pay to EHSSHL the following fees for the Services:

(a) the Service Fee; and

(b) the Technology Renewal Fee.

(a) Service Fee

During the Term, Fortis will pay to EHSSHL a service fee for the Clinical Establishment Services provided by EHSSHL, comprising:

- a fixed fee (the "**Base Service Fee**") for the provision of the Clinical Establishment Services, to be paid by Fortis on or before 11 Business Days after the end of each quarter;

- a variable fee calculated based on 7.5% of the Operating Income of Fortis for each quarter (the "**Variable Service Fee**") to be paid by Fortis within 5 Business Days after the receipt by Fortis from EHSSHL of the Variable Service Fee payable for that quarter; and

- a non-recurring Base Service Fee of ₹36.3 million (S$0.8 million) for the first year from the HMSA Effective Date and ₹24.5 million (S$0.5 million) for the second year from the HMSA Effective Date to cater for the stabilisation required[1] for the new oncology block,

(collectively, the "**Service Fee**").

"**Operating Income**" is defined as the aggregate of all revenues billed by Fortis and derived at the Fortis Hospital, Mohali from the provision of the healthcare services, net of all discounts, deductions, adjustments and waivers. These shall include without limitation, income from the room charges, operation theatre charges, procedure charges, drugs and consumables, medical and diagnostic services, but shall exclude service tax, sales tax or other government levies. However, it shall exclude other incomes such as interest, profit on sale of investments and assets and other such revenues or incomes which are not derived from the provision of healthcare services at the Fortis Hospital, Mohali.

The amount of the Base Service Fee for the Mohali Clinical Establishment from the HMSA Effective Date is as follows:

Period	**Base Service Fee (₹ million)**
FY2015 (annualised)	147.81 (S$3.1 million)

1 The time frame for the oncology block to stabilise and contribute meaningfully to revenue of the Fortis Hospital, Mohali, is expected to be three years. Accordingly, the Trustee-Manager had negotiated with Fortis for a fixed non-recurring stabilisation fee for the oncology block component to cater for the stabilisation required.

Following the completion of FY2015, the Base Service Fee shall be increased by 3.0% (over the immediately preceding quarter's Base Service Fee) at the beginning of each financial year. In addition, the Base Service Fee shall be revised upwards for any capital expenditure for any upgrade or expansion of the Mohali Clinical Establishment/Clinical Establishment Services incurred by EHSSHL or the parties mutually agreeing to increase the Retained TRF Amount (as defined below) from time to time; and

The Variable Service Fee payable for each quarter shall be calculated by a finance officer employed by EHSSHL based on the quarterly financial statements submitted by Fortis.

Fortis shall maintain detailed quarterly accounts and financial statements in relation to the provision of healthcare services through the Fortis Hospital, Mohali in accordance with all applicable Indian accounting standards, which shall consist of the quarterly revenue statements setting out the details of the revenues of Fortis for the immediately preceding quarter. Fortis will also appoint statutory auditors affiliated with audit firms of international repute acceptable to EHSSHL to verify and audit the financial statements. EHSSHL shall have the right to review or audit such quarterly financial statements of Fortis, and Fortis shall provide EHSSHL with all reasonable assistance and access to its personnel, officers, employees, accountants and auditors for the purposes of reviewing such quarterly financial statements or audited accounts.

In the event of any delay in the payment of the Service Fee or the Technology Renewal Fee, interest at the State Bank of India base rate plus 2% per annum (on a compounded monthly basis) shall be payable by Fortis to EHSSHL.

Adjustments to Service Fee Based on Audited Accounts

Within 75 days from the end of each financial year, parties shall reconcile their respective audited accounts for that financial year and any difference in relation to the Service Fee paid by Fortis during the financial year and the Service Fee, as computed from the Operating Income of Fortis based on such reconciled audited accounts ("**Amount Due**") shall be adjusted as follows:

- ***Service Fee received is less than Amount Due***: Fortis shall, within 11 Business Days of the reconciliation, pay the balance to EHSSHL as unpaid Service Fee.

- ***Service Fee received is more than Amount Due***: Fortis shall set off such excess amount from the next quarterly payment of Service Fee due to be paid to EHSSHL.

For the purposes of reconciling the accounts and determining the amounts payable/to be set off, only the absolute amounts excluding any interest which may be accrued thereon, shall be taken into consideration.

EHSSHL shall be entitled to request Fortis to pay to EHSSHL an amount equal to 60.0% of the Base Service Fee due and payable for the succeeding financial year as an advance Service Fee ("**Advance Service Fee**") which shall be paid by Fortis within five Business Days of receiving such request.

(b) Technology Renewal Fee

During the Term, Fortis shall maintain, in its own name, a technology renewal fund for funding the replacement, refurbishment and/or upgrade of radiology and other medical equipment owned or used by EHSSHL ("**Technology Renewal Fund**"). A sum of ₹550,000 (S$11,567) or such additional amounts as the parties may deem necessary and agree upon from time to time shall be retained by Fortis for deposit into the Technology Renewal Fund on a quarterly basis ("**Retained TRF Amount**").

If the parties agree, EHSSHL shall be entitled to draw on the Technology Renewal Fund to pay for expenditure incurred by EHSSHL for the replacement of medical equipment owned and used by EHSSHL (the "**Technology Renewal Fee**").

In the event that the balance available in the Technology Renewal Fund is lower than the amount required for such replacement, Fortis shall pay to EHSSHL the balance amount required for such replacement ("**TRF Advance**"). The TRF Advance paid by Fortis shall be treated as an advance towards future Service Fees payable by Fortis to EHSSHL. Fortis shall be entitled to set off any TRF Advance paid by it to EHSSHL against the entire Retained TRF Amount in each quarter, until such time that the TRF Advance is paid off. No amounts shall be utilised from the Technology Renewal Fund without the prior written consent of EHSSHL and other than for the purposes of replacing any medical equipment owned by EHSSHL.

In the event that EHSSHL does not receive the Technology Renewal Fee or the TRF Advance prior to the date on which EHSSHL is required to make payment for the purchase of such equipment, EHSSHL shall not be under any obligation to replace, refurbish and/or upgrade the relevant medical equipment and shall not be liable for any deficiency in services for which such medical equipment is required.

Fortis shall be liable to pay interest on unpaid Technology Renewal Fees at the State Bank of India base rate plus 2% per annum (on a compounded monthly basis). This interest shall be payable from the date, and to the extent that EHSSHL makes any payment to any vendor for any replacement, refurbishment and/or upgrade of medical equipment owned/used by EHSSHL.

Upon termination of the Hospital and Medical Services Agreement, any amount left standing to the credit of the Technology Renewal Fund in the books of Fortis shall be paid to EHSSHL after setting off any outstanding TRF Advances.

Banker's Guarantee to secure obligations to pay the Service Fee

Fortis shall provide to EHSSHL a banker's guarantee from a reputed bank to secure Fortis's obligation to pay the Service Fee, for an amount equivalent to two months of the actual annual Service Fee paid for the preceding financial year (or the forecast annual Service Fee in the case of the first financial year). This shall be provided at the beginning of every financial year, on a one-year rolling basis, for the term of the Hospital and Medical Services Agreement. The banker's guarantees in respect of the Hospital and Medical Services Agreement will be in place on or prior to the effective date of the Hospital and Medical Services Agreement or such other date as may be mutually agreed between the parties.

Major capital expenditure and expansions (other than replacement or purchase of new radio diagnostic equipment)

EHSSHL shall be solely and exclusively responsible for all present and future investments and capital expenditures in the hospital for the purposes of additional construction, expansions of capacity and upgrades to the Mohali Clinical Establishment and the fixtures, fittings, equipment and other assets owned by EHSSHL at its own cost, and in a time bound manner or on the request of Fortis, subject to the mutual agreement between the parties in relation to the need for such expansion, construction and/or upgrade and increase in the Service Fee, if any.

Fortis shall pay the Commitment Deposit to EHSSHL. The Commitment Deposit is an interest-free refundable commitment deposit for such expansions of capacity and/or modification, which shall be equivalent to 25.0% of the estimated cost of such expansions of capacity and/or modification.

Payment of each instalment of the Commitment Deposit shall be linked to the achievement of various pre-agreed milestones (if any) as may be agreed between the parties from time to time. EHSSHL shall provide to Fortis an estimate of the time required for completing such expansions/modifications.

The Commitment Deposit shall be repaid by EHSSHL to Fortis within 60 Business Days of the commencement of payment of an increased Base Service Fee in relation to such expansions/modifications. In the event that such Commitment Deposit is not refunded within the specified time, interest at the State Bank of India base rate plus 2.0% per annum (on a compounded monthly basis) shall be payable.

Repairs and Maintenance

EHSSHL shall also carry out, at its own cost and expense, any repairs and maintenance as may be required in relation to the Mohali Clinical Establishment and the fixtures, fittings, fixed assets, medical equipment and assets therein where:

(a) any fixtures, fittings, fixed assets, medical equipment and other assets installed by EHSSHL are required to be replaced; or

(b) (i) the cost of any single job assignment in relation to repairs and maintenance exceeds ₹1.0 million (S$21,030) per assignment and (ii) the aggregate costs in a financial year for all job assignments of less than ₹1.0 million per assignment undertaken by Fortis exceeds the repair and maintenance cap of ₹40.0 million (S$0.8 million) (to the extent such aggregate costs are in excess of the cap).

However, any repairs and maintenance of assets installed by EHSSHL where the cost of any single assignment is less than ₹1.0 million, and any repairs and maintenance of assets installed by Fortis, shall be undertaken by Fortis at its own cost and expense, provided that Fortis's obligation to undertake operation repairs and maintenance shall be limited to a maximum of an aggregate of the same repair and maintenance caps stated above.

Notwithstanding the above, in the event of any damage being incurred to the premises at which the Mohali Clinical Establishment is located which:

(a) disrupts the operations of the Fortis Hospital, Mohali as conducted prior to such damage;

(b) in the reasonable opinion of Fortis needs urgent and immediate repairs; and

(c) would require repairs and maintenance which would have to be undertaken by EHSSHL,

then Fortis shall be entitled to, without obtaining the prior permission of EHSSHL, carry out and undertake the necessary repairs and rectifications required. Fortis shall, upon becoming aware of such damage, immediately notify EHSSHL of the damage.

Insurance

EHSSHL shall, at its own cost and expense, procure, keep and maintain in full force and effect, all necessary and adequate insurance policies in accordance with generally acceptable industry practices in relation to:

(a) the Mohali Clinical Establishment and all fixtures, fittings, assets, and equipments (including all medical equipment and machinery) installed therein by EHSSHL;

(b) all liabilities incurred to third parties for acts of force majeure, accidental death and bodily injury and accidental damage to the Fortis Hospital, Mohali arising from the provision of healthcare services, including the OPD Services and the Radio Diagnostic Services; and

(c) any losses, damages, claims, demands, costs and expenses (including reasonable legal fees) which EHSSHL may suffer or incur, as well as, all actions, suits and proceedings which it may face and all costs, charges and expenses relating thereto, arising from the provision of healthcare services (including OPD Services and Radio Diagnostic Services) provided by EHSSHL at the hospital ("Medical Liability Insurance").

Notwithstanding the above, in relation to the Medical Liability Insurance, EHSSHL may, if mutually agreed, request Fortis to procure the necessary insurance for and on behalf of EHSSHL under the umbrella medical and professional liability insurance policy obtained by Fortis, and EHSSHL shall reimburse Fortis 10.0% of the costs incurred by Fortis for procuring such umbrella insurance cover. In such an event, Fortis shall ensure that EHSSHL is named and identified as a beneficiary under such umbrella insurance policy and is entitled to make a claim under the insurance policy itself without the prior consent of Fortis.

Indemnities by Fortis under the Hospital and Medical Services Agreement

Fortis will indemnify EHSSHL, its directors, agents, employees and representatives (each an "**Indemnified Party**") from all losses, damages, claims, demands, costs and expenses (including reasonable legal fees) which the Indemnified Party may suffer or incur, as well as all actions, suit, proceedings, claims and damages, which they may face and all costs, charges and expenses relating thereto, arising from the provision of healthcare services (including the OPD Services and Radio Diagnostic Services) provided at the hospital. Fortis and EHSSHL agree that the Indemnified Party (where applicable) shall, prior to making any claim against Fortis, make best efforts to first recover the aforementioned losses through claims made under insurance policies obtained by EHSSHL and/or Fortis and EHSSHL shall take all steps reasonably required by Fortis to allow Fortis to recover the above losses from such insurance policy.

Each party will further indemnify the other party, its directors, agents, employees and representatives from and against all direct and actual losses, damages, claims, demands, costs and expenses (including reasonable legal fees) which the other party, its directors, agents, employees and representatives may suffer or incur, as well as, all actions, suits, proceedings, claims and damages which they may face and all direct and actual costs,

charges and expenses relating thereto, arising out of actions or any breach, violation or non-compliance on the part of the first party of its obligations, undertaking and representation and warranties under the Hospital and Medical Services Agreement or any fraudulent act or concealment on the part of the first party.

Representation and warranties by EHSSHL under the Hospital and Medical Services Agreement

EHSSHL represents to Fortis that as of the effective date of the Hospital and Medical Services Agreement:

(a) EHSSHL is in the business of providing healthcare and medical services, including, medical and Clinical Establishment Services;

(b) EHSSHL is the legal, registered and unrestricted owner, or lessee as the case may be, and in physical possession of the Mohali Clinical Establishment and the assets and premises;

(c) the title of EHSSHL to the Mohali Clinical Establishment is genuine, and bona fide and the construction of the Mohali Clinical Establishment (to the extent currently constructed) was in accordance with applicable laws and there is no legal impediment in the establishment and management of the Mohali Clinical Establishment therefrom; and

(d) there are no legal, quasi-legal, administrative, arbitration, mediation, conciliation or other proceedings, claims, actions or governmental investigations of any nature pending or, threatened against or with respect to the Mohali Clinical Establishment which prohibits EHSSHL from entering into the Hospital and Medical Services Agreement or which would have the effect of suspending the operation of the Fortis Hospital, Mohali.

However, the aggregate liability of EHSSHL under the warranties provided above at (b) and (c) above shall not exceed the total Service Fees paid/payable to EHSSHL for the initial two years of the Hospital and Medical Services Agreement.

Failure to Perform, Default and Force Majeure

Fortis shall be under an obligation to pay the Service Fee and the Technology Renewal Fee except in the following circumstances:

(a) EHSSHL is in default or fails to perform any obligations under the Hospital and Medical Services Agreement; and

(b) Fortis is unable to operate the Fortis Hospital, Mohali pursuant to any *force majeure* event (which means (i) war, terrorist attacks, revolution, riots, curfew, public strike, civil commotion, acts of public enemies, blockage or embargo and other events of like nature which are outside the control of the parties and (ii) any act of God, including natural disasters such as floods, fires and earthquakes).

Upon occurrence of such *force majeure* events, the parties shall not be held liable and shall not be entitled to unilaterally terminate the Hospital and Medical Services Agreement, for non-performance of all or any part of the obligations of the other party under the Hospital and Medical Services Agreement on account of such *force majeure* event.

Intellectual Property and Trademarks

Under the Hospital and Medical Services Agreement, Fortis shall also be entitled to provide healthcare services under its own or others' brand and trademark, as it may deem fit. Upon the termination of the Hospital and Medical Services Agreement, EHSSHL shall discontinue the use of the trademark and logo of Fortis and cease holding out any association and affiliation with Fortis.

Fees and Tariffs of the Fortis Hospital, Mohali

Fortis shall be entitled to solely and exclusively fix the tariffs and schedule of fees for various healthcare services offered by the Fortis Hospital, Mohali, including OPD Services and Radio Diagnostic Services.

Future Agreements

The parties to the Hospital and Medical Services Agreement shall, subject to applicable laws and regulations, endeavour to agree upon, and enter into a similar arrangement in respect of any future clinical establishment similar to the Mohali Clinical Establishment proposed to be established by EHSSHL, in India or overseas.

Termination

The Hospital and Medical Services Agreement may be terminated in the following events:

(a) by the mutual consent of Fortis and EHSSHL in writing, pre-authorised through resolutions passed by their respective board of directors;

(b) by unilateral notice issued by one party in the event the other party is declared insolvent or upon the institution of winding up or liquidation proceedings against the other party; or

(c) in the event there is a material breach of the agreement which is not cured within 60 Business Days after notice by the non-defaulting party, the non-defaulting party may terminate the agreement by giving no less than 180 days' notice to the defaulting party.

In the event of termination of the Hospital and Medical Services Agreement, the parties shall finalise the accounts up to the date of termination and pay the respective dues owed to either party within 30 Business Days from the date of termination of the Hospital and Medical Services Agreement. At the completion of the audit of the financial statements of the parties in the immediately succeeding financial year, the parties shall exchange such audited accounts and reconcile them within 21 Business Days thereof. Any difference between the amounts determined to be payable in the audited accounts and the actual amounts paid or settled upon termination shall be paid to the respective party within 21 Business Days after such reconciliation.

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PROFIT FORECAST

Statements contained in this section that are not historical facts may be forward-looking statements. Such statements are based on the assumptions set forth in this section and are subject to certain risks and uncertainties, which could cause actual results to differ materially from those forecasted. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy or reasonableness of the underlying assumptions by RHT and/or the Trustee-Manager.

The following section sets out the forecast statement of Escorts Heart and Super Speciality Hospital Limited ("**EHSSHL**") for the period from 1 April 2014 to 31 March 2015 ("**Forecast Period**") only in respect of the Mohali Clinical Establishment ("**Profit Forecast**") and has been prepared in accordance with the accounting policies adopted by Religare Health Trust and its subsidiaries ("**RHT Group**") for the year ended 31 March 2013. The Profit Forecast represents the forecast profit and loss account limited to the impact of the Proposed Transactions on EHSSHL and does not include any expense or income, incurred or accrued at any other entity in the RHT Group such as borrowing costs, Trustee-Manager's fees, and withholding tax expenses, etc. The Profit Forecast has been examined by the Reporting Auditor and should be read together with their report contained in **Appendix C** of this Circular as well as the assumptions and sensitivity analysis set out in this **Appendix B**.

The forecast statement of the Proposed Transactions has been estimated for the period from 1 April 2014 to 31 March 2015 ("**Forecast Period**"). The actual results for the Forecst Period will differ as the actual date of completion will be after 1 April 2014.

EHSSHL's Profit Forecast and cash generated from operations at the Mohali Clinical Establishment before interest repayment

	Forecast Period S$'000
Revenue	
Service Fee	9,968
Other Income	519
Total revenue	**10,487**
Service fee expenses	
Medical consumables	(2,787)
Employee benefits expense	(324)
Doctor charges	(385)
Depreciation charges	(899)
Other expenses	(7,219)
Net service fee	**(1,127)**
Finance expense	(9,187)
Loss before taxes	**(10,314)**
Taxes	–
Loss after taxes	**(10,314)**

Cash generated from operations at the Mohali Clinical Establishment before interest repayment

	Forecast Period S$'000
Loss after taxes	**(10,314)**
Adjustments:	
Transaction cost – capital nature[(2)]	5,848
Non-cash adjustments[(3)]	1,376
Finance expense[(4)]	9,187
Cash generated from operations at the Mohali Clinical Establishment from before interest repayment	**6,097**

Notes:

(1) The assumed forward exchange rate is ₹50.40:S$1.00. Please see paragraph on "Foreign Exchange" for more details on the forward exchange rate assumed for translation.

(2) This relates to one-off costs incurred in connection with the Proposed Transactions which the Trustee-Manager treats as capital in nature, funded by debt and accordingly is adjusted for distribution.

(3) Non-cash adjustments include depreciation, technology renewal fees and straight-lining.

(4) This interest expense is an inter-company transaction eliminated at group level. Please see paragraph on "Finance Expense" for more detail.

Assumptions

The material assumptions made in preparing the Profit Forecast for the Proposed Transactions are set out below. The Trustee-Manager considers these assumptions to be appropriate and reasonable as at the date of this Circular. However, readers of this Circular should consider these assumptions as well as the Profit Forecast and all other information in the Circular and make their own assessment of the future performance of EHSSHL in respect of the Mohali Clinical Establishment.

Total Revenue

Under the terms of the Hospital and Medical Services Agreement entered into by EHSSHL with Fortis Healthcare Limited ("**Fortis**"), EHSSHL will provide Clinical Establishment Services at the Mohali Clinical Establishment. In consideration for the provision of the Clinical Establishment Services, Fortis will pay EHSSHL a Service Fee. EHSSHL will also receive other income attributable to the provision of Ancillary Services at the Mohali Clinical Establishment. Revenue is derived from the Service Fee payable under the Hospital and Medical Services Agreement as well as other income attributable to the provision of Ancillary services.

Service Fee

The Service Fee is the aggregate of the Base Service Fee and the Variable Service Fee received from Fortis for the provision of the Clinical Establishment Services by EHSSHL, including but not limited to:

(a) the OPD Services; and

(b) the Radio Diagnostic Services.

In consideration of EHSSHL undertaking and performing the above obligations, Fortis shall pay to EHSSHL a Service Fee (excluding applicable taxes other than taxes required to be deducted at source).

	Forecast Period S$'000
Base Service Fee[(1)] (including a non-recurring Base Service Fee[(2)])	3,680
Variable Service Fee	6,288
Total Service Fees	**9,968**

Notes:

(1) Included in the Base Service Fee is the Technology Renewal Fee of S$38,000 for the Forecast Period. The underlying cash flow for the Technology Renewal Fee is retained by Fortis for replacement, refurbishment and/or upgrade of radiology and other medical equipment owned/used by EHSSHL.

(2) Included in the Base Service Fee is a non-recurring Base Service Fee to cater for the stabilisation required for the new oncology block at the Mohali Clinical Establishment (See Paragraph 2.6 of the Circular).

(a) Base Service Fee

The Base Service Fee is an absolute amount specified in the Hospital and Medical Services Agreement.

In accordance with the RHT Group's accounting policies, the Base Service Fee arising from the provision of Clinical Establishment Services is to be accounted for on a straight-line basis over the term of the Hospital and Medical Services Agreement. Under this straight-lining principle, the Base Service Fee arising from the provision of the Clinical Establishment Services will be accounted for equally over the initial term of the Hospital and Medical Services Agreement (being 15 years). Straight lining amounts which are not supported by cash flows will be adjusted for as a non-cash item in deriving the cash flow to EHSSHL.

In addition, under the Hospital and Medical Services Agreement, EHSSHL is entitled to seek and hold on its balance sheet an advance of up to 60% of the Base Service Fee due and payable for the following Financial Year.

The Base Service Fee will be paid on a quarterly basis in arrears.

Technology Renewal Fee

Fortis shall, on a quarterly basis, retain from the Base Service Fee into the Technology Renewal Fund a sum of 550,000 (S$11,567), or such additional amount as EHSSHL and Fortis may deem necessary and agree upon from time to time, for funding the replacement, refurbishment and/or upgrade of radiology and other medical equipment owned/used by EHSSHL ("**Retained TRF Amount**").

The sums comprising the Technology Renewal Fee amount will be held as a receivable in the accounts of EHSSHL, out of which the amount can be drawn on to pay for expenditure incurred by EHSSHL for the replacement, refurbishment and/or upgrade of radiology or other medical equipment owned or used by EHSSHL. In addition, in the event that the balance in the Technology Renewal Fund is insufficient to fund the replacement, refurbishment and/or upgrade of such radiology or other medical equipment, Fortis will pay the shortfall required as a TRF Advance which shall be set off against future Retained TRF Amounts until the TRF

Advance is paid off. Any unutilised credit in the Retained TRF Amount will be refunded to EHSSHL upon the completion or termination of the Hospital and Medical Services Agreements.

(b) Variable Service Fee

The Variable Service Fee is calculated based on 7.5% of the Operating Income of Fortis from the operation of the Mohali Clinical Establishment in accordance with the Hospital and Medical Services Agreement.

"**Operating Income**" is defined as the aggregate of all revenues billed by Fortis in accordance with the terms of the Hospital and Medical Services Agreement and derived from the provision of healthcare services at the Mohali Clinical Establishment, net of all discounts, deductions, adjustments and waivers. These shall include without limitation, income from the room charges, operation theatre charges, procedure charges, drugs and consumables, medical and diagnostic services, but shall exclude service tax, sales tax or other government levies. Further, it shall exclude other income such as income from provision of a rehabilitation centre for patients to recover from their IPD treatment interest, profit on sale of investments and assets and other such revenues or incomes which are not derived from the provision of healthcare services at the Mohali Clinical Establishment.

The forecasted Operating Income of Fortis from the operation of the Mohali Clinical Establishment is S$83.8 million. The Trustee-Manager has made the following key assumptions in projecting the Operating Income of the Mohali Clinical Establishment:

*Average Revenue per Occupied Bed ("**ARPOB**") and Bed Occupancies*

The ARPOB is defined as the Operating Income per occupied hospital bed for a particular financial year. Bed occupancy is defined as the number of occupied bed days over the total number of available bed days in a particular financial year. The forecast ARPOB (translated to Singapore Dollars at the assumed exchange rates) and occupancy for Mohali Clinical Establishments are shown below:

	Forecast Period
ARPOB	S$291,120
Occupancy	83.2%

Bed Capacity

Average number of Operational Beds during Forecast Period has been estimated at 346 beds.

Based on the key assumptions above, the Trustee-Manager forecasts an Operating Income for the Mohali Clinical Establishment of S$83.8 million in the Forecast Period. Of the Operating Income, approximately 1% and 5% relates to the revenue for the OPD Services and Radio Diagnostic Services, respectively, provided by the EHSSHL under the Hospital and Medical Services Agreement in the Forecast Period.

The Variable Service Fee will be paid quarterly in arrears.

Other income

Other income includes income from the provision of services and facilities which are ancillary to the operation and management of a hospital, including:

(a) provision of a rehabilitation centre for patients to recover from their in-patient department treatment; and

(b) lease rental from pharmacy, cafeteria, book shop, ATM and other amenities for patients and/or other attendant conveniences.

The Trustee-Manager has assumed other income to grow by 7.5% in the Forecast Period.

Service Fee Expenses

Medical consumables

Medical consumables include consumables for Radio Diagnostic Services provided at the Mohali Clinical Establishment, medical consumables for the provision of specific OPD Services and outsourced Radio Diagnostic Services at the Mohali Clinical Establishment.

The cost of OPD Services consumables is assumed to be 1% of the OPD Services revenue.

The costs of consumables for Radio Diagnostic Services and for outsourcing Radio Diagnostic Services are assumed to be 60% of the revenue from the provision of the Radio Diagnostic Services over the Forecast Period.

Employee benefits expense

Employee benefits expense includes amounts incurred for radiologists, radio diagnostics technicians and administrative staff transferred to EHSSHL under the Business Transfer Agreement entered into with Fortis.

Doctor charges

Doctor charges are estimated on the basis of revenue sharing contracts for empanelled doctors providing specific OPD Services. The share for doctors is assumed to be 70% of the revenue from the specific OPD Services for the Forecast Period.

Depreciation charges

Depreciation expenses consist of the depreciation on building, medical equipment and other equipment.

Depreciation is computed on a straight line basis over the estimated useful lives of the assets as set out below:

Building:	33 years
Medical equipment:	1 to 15 years
Plant and machinery:	1 to 10 years
Furniture and fixtures:	1 to 5 years
Office equipment:	1 to 2 years
Computers:	1 to 2 years

Other expenses

	Forecast Period S$'000
Repair and maintenance	30
Insurance	12
Housekeeping	692
Security	215
Power and fuel	251
Annual maintenance charges	146
Administrative and other expenses	5,873
	7,219

Other expenses comprise repair and maintenance, insurance, housekeeping costs, security costs, power and fuel expenses and annual equipment maintenance charges for both medical and non-medical equipment owned by the Mohali Clinical Establishment.

The cost and expenses for repairs and maintenance shall be borne by EHSSHL and Fortis in accordance with the Hospital and Medical Services Agreement. Fortis undertakes repairs to any fixtures, fittings, medical equipment and other fixed assets at the Mohali Clinical Establishment, subject to a maximum cap of individual invoice value up to S$0.02 million and total expenditure cap in a financial year of S$0.8 million, translated from Indian Rupees to Singapore dollars at an exchange rate of ₹50.40:S$1.00. Expenditure in excess of the capped amount borne by Fortis will be borne by EHSSHL.

The Trustee-Manager has assumed the repair and maintenance cost at 0.04% of the total Operating Income (excluding other income) of Fortis from Mohali Clinical Establishment for the Forecast Period.

Housekeeping and security costs are assumed to be approximately 0.8% and 0.2% of the total Operating Income (excluding other income) from Mohali Clinical Establishment for the Forecast Period.

Power and fuel expenses shall be shared between EHSSHL and Fortis according to their pro-rata share of the charges incurred towards consumption of power and electricity and calculated based on the proportion of the total area used by Fortis against the total area used by EHSSHL for providing Radio Diagnostic Services, OPD Services and provision of a rehabilitation centre for patients to recover from their IPD treatment. The power and fuel expenses are projected based on historical cost of approximately 0.3% of the total Operating Income (excluding other income) from Mohali Clinical Establishment for the Forecast Period.

Annual equipment maintenance costs are forecast based on the actual agreements and historical cost trend.

The Trustee-Manager has assumed administrative cost of S$8,000 annually on recurring basis. In addition, stamp duties amounting to S$5.8 million (translated at an exchange rate of ₹47.55: S$1.00) in connection with the transfer of assets has been assumed in the Forecast Period. The Trustee-Manager has assumed that such stamp duties are capital in nature and are added back in the determination of cash flow generated from operations at EHSSHL from the Proposed Transactions.

Finance expense

Finance expense is incurred in relation to the issue of non-convertible bonds ("**NCBs**") by EHSSHL. Religare Healthtrust Services Pte. Ltd. ("**RHSPL**"), a subsidiary of RHT, will subscribe for the NCBs in EHSSHL, proceeds of which will be used for the Proposed Transactions. The NCBs will bear interest at 14.8% per annum.

Taxes

Income taxes are payable at the EHSSHL level in India. However, if the Mohali Clinical Establishment is considered as a standalone entity for tax purposes, there will be no tax liability due to interest expense on NCBs resulting in losses during the Forecast Period. In addition, there will not be any income tax liability under the Minimum Alternative Tax (MAT) provisions of the Indian Income Tax Act, 1961.

Deferred tax

On the assumption that the Mohali Clinical Establishment is a standalone entity, there would be accumulated tax losses which can be set off against the profits in future years subject to a carrying forward limit of up to 10 years under the Indian Income Tax Act, 1961. A deferred tax asset is recognised to the extent that it is probable that taxable profits will be available against which the accumulated tax losses can be utilised. Considering the interest expense on NCBs, it appears improbable that taxable profits will be available against which these losses could be utilised in the future and hence, management is of the view that deferred tax asset should not be recognised for the losses to be incurred by the Mohali Clinical Establishment.

Foreign exchange rate

The Trustee-Manager has assumed the exchange rates for the Forecast Period based on the average forward exchange rate for the expected Indian Rupee repatriation rate to Singapore of ₹49.51:S$1.00 on 15 November 2014 and ₹51.29:S$1.00 on 15 May 2015 on the basis of spot rates obtained on 31 March 2014.

Accounting Standards

The Trustee-Manager has assumed that there will be no change in the applicable accounting standards or other financial reporting requirements that may have a material effect on the Profit Forecast.

Significant accounting policies adopted by the Trustee-Manager in the preparation of the Profit Forecast are set out in RHT Group's audited financial statements for the year ended 31 March 2013.

Other Assumptions

The following additional assumptions have been made in preparing the Profit Forecast:

(a) there will be no material changes in taxation legislation or other applicable legislation and surcharges and other applicable government levies;

(b) the Profit Forecast is presented at the Mohali Clinical Establishment only. RHT's income and cost of operations have not been considered;

(c) all agreements and licenses are enforceable and will be performed in accordance with their terms;

(d) there will be no change in the fair value of all financial instruments throughout the Forecast Period;

(e) there will be no impairment of the fixed assets of the Mohali Clinical Establishment throughout the Forecast Period;

(f) the operations and business of the Mohali Clinical Establishment will not be interrupted by any force majeure events or unforeseeable factors that are beyond the control of the Trustee-Manager, including the occurrence of natural disasters or catastrophes (such as floods and typhoons), epidemics or serious accidents;

(g) there will be no interruption of operations as a result of labour shortages or disputes or any other circumstances that are beyond the control of the Trustee-Manager. In addition, EHSSHL will be able to recruit sufficient employees to meet its operating requirements during the Forecast Period;

(h) there will be no material amendments to any material agreements, including the Hospital and Medical Services Agreement; and

(i) taxes are payable at the legal entity level. However, if we consider Mohali Clinical Establishment as a standalone entity for tax purposes, there will be no tax liability due to interest expense on NCBs resulting in losses in the Forecast Period. In addition, it has been assumed that there will not be any liability under the Minimum Alternative Tax (MAT) provisions of the Indian Income Tax Act, 1961.

Sensitivity Analysis

This sensitivity analysis does not form part of the Profit Forecast and is intended for the purpose set out below.

The Profit Forecast included in this Circular are based on a number of key assumptions that have been outlined earlier in this section.

Unitholders should be aware that future events cannot be predicted with any certainty and deviations from the figures forecast and projected in this Circular are to be expected. To assist Unitholders in assessing the impact of these assumptions on the Profit Forecast, a series of tables demonstrating the sensitivity of the cash generated from operations of the Mohali Clinical Establishment before interest repayment to changes in the key assumptions are set out below.

The sensitivity analysis is intended to provide a guide only and variations in actual performance could exceed the ranges shown. Movements in other variables may offset or compound the effect of a change in any variable beyond the extent shown.

Variable Service Fee

Changes in Operating Income will impact the Variable Service Fee and, consequently, the cash generated from operations of the Mohali Clinical Establishment before interest repayment. The effects of changes in the Variable Service Fee (assuming no corresponding impact on Service Fee expenses) on the cash available are set out below:

	Forecast Period S$'000
+5%	6,365
Base Case	**6,097**
-5%	5,830

Exchange rate

Income paid to RHT will primarily be denominated in Indian Rupees. The following table illustrates the impact on the cash generated from operations of the Mohali Clinical Establishment before interest repayment from the fluctuation in the Indian Rupees and Singapore dollar exchange rate.

	Forecast Period S$'000
INR appreciates against SGD by 5%	5,940
Base Case	**6,097**
INR depreciates against SGD by 5%	5,375

Service Fee Expenses

Changes in Service Fee expenses impact the cash generated from operations of the Mohali Clinical Establishment. The effects of changes in the service fee expenses on the cash available are set out below.

	Forecast Period S$'000
+5%	5,807
Base Case	**6,097**
-5%	6,419

Reconciliation of RHT's income available for distribution

This reconciliation section does not form part of the Profit Forecast and is intended for the purpose set out below.

The reconciliation is based on a number of key assumptions that are outlined below. The reconciliation is intended to provide a guide only and present to Unitholders the financial effects of the Proposed Transactions on RHT's distributable income for the Forecast Period. The reconciliation shows EHSSHL's distributable income from the Profit Forecast and takes into consideration various costs incurred by the Trustee-Manager to arrive at RHT's distributable income.

	Forecast Period S$'000
Distributable income at EHSSHL	**6,097**
Adjustments:	
Finance expense on bank facilities	(3,952)
Trustee-Manager's fee paid in cash	(152)
Withholding tax expense	(459)
Distributable income at RHT	**1,534**

Finance Expenses on Bank Facilities

The Trustee-Manager has assumed a debt drawdown of S$65.0 million from the facilities proposed to be extended by DBS Bank Ltd. and Deutsche Bank AG, Singapore Branch to fund the Proposed Transactions. The Trustee-Manager has assumed an interest rate of 3.8% (margin of 3.5% plus the Singapore Swap Offer Rate) per annum and an upfront of 6.0% amortised over three years.

Trustee-Manager's Fee

The Trustee-Manager's fee has been assumed to comprise the Management Fee, the Trustee Fee and the Acquisition Fee.

Management Fee comprises the Base Fee and the Performance Fee. The Base Fee is 0.4% per annum of RHT Group's net asset value at the group level. In addition, there is a Performance Fee of 4.5% of the distributable income of RHT. It is assumed that 50% of the Trustee-Manager's Management Fees will be paid in the form of Common Units.

The Trustee Fee is calculated based on 0.03% per annum of RHT's net asset value subject to a minimum of S$15,000 per month. It is assumed that 50% of the Trustee Fee payable to the Trustee-Manager will be paid in the form of Common Units.

The Acquisition Fee is calculated based on 1.0% of the purchase consideration paid to the Vendor and 0.5% of the purchase consideration paid to Fortis. It is assumed that 100% of the Trustee-Manager's Acquisition Fee will be paid in the form of Common Units.

Withholding Tax Expense

The Trustee-Manager has assumed a 5.0% withholding tax on the offshore interest payment on NCBs issued by EHSSHL to RHSPL for the Forecast Period.

Under the Double Taxation Avoidance Agreement between India and Singapore, withholding taxes deducted by EHSSHL on offshore payments of interest on NCBs, will be considered as an expense for the RHT Group as it is not refundable.

REPORTING AUDITOR'S REPORT ON THE PROFIT FORECAST

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ASU22/60938507/NC

10 April 2014

Religare Health Trust Trustee Manager Pte. Ltd.
(in its capacity as trustee-manager of Religare Health Trust) ("Trustee-Manager")
9 Battery Road
#15-01 Straits Trading Building
Singapore 049910

REPORTING AUDITOR'S REPORT ON THE PROFIT FORECAST

Dear Sirs

Letter from the Reporting Auditor on the Profit Forecast for the period ending 31 March 2015

This letter has been prepared for inclusion in the circular (the "Circular") to be issued in connection with certain interested person transactions ("Interested Person Transactions") proposed to be entered into by Religare Health Trust ("RHT") in conjunction with the acquisition of a property (including land and hospital building) (together with the Interested Person Transactions, the "Proposed Transactions").

We have examined the forecasted profit and loss statement of Escorts Heart and Super Speciality Hospital Limited ("EHSSHL") for the period from 1 April 2014 to 31 March 2015 ("Forecast Period") only in respect of the Mohali Clinical Establishment ("Profit Forecast"), as set out at Appendix B to this Circular, which have been prepared on the basis of the assumptions as set out on pages B-1 to B-10 of this Circular, in accordance with Singapore Standard on Assurance Engagements applicable to the examination of prospective financial information. The Board of Directors of Religare Health Trust Trustee Manager Pte. Ltd. (the "Board"), in its capacity as trustee-manager of RHT, is solely responsible for the Profit Forecast including the assumptions set out on pages B-1 to B-10 of the Circular on which they are based.

Based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the Profit Forecast. Further, in our opinion, the Profit Forecast is properly prepared on the basis of the assumptions set out on pages B-1 to B-10 of the Circular and is consistent with the accounting policies of the RHT Group which is in accordance with International Financial Reporting Standards (but not all the required disclosures may be presented).

Events and circumstances frequently do not occur as expected. Even if the events anticipated under the hypothetical assumptions described in the Circular occur, actual results are still likely to be different from the Profit Forecast since other anticipated events frequently do not occur as expected and the variation may be material. The actual results may therefore differ materially from those forecasted. For the reasons set out above, we do not express any opinion as to the possibility of achievement of the Profit Forecast.

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Attention is drawn to the sensitivity analysis of the Directors' Profit Forecast as set out on pages B-8 to B-9 of the Circular.

This letter has been prepared for inclusion in the Circular and should not be used for any other purpose.

Ernst & Young LLP

ERNST & YOUNG LLP
Public Accountants and
Chartered Accountants
(Partner-in-charge: Nelson Chen)

Singapore

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INDEPENDENT FINANCIAL ADVISER'S LETTER

DELOITTE & TOUCHE CORPORATE FINANCE PTE LTD
(Incorporated in the Republic of Singapore)
Company Registration Number: 200200144N

10 April 2014

The Independent Directors of
Religare Health Trust Trustee Manager Pte. Ltd.
(as trustee-manager of Religare Health Trust)
80 Raffles Place
#11-20 UOB Plaza 2
Singapore 048624

Dear Sirs

THE PROPOSED BUSINESS ACQUISITION, THE PROPOSED PLANT AND MACHINERY ACQUISITION AND THE PROPOSED HOSPITAL AND MEDICAL SERVICES AGREEMENT

*For the purpose of this letter, capitalised terms not otherwise defined shall have the meaning given to them in the circular dated 10 April 2014 to the Unitholders of Religare Health Trust (the "**Circular**").*

1. INTRODUCTION

Religare Health Trust ("**RHT**") has been listed on the Main Board of the Singapore Stock Exchange Securities Trading Limited ("**SGX-ST**") since October 2012. Its 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. As at 31 March 2013, RHT's portfolio comprises 17 properties in 12 cities across India valued at approximately S$772 million.

On 2 February 2014, Escorts Heart and Super Specialty Hospital Limited ("**EHSSHL**"), a wholly-owned subsidiary of RHT, entered into an undertaking letter with Radha Soami Satsang Beas ("**RSSB**" or the "**Vendor**") on the form of the Sale Deed in respect of the land, hospital building and structure, and all rights associated with the land and building including any development rights and any other future development rights over the land ("**Property**") of an operating clinical establishment at Mohali (the "**Mohali Clinical Establishment**") for a purchase consideration of ₹2,700.0 million (S$56.8 million) (the "**Clinical Establishment Acquisition**"). The Vendor is a registered society in India under the Societies Registration Act of India, 1860, and is not an "interested person" within the meaning set out in Chapter 9 of the Listing Manual. Accordingly, the Clinical Establishment Acquisition is not an interested person transaction under Chapter 9 of the Listing Manual.

In conjunction with the Clinical Establishment Acquisition, EHSSHL proposes to enter into the Business Transfer Agreement with Fortis Healthcare Limited ("**Fortis**"), for the purchase of certain of its business undertakings (the "**Business Acquisition**") relating to the Mohali Clinical Establishment, in particular the provision of out-patient rehabilitation and consultation services, day care, medical and healthcare services and radiology and imaging diagnostic services (together, the "**Clinical Establishment Business**"). The purchase consideration payable by EHSSHL to Fortis under the Business Transfer Agreement is ₹38.8 million (S$0.8 million), subject to adjustment in accordance with the terms and conditions set out therein.

In conjunction with the Business Acquisition, EHSSHL also proposes to enter into the Asset Transfer Deed with Fortis for the purchase of certain immovable permanent fixtures and fittings, plant and machinery (the "**Plant and Machinery**") that it owns and has used in relation to the operations of the Mohali Clinical Establishment (the "**P&M Acquisition**"). The purchase consideration payable by EHSSHL to Fortis under the Asset Transfer Deed is

₹111.5 million (S$2.3 million), subject to adjustment in accordance with the terms and conditions set out therein.

In connection with the Clinical Establishment Acquisition, EHSSHL also proposes to enter into the Hospital and Medical Services Agreement (the "**HMSA**") with Fortis. This agreement sets out the services to be provided by Fortis in continuing its role as the operator of the Mohali Clinical Establishment and further provides for the delivery of the Clinical Establishment Services by EHSSHL to Fortis in respect of the Mohali Clinical Establishment.

As at the Latest Practicable Date, Fortis, through its wholly-owned subsidiary Fortis Healthcare International Limited, held an aggregate indirect interest in 220,676,944 Units, which is equivalent to approximately 27.9% of the total Units, and is therefore regarded as a "controlling unitholder" and an "interested person" of RHT under the Listing Manual. The Business Transfer Agreement, the Asset Transfer Deed and the Hospital and Medical Services Agreement will be entered into between EHSSHL - a wholly-owned subsidiary of RHT - and Fortis. As such, the Business Acquisition, the P&M Acquisition and the HMSA constitute "interested person transactions" under Chapter 9 of the Listing Manual, in respect of which the approval of Unitholders is required.

We highlight to Unitholders that the execution of the Sale Deed, the Business Transfer Agreement, the Asset Transfer Deed and the HMSA are conditional upon, *inter alia*, Unitholders' approval of the resolutions in relation to the Interested Person Transactions. In the event Unitholders do not approve any of the resolutions, EHSSHL will not proceed with the Proposed Transactions.

2. TERMS OF REFERENCE

We have been appointed as the independent financial adviser ("**IFA**") to the Independent Directors to advise them as to whether the Business Acquisition, the P&M Acquisition and the HMSA (collectively the "**Interested Person Transactions**") are on normal commercial terms and are not prejudicial to the interests of RHT and its minority Unitholders. This letter, which sets out our evaluation for the Independent Directors in respect of our engagement, is an integral part of the Circular.

We were neither a party to the negotiations entered into in relation to the Interested Person Transactions, nor were we involved in the deliberations leading up to the decision on the part of the Directors to enter into these transactions or arrangements.

We do not, by this letter or otherwise, advise or form any judgement on the strategic or commercial merits or risks of the Interested Person Transactions. All such evaluations, advice, judgements or comments remain the sole responsibility of the Directors and their advisers. We have however drawn upon such evaluations, judgements and comments as we deem necessary and appropriate in arriving at our opinion.

The scope of our appointment does not require us to express, and nor do we express, a view on the future growth prospects, earnings potential or value of RHT. We do not express any view as to the price at which the Units may trade upon completion of the Interested Person Transactions nor on the future value, financial performance or condition of RHT after the Interested Person Transactions.

It is also not within our terms of reference to compare the merits of the Interested Person Transactions to any alternative transactions that were or may have been available to RHT. Such comparison and consideration remain the responsibility of the Directors, the Trustee-Manager and their advisers.

In the course of our evaluation, we have held discussions with the Chief Executive Officer and management of the Trustee-Manager and have considered the information contained in the Circular, publicly available information collated by us as well as information, both written and verbal, provided to us by the Trustee-Manager. We have relied upon and assumed the accuracy of the relevant information, both written and verbal, provided to us by the aforesaid

parties and have not independently verified such information, whether written or verbal, and accordingly cannot and do not warrant, and do not accept any responsibility for the accuracy, completeness and adequacy of such information. We have not independently verified and have assumed that all statements of fact, belief, opinion and intention made by the Directors in the Circular have been reasonably made after due and careful enquiry. Accordingly, no representation or warranty (whether express or implied) is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information. We have nonetheless made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the reliability of such information.

We have not made any independent evaluation or appraisal of the assets and liabilities (including, without limitation, the real properties) of RHT or the Interested Person Transactions. We have been furnished with the valuation reports prepared by the Independent Clinical Establishment Enterprise Valuer, the Independent Clinical Establishment Valuer, the Independent Business Undertaking Valuer and the Independent P&M Valuer. With respect to such reports, we are not experts and do not hold ourselves to be experts in the evaluation of the healthcare property assets and have relied solely upon such reports.

Our views are based on market, economic, industry, monetary and other conditions (where applicable) prevailing on and our analysis of the information made available to us as at the Latest Practicable Date. We assume no responsibility to update, revise or re-affirm our opinion, factors or assumptions in light of any subsequent development after the Latest Practicable Date that may affect our opinion or factors or assumptions contained herein. Unitholders should take note of any announcements relevant to their considerations of the Interested Person Transactions which may be released by the Trustee-Manager after the Latest Practicable Date.

The Trustee-Manager has been separately advised by its own legal adviser in the preparation of the Circular other than this letter. We have had no role or involvement and have not provided any advice whatsoever in the preparation, review and verification of the Circular other than this letter. Accordingly, we take no responsibility for, and express no views, whether express or implied, on the contents of the Circular except for this letter.

Our opinion in relation to the Interested Person Transactions as set out in Paragraph 5 of this letter should be considered in the context of the entirety of our advice. While a copy of this letter may be reproduced in the Circular, the Trustee-Manager may not reproduce, disseminate or quote this letter or any part thereof for any purpose, other than for the purpose stated herein, without our prior written consent in each instance.

We have not had regard to the general or specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Unitholder. As Unitholders will have different investment objectives, we advise the Independent Directors to recommend that any Unitholder who may require specific advice in relation to his or her specific investment objectives or portfolio should consult his or her stockbroker, bank Trustee-Manager, solicitor, accountant, tax adviser or other professional advisers.

3. OVERVIEW OF THE INTERESTED PERSON TRANSACTIONS

3.1 The Business Acquisition

Under the Business Transfer Agreement, Fortis agrees to transfer its Clinical Establishment Business at the Mohali Clinical Establishment to EHSSHL at a consideration of ₹38.8 million (S$0.8 million), subject to adjustment as set out in Paragraph 2.4 of the Letter to Unitholders in the Circular.

The consideration for the Business Acquisition was negotiated between EHSSHL and Fortis on an arm's length basis and arrived at after taking into account, among other things, the Independent Business Undertaking Valuation commissioned by the Trustee-Manager as set out in Part 3 of Appendix E of the Circular.

The Trustee-Manager intends to finance the consideration for the Business Acquisition by utilising a part of the debt facility of up to S$65.0 million arranged with DBS Bank Ltd and Deutsche Bank AG, Singapore Branch.

Please refer to Part 2 of Appendix A of the Circular for further details in relation to key terms and conditions of the Business Transfer Agreement.

3.2 The Plant and Machinery Acquisition

Under the Asset Transfer Deed, it is proposed that Fortis transfers the Plant and Machinery at the Mohali Clinical Establishment to EHSSHL on an "*as is where is basis*" at a consideration of ₹111.5 million (S$2.3 million) and otherwise on the terms and conditions set out in the Asset Transfer Deed. The Asset Transfer Deed Consideration will be paid on the execution of the Asset Transfer Deed.

The Asset Transfer Deed Consideration is subject to adjustment based on an updated valuation of the Plant and Machinery as at the date of the Asset Transfer Deed, to be prepared by an independent valuer within twenty (20) days of the execution of the Asset Transfer Deed. Any additional consideration shall be paid to Fortis based on the updated valuation within thirty (30) days of the execution of the Asset Transfer Deed. However, the additional consideration payable shall not exceed ₹10 million (S$0.2 million).

The consideration for the P&M Acquisition was negotiated between EHSSHL and Fortis on an arm's length basis and arrived at after taking into account, amongst other things, the Independent P&M Valuation commissioned by the Trustee-Manager as set out in Part 4 of Appendix E of the Circular.

The Trustee-Manager intends to finance the consideration for the P&M Acquisition by utilising a part of the debt facility of up to S$65.0 million arranged with DBS Bank Ltd and Deutsche Bank AG, Singapore Branch.

Please refer to Part 3 of Appendix A of the Circular for further details in relation to key terms and conditions of the Asset Transfer Deed.

3.3 The Hospital and Medical Services Agreement

The rights and obligations of EHSSHL and Fortis under the HMSA are set out in Part 4 of Appendix A of the Circular. Unitholders are advised to read Part 4 of Appendix A carefully.

Under the HMSA, Fortis will continue to manage and operate the Mohali Clinical Establishment. Fortis will receive the entire net operating profit of the Mohali Clinical Establishment after the deduction of all net operating costs (including amounts payable to EHSSHL for the provision of Clinical Establishment Services).

For its part, EHSSHL shall provide to Fortis, *inter alia,* the following healthcare, medical and related services (collectively, the "**Clinical Establishment Services**"):

(a) OPD Services to the patients at the Fortis Hospital, Mohali, for and on behalf of Fortis;

(b) Radio Diagnostic Services to the patients at the Fortis Hospital, Mohali, for and on behalf of Fortis;

(c) Maintain and operate the Mohali Clinical Establishment as required under the HMSA to allow Fortis to run the Fortis Hospital, Mohali for providing healthcare services to patients; and

(d) Establish and set-up Ancillary Services, defined for this purpose to be all services and facilities which are ancillary to the operation and management of a hospital including a pharmacy, a cafeteria, a book shop, automated teller machines, a rehabilitation and recovery centre for the patients of Fortis Hospital, Mohali and other amenities for the convenience of patients and/or their attendants.

In return for the provision of the Clinical Establishment Services, Fortis will pay to EHSSHL a service fee (the "**Service Fee**") comprising:

(a) A fixed fee (the "**Base Service Fee**") payable quarterly. For FY2015, such Base Service Fee is agreed in the amount of ₹147.8 million (S$3.1 million). On and from 1 April 2015, the Base Service Fee shall be increased by 3.0% at the beginning of each Financial Year. In addition, the Base Service Fee shall be revised upwards as mutually agreed by the parties in writing, for any capital expenditure, for upgrade or expansion of the Mohali Clinical Establishment / Clinical Establishment Services incurred by EHSSHL or the parties mutually agreeing to increase the Retained TRF Amount (as defined below) from time to time;

(b) A variable fee (the "**Variable Service Fee**"), also payable quarterly, amounting to 7.5% of the Operating Income of the Mohali Clinical Establishment. For this purpose, Operating Income is the aggregate of all revenues billed by Fortis and derived at the Mohali Clinical Establishment from the provision of the healthcare services, net of all discounts, deductions, adjustments and waivers. These shall include without limitation, income from the room charges, operation theatre charges, procedure charges, drugs and consumables, medical and diagnostic services, but shall exclude service tax, sales tax or other government levies. However, it shall exclude other incomes such as interest, profit on sale of investments and assets and other such revenues or incomes which are not derived from the provision of healthcare services at the Mohali Clinical Establishment;

(c) A non-recurring Base Service Fee of ₹36.3 million (S$0.8 million) for the first year from the HMSA Effective Date; and

(d) A non-recurring Base Service Fee of ₹24.5 million (S$0.5 million) for the second year from the HMSA Effective Date to cater for the stabilisation required[1] for the new oncology block.

It is further agreed as between Fortis and ESSHL that the Technology Renewal Fund shall be established and maintained throughout the period of the HMSA to fund the replacement, refurbishment and/or upgrade of radiology and other medical equipment owned or used by EHSSHL. A sum of ₹550,000 (S$11,567) or such additional amounts as the parties may deem necessary and agree upon from time to time shall be retained by FHL for deposit into the Technology Renewal Fund on a quarterly basis.

Please refer to Appendix A of the Circular for further details in relation to key terms and conditions of the proposed HMSA.

4. EVALUATION OF THE INTERESTED PERSON TRANSACTIONS

In our evaluation of the commercial terms of the Interested Person Transactions, we have given due consideration to the following factors:

(1) The Rationale for the Interested Person Transactions;

(2) The Independent Business Undertaking Valuation;

[1] The time frame for the oncology block to stabilise and contribute meaningfully to revenue of Fortis Hospital, Mohali, is expected to be three years. Accordingly, the Trustee-Manager had negotiated with Fortis for a fixed non-recurring stabilisation fee for the oncology block component to cater for the stabilisation required.

(3) The Independent Plant and Machinery Valuation;

(4) Comparison of Principal Terms of the HMSA with Other Existing HMSAs;

(5) The Independent Clinical Establishment Enterprise Valuation and the Independent Clinical Establishment Valuation;

(6) Comparison of Yields;

(7) Pro forma Financial Effects of the Proposed Transactions; and

(8) Certain Other Considerations.

4.1 The Rationale for the Interested Persons Transactions

The Trustee-Manager's rationale for and benefits of the Proposed Transactions are set out in Paragraph 3 of the Letter to Unitholders in the Circular. Unitholders are advised to read the Letter to Unitholders in the Circular carefully.

In summary, the Trustee-Manager believes that the Interested Person Transactions are beneficial to RHT as they are inter-conditional elements of the acquisition of a yield-accretive asset in a strategic location with a ready operator in Fortis, as well as provide stable revenue with predictable cash flows.

In reaching its views, the Trustee-Manager has highlighted that:

(i) The Fortis Group is a leading healthcare chain in India with an established operating track record;

(ii) Fortis has a proven capability to generate strong revenue growth;

(iii) Fortis has a proven track record of managing and operating RHT's Existing Portfolio; and

(iv) The arrangements agreed upon provide for continuity in operations of the Mohali Clinical Establishment.

We note that the Proposed Transactions (which incorporate the Interested Person Transactions) are consistent with the Trustee-Manager's acquisition growth strategy as outlined in the Prospectus. Such strategy comprises the acquisition by RHT of assets which enhance distributions to Unitholders and shall take into account factors such as yield accretion, potential for future earnings and capital appreciation and increase portfolio diversification.

4.2 The Independent Business Undertaking Valuation

The Trustee-Manager has commissioned an independent valuer, K. K. Mankeshwar & Co. Chartered Accountants (the "**Independent Business Undertaking Valuer**" or "**KKM**"), to undertake the Independent Business Undertaking Valuation in respect of the Clinical Establishment Business.

The Valuation Certificate of the Independent Business Undertaking Valuer is attached as Part 3 of Appendix E of the Circular.

The key points we highlight for Unitholders in respect of the Independent Business Undertaking Valuation are as follows:

(i) "Fair Value" has been used as the basis of valuation, such basis being defined for this purpose as the price that would be agreed in an open and unrestricted market

between knowledgeable and willing parties dealing at arm's length who are fully informed and are not under any compulsion to transact;

(ii) The fair value has been determined using an aggregate of discounted cash flows (₹51.4 million), a net asset value (₹2.7 million) and asset valuation or depreciated replacement cost approach (₹3.0 million);

(iii) For the purpose of the discounted cash flows, a five year cashflow was projected together with a terminal value which refers to the present value of the Clinical Establishment Business as a going concern beyond the period of projections (with no finite timeline) taking into consideration sustainable capital investment required for the Clinical Establishment Business. In its valuation, KKM has considered a range of assumptions including the weighted average cost of capital (13.64%), revenue growth and terminal capitalisation rate (4.0%);

(iv) For the purpose of the net asset value approach KKM has considered the book value of the Clinical Establishment Business, including the total assets and deducting debt, dues, borrowings and liabilities, including contingent liabilities, if any;

(v) For the purpose of the asset valuation approach, KKM has estimated the cost of replacing the assets, which takes into consideration the market value of various assets or the expenditure required for such infrastructure. The estimated replacement cost is then depreciated according to the age of such assets;

(vi) The fair value ascribed to the Business Acquisition on this basis is ₹38.8 million (S$0.8 million), being the appraised value of the Business Undertaking of ₹57.1 million (S$1.2 million) minus the estimated net current liabilities assumed of ₹18.3 million (S$0.4 million); and

(vii) The date of the valuation is 31 August 2013. The Business Undertaking Valuer has confirmed that there is no change in fair value from that date up to the Latest Practicable Date.

We note that the consideration for the Business Acquisition is in line with the fair value determined by the Independent Business Undertaking Valuer.

4.3 The Independent Plant and Machinery Valuation

The Trustee-Manager has commissioned an independent valuer, M/s. Sapient Services Pvt. Ltd. (the "**Independent P&M Valuer**" or "**Sapient**"), to undertake a valuation of the Plant and Machinery in respect of the Clinical Establishment Business.

The Valuation Certificate of the Independent P&M Valuer is attached as Part 4 of Appendix E of the Circular.

The key points we highlight for Unitholders in respect of the valuation of the Independent P&M Valuer (the "**Independent P&M Valuation**") are as follows:

(i) "Fair Value" has been used as the basis of valuation, such basis being defined for this purpose as the price that would be agreed in an open and unrestricted market between knowledgeable and willing parties dealing at arm's length who are fully informed and are not under any compulsion to transact;

(ii) The fair value has been determined using a depreciated replacement cost approach;

(iii) For the purpose of its valuation, Sapient has estimated the expected costs of replacing existing assets to be transferred from Fortis with similar or equivalent new assets as at the date of the Independent P&M Valuation. This cost is depreciated according to the economic life and age of the assets. The weighted average age and

depreciation periods for the Plant and Machinery are as set out in Paragraph 2.5 of the Letter to Unitholders in the Circular;

(iv) The fair value ascribed to the Plant and Machinery on this basis is ₹111.5 million (S$2.3 million); and

(v) The date of the valuation is 31 August 2013. The Independent P&M Valuer has confirmed that there is no change in fair value from that date up to the Latest Practicable Date.

We note that the consideration for the P&M Acquisition is in line with the fair value determined by the Independent P&M Valuer.

4.4 Comparison of Principal Terms of the HMSA with Other Existing HMSAs

We note that entities within the RHT Group have as at the Latest Practicable Date entered into hospital and medical services agreements (the "**Existing HMSAs**") with entities within the Fortis Group in respect of 11 clinical establishments owned by RHT.

In comparing the principal terms of the HMSA with the Existing HMSAs, we noted the following:

(i) The rights and obligations of EHSSHL and of FHL under the HMSA are broadly consistent with those outlined in the Existing HMSAs;

(ii) The term of the HMSA (other than in respect of Radio Diagnostic Services) is fifteen years with an option to extend the agreement for a further fifteen years by mutual consent. We note that such terms are consistent with the corresponding terms of the Existing HMSAs;

(iii) The term for the provision of Radio Diagnostic Services under the HMSA is three years with an option for FHL, at its own discretion, to extend the arrangement for such term and on such conditions as are mutually acceptable to the parties. We note that such terms are consistent with the corresponding terms in respect of Radio Diagnostic Services of the Existing HMSAs;

(iv) The structure of the Service Fee under the HMSA as stated above (such that there is a base service fee with 3% escalation per annum and a variable service fee of 7.5% of Operating Income) is consistent with the structure of the service fees under the Existing HMSAs; and

(v) The sinking fund for the replacement, refurbishment and/or upgrade of radiology and other medical equipment used by EHSSHL in the provision of Clinical Establishment Services under the HMSA is consistent in structure and terms with similar arrangements under the Existing HMSAs.

In sum, we note that the principal terms of the HMSA are broadly in line with the comparable terms in the Existing HMSAs.

4.5 The Independent Clinical Establishment Enterprise Valuation and the Independent Clinical Establishment Valuation

In addition to the Independent Business Undertaking Valuer and the Independent P&M Valuer, the Trustee-Manager has also appointed the following independent valuers in respect of the Proposed Transactions:

(i) The Independent Clinical Establishment Enterprise Valuer, being DTZ International Property Advisers Private Limited, with a brief to determine the enterprise value of the Mohali Clinical Establishment as a whole; and

(ii) The Independent Clinical Establishment Valuer, being Cushman & Wakefield (India) Pvt. Ltd, with a brief to determine the value of the land, hospital building and structure of the Mohali Clinical Establishment.

The valuation reports of the Independent Clinical Establishment Enterprise Valuer and of the Independent Clinical Establishment Valuer are attached in Part 1 and 2 respectively of Appendix E of the Circular.

The values determined by such valuers is summarised in the table as follows:

	Valuer	**Valuation Date**	**Appraised Value (₹ million)**	**Indicative Purchase Consideration (₹ million)**
Enterprise value	Independent Clinical Establishment Enterprise Valuer	31 December 2013	**2,902.0**	**2,850.3**
Land, hospital building and structure of the Property	Independent Clinical Establishment Valuer	19 December 2013	2,758.0	
Business Acquisition	Independent Business Undertaking Valuer	31 August 2013	38.8[1]	
Plant and Machinery	Independent P&M Valuer	31 August 2013	111.5	
Sum of Parts			**2,908.3**	

The key points for Unitholders in respect of values determined by the Independent Clinical Establishment Enterprise Valuer and the Independent Clinical Establishment Valuer are as follows:

(i) Both valuers have used "Market Value" as their basis of valuation, defined for this purpose as the estimated amount for which the subject asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion;

(ii) The Independent Clinical Establishment Enterprise Valuer arrived at its appraised value using a discounted cash flow approach. When arriving at its appraised value, the Independent Clinical Establishment Enterprise Valuer has included the Service Fee to be received by EHSSHL under the HMSA;

(iii) The Independent Clinical Establishment Enterprise Valuer used a weighted average cost of capital of 13.25% in arriving at its appraised value, broadly in line with the 13.0% assumption used by an independent valuer appointed by the Trustee-Manager for the valuation of the Existing Portfolio at the time of RHT's IPO;

[1] The appraised value of the Business Undertaking of ₹57.1 million (S$1.2 million) minus the estimated net current liabilities assumed of ₹18.3 million (S$0.4 million).

(iv) The Independent Clinical Establishment Enterprise Valuer used a capitalisation rate of 11.0% for the terminal value in its appraised value, identical to the assumption used by an independent valuer appointed by the Trustee-Manager to value the Existing Portfolio at the time of RHT's IPO;

(v) The market value ascribed to the Mohali Clinical Enterprise as a whole by the Independent Clinical Establishment Enterprise Valuer on this basis is ₹2,902 million (S$61.0 million[1]);

(vi) The Independent Clinical Establishment Valuer arrived at its appraised value using the sales comparable method to estimate the value of land; the depreciated replacement cost method to estimate the value of the building structure; and the capital expenditure incurred as at the date of its valuation to estimate the value of the new oncology block;

(vii) The market value ascribed to the land, hospital building and structure of the Property by the Independent Clinical Establishment Valuer on this basis is ₹2,758 million (S$58.0 million[1]); and

(viii) The sum of such value with the values ascribed by valuers for the Clinical Establishment Acquisition, the Business Acquisition and the P&M Acquisition is ₹2,908.3 million (S$61.2 million[1]).

We note that the indicative purchase consideration for the Proposed Transactions of ₹2,850.3 million (S$59.9 million[1]) is at a marginal discount to the fair value determined by the Independent Clinical Establishment Enterprise Valuer of ₹2,902.0 million (S$61.0 million).

We further note that the indicative purchase consideration for the Proposed Transactions of ₹2,850.3 million (S$59.9 million) is at a marginal discount to the sum of the values determined by the Independent Clinical Establishment Valuer, the Independent Business Undertaking Valuer and the Independent P&M Valuer of ₹2,908.3 million (S$61.2 million).

4.6 Comparison of Yields

We present below an analysis which compares the Total Yield and the EBITDA Yield for RHT from the Proposed Transactions with those that have recently been achieved from other clinical establishments within the RHT portfolio (the "**Existing Portfolio**").

For this purpose, "Total Yield" is computed as the sum of the income to RHT from the relevant clinical establishment divided by either the appraised value or the acquisition price (as the case may be).

For this purpose, "EBITDA Yield" is computed as the earnings before interest, tax, depreciation and amortisation expenses from the relevant clinical establishment divided by either the appraised value or the acquisition price (as the case may be).

In respect of the Mohali Clinical Establishment, the Total Yield and EBITDA Yield are based upon the Service Fee including non-recurring Base Service Fee, other income and EBITDA for the Forecast Period.

In respect of the Existing HMSAs, the Total Yield and EBITDA Yield have been computed based upon the annualised Service Fee, other income and EBITDA for the period from 19 October 2012 to 31 March 2013. We note that the clinical establishment at Gurgaon has been excluded from the analysis as it is only newly developed.

[1] Computed using the INR/SGD exchange rate of ₹47.55 = S$1.00 as at 31 March 2014.

Clinical Establishment	Total Yield (%)	EBITDA Yield[(1)] (%)
Mohali (Forecast Period)[(2)]	**18.5**	**9.9**
Existing HMSAs (Median)[(3)]	14.5	10.5
Existing HMSAs (Average)[(3)]	17.9	9.5

Sources: Circular, RHT Annual Report 2013 and the Trustee-Manager.

Notes:
(1) Computed as the sum of service fee and other income, minus operating costs, divided by the value of the respective clinical establishment.
(2) Value for the Mohali Clinical Establishment is the sum of consideration payable under the Vendor Deed of Sale, the Business Transfer Agreement and the Asset Transfer Deed.
(3) Appraised values for the Existing HMSAs used for calculation of Total Yields and EBITDA Yields are the appraised values of the individual properties as at 31 March 2013 computed by an independent valuer.

Based on the table above, we note the following:

(i) The Total Yield for the Mohali Clinical Establishment of 18.5% for the Forecast Period is higher than the median Total Yield of 14.5% and the average Total Yield of 17.9% for the Existing Portfolio; and

(ii) The EBITDA Yield for the Mohali Clinical Establishment of 9.9% for the Forecast Period is broadly in line with the median EBITDA Yield of 10.5% and the average EBITDA Yield of 9.5% for the Existing Portfolio.

4.7 The Pro Forma Financial Effects of the Proposed Transactions

The pro forma impact of the Proposed Transactions is set out in Paragraph 4.1 of the Letter to Unitholders in the Circular. The pro forma financials are computed based on certain assumptions. Unitholders are advised to read the assumptions set out in Paragraph 4.1 of the Letter to Unitholders in the Circular carefully.

Based on this information, we note the following:

(i) The pro forma DPU based on Common Units for FY2013 increases by S$0.18 cents (or approximately 5.1%) following completion of the Proposed Transactions;

(ii) The pro forma NAV per Unit remains unchanged following completion of the Proposed Transactions;

(iii) The total debt increased from S$65.3 million to S$127.0 million and total Unitholders' funds increases from S$714.5 million to S$715.3 million; and

(iv) The Proposed Transactions as a whole increase RHT's Gearing[1] from 6.6% to 13.6%, moving towards (but still not at) the target gearing policy of 30.0% to 40.0% disclosed by the Trustee-Manager at the time of the IPO.

[1] Gearing is the ratio of Net Debt to the sum of the Net Debt and Net Assets of RHT, where "Net Debt" is total borrowings of RHT less cash and cash equivalents and "Net Assets" is the difference between the total assets and total liabilities of RHT.

4.8 Certain Other Considerations

4.8.1 Connected Approvals for the Proposed Transactions

We note that the execution of each of the Sale Deed, the Business Transfer Agreement, the Asset Transfer Deed and the Hospital and Medical Services Agreement are conditional upon the approval of Unitholders to all such transactions. In the event Unitholders do not approve any of the resolutions, the Trustee-Manager will not proceed with any of the Transactions.

5. OUR RECOMMENDATION

In arriving at our recommendation, we have taken into account the following factors which we consider to have a significant bearing on our assessment of the Interested Person Transactions:

(i) The rationale for the Interested Person Transactions;

(ii) The consideration for the Business Acquisition is in line with the fair value determined by the Independent Business Undertaking Valuer;

(iii) The consideration for the P&M Acquisition is in line with the fair value determined by the Independent P&M Valuer;

(iv) The principal terms of the HMSA are broadly in line with the comparable terms in the other existing HMSAs;

(v) The purchase consideration for the Proposed Transactions of ₹2,850.3 million (S$59.9 million[1]) is at a marginal discount to the fair value determined by the Independent Clinical Establishment Enterprise Valuer of ₹2,902.0 million (S$61.0 million[1]);

(vi) The purchase consideration for the Proposed Transactions of ₹2,850.3 million (S$59.9 million) is at a marginal discount to the sum of the fair values determined by the Independent Clinical Establishment Valuer, the Independent Business Undertaking Valuer and the Independent P&M Valuer of ₹2,908.3 million (S$61.2 million[1]);

(vii) The Total Yield for the Mohali Clinical Establishment of 18.5% for the Forecast Period is higher than the median Total Yield of 14.5% and the average Total Yield of 17.9% for the Existing Portfolio;

(viii) The EBITDA Yield for the Mohali Clinical Establishment of 9.9% for the Forecast Period is broadly in line with the median EBITDA Yield of 10.5% and the average EBITDA Yield of 9.5% for the Existing Portfolio;

(ix) The pro forma DPU based on Common Units for RHT for FY2013 increases by S$0.18 cents (or approximately 5.1%) following completion of the Proposed Transactions;

(x) The pro forma NAV per Unit for RHT remains unchanged following completion of the Transactions;

(xi) The total debt for RHT increases from S$65.3 million to S$127.0 million and total Unitholders' funds increases from S$714.5 million to S$715.3 million following completion of the Proposed Transactions;

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[1] Computed using the INR/SGD exchange rate of ₹47.55 = S$1.00 as at 31 March 2014.

(xii) The Proposed Transactions as a whole increase RHT's Gearing from 6.6% to 13.6%, moving towards (but still not at) the target gearing policy of 30.0% to 40.0% disclosed by the Trustee-Manager at the time of the IPO; and

(xiii) The execution of each of the Sale Deed, the Business Transfer Agreement, the Asset Transfer Deed and the Hospital and Medical Services Agreement are conditional upon the approval of Unitholders to all such transactions.

Having given due consideration to the above and subject to the qualifications set out herein and taking into account the prevailing conditions as at the Latest Practicable Date, we are of the opinion that the Interested Person Transactions are on normal commercial terms and are not prejudicial to RHT and its minority Unitholders. Accordingly, we are of the opinion that the Independent Directors recommend that Unitholders vote in favour of the Interested Person Transactions to be proposed at the Extraordinary General Meeting.

Our recommendation is addressed to the Independent Directors for their benefit in connection with and for the purpose of their consideration of the Interested Person Transactions. Any recommendation made by the Independent Directors in respect of the Interested Person Transactions shall remain their responsibility.

Our recommendation is governed by the laws of Singapore and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully,

Deloitte & Touche Corporate Finance Pte Ltd

Jeff Pirie

Executive Director

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VALUATION SUMMARY LETTERS

1. INDEPENDENT CLINICAL ESTABLISHMENT VALUATION

Strictly Confidential
For Addressee Only

Valuation Study for an Institutional (Hospital) Property located in Sector 62, Phase VIII, Mohali, Punjab, India

Report for

Religare Health Trust Trustee Manager Pte. Ltd. (acting in its capacity as trustee-manager of Religare Health Trust)

Report Date

January 28, 2014

CUSHMAN & WAKEFIELD®

Executive Summary

Fortis Hospital, Sector 62, Phase 8, Mohali, Punjab		
Valuation Date:	December 19, 2013	
Valuation Purpose	Internal	
Location / Situation:	Fortis Hospital, Sector-62, Phase VIII, Mohali (hereinafter referred to as 'subject property') is located in Punjab. Phase VIII, Mohali is the City Center of Mohali. The subject property is surrounded by prominent establishments such as the Punjab Cricket Association (PCA) Stadium and Punjab Urban Planning & Development Authority (PUDA) Bhawan. Hospitals such as Cosmo Hospital (60 beds), Grecian Hospital (110 beds), Silver Oaks Hospital (135 beds) and Ivy Hospital (180 beds) are also located in the subject micro-market which are much smaller developments as compared to the subject property.	 **Subject Property**
Description:	The subject property is an operational multi speciality hospital. Currently, the subject property currently has a capacity of 312 beds with an additional provision of 43 beds. The subject property became operational in year 2001. The built-up structure at the subject property consists of three blocks, namely IPD Block, OPD Block and Oncology Block. The Oncology Block at the subject property is ready for fit outs and will be ready by February, 2014. The land at the subject property admeasures 8.22 acres and is leased to the client by the lessor Radha Soami Satsang Beas. The lease commenced in January, year 2009 and is valid for ten years.	 **Access Road**
Total Area:	8.22 acres	
Built-up Area (sq. ft.)	464,851	
Permissible FAR	Allotted FSI 1.5 (as informed by the client)	
Permissible Land Use:	Institutional - Hospital (as informed by the client)	
Tenure:	Leasehold	
Market Value of the Land Component ~ Based on Sales Comparable Method (A)		
INR 1,620 Million or INR 197 Million per acre		
Market Value Based on Depreciated Replacement Cost Method (For Built-up Structure) (B)		
INR 892.51 Million		
Additional Capital Expenditure Incurred As On Date Of Valuation (New Oncology Block)* (C)		
INR 246 Million *(as provided by the client; please refer appendix 6 for detailed breakup)*		
Total Market Value (A+B+C)		
INR 2,758 Million		

This summary is prepared for the addressee and for inclusion in a circular to the Unitholders of Religare Health Trust and must be read together with the full report.

"The market value of the subject property is as on the date of valuation. Also, we understand that there have been no major socio /political / micro market changes, etc. which may influence the real estate dynamics in the subject micro market and thus impact the market value of the subject property between valuation date and the report date."

1 Instructions

Appointment

We are pleased to submit our report, which has been prepared for **Religare Health Trust Trustee Manager Pte. Ltd. (acting in its capacity as trustee-manager of Religare Health Trust)** (herein after referred to as "Religare" or "client"). The exercise has been carried out in accordance with the instructions (Caveats & Limitations) detailed in Part C of this report. The extent of our professional liability to you is also outlined within these instructions.

2 Conflicts of Interest

We confirm that there are no conflicts of interest in our advising you on the value of the subject property under the assumed conditions as instructed.

3 Basis of Valuation

We understand from our discussion with the client that the basic intention of the exercise is to assess the value of the subject property in its current state (its condition on the date of the site visit). Hence, the valuation of the subject property is assessed on the basis of 'Sales Comparison Method' and 'Depreciated Replacement Cost Method'.

4 Assumptions, Departures and Reservations

We have prepared our report on the basis of the assumptions within our instructions (Caveats & Limitations) detailed in Part C of this report. The development mix, built up area, permissible height and saleable area for the proposed use of the subject property has been provided to us by Religare.

5 Inspection

The Property was inspected externally / internally from ground level on December 19, 2013. No measurement survey has been carried out by C&WI. We have relied entirely on the site areas provided to us by the Client. We have assumed that these are correct.

6 Sources of Information

For the purpose of this study, information on comparable properties has been gathered from local real estate agents.



7 General Comment

A valuation is a prediction of price, not a guarantee. By necessity it requires the valuer to make subjective judgments that, even if logical and appropriate, may differ from those made by a purchaser, or another valuer. Historically it has been considered that valuers may properly conclude within a range of possible values.

The purpose of the valuation does not alter the approach to the valuation.

Property values can change substantially, even over short periods of time, and so our valuation could differ significantly if the date of valuation was to change. If you wish to rely on our valuation as being valid on any other date you should consult us first.

Should you or the borrower contemplate a sale, we strongly recommend that the property is given proper exposure to the market. You should not rely on this report unless any reference to tenure, tenancies and legal title has been verified as correct by your legal advisers.

8 Confidentiality

The contents of this Report are intended to be confidential to the addressees and for the specific purpose stated in the Reports. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of its contents.

Except as otherwise required by law, C&WI, its agents and employees, must not to use, reproduce or divulge to any third party any pertinent information it receives from Religare or from any of their respective affiliated companies for any purpose other than to perform the work governed under this Agreement, and should take all reasonable precautions to protect such information from disclosure. In the event disclosure is made to any of C&WI's agents, affiliated companies and employees, C&WI will procure such persons to observe the obligations and restrictions hereunder.

Religare undertakes to keep strictly confidential the information or data, whether oral or in written form, forwarded by C&WI to Religare which may comprise confidential information, including any negotiations, discussion, information or data relevant to the advice at all times unless required to be disclosed by law or regulation or the rules of any applicable stock exchange and save as otherwise permitted in this agreement.



9 Disclosure and Publication

Religare acknowledges and agrees that C&WI's services hereunder (including, without limitation, the Reports itself and the contents thereof) are being provided by C&WI solely to and for the benefit of Religare and no other party except C&WI acknowledges that the Reports are prepared for Religare for the purposes of inclusion in a circular to unitholders of RHT ("Circular") and that Religare will use C&WI's name in the Circular. C&WI will also be required to consent to the issue of the Circular. If Religare desires to use the Report or C&WI's name in any other offering or other investment material, then (a) Religare acknowledges that C&WI may require, and the parties will endeavour to negotiate and enter into, subject to the terms and conditions thereof, an indemnification agreement in C&WI's favor, (b) Religare will obtain C&WI's consent to the references in such other materials to the Report.

Market Value as Per Sales Comparison Method

In our opinion, assuming vacant possession, the Market Value of the proposed freehold interest in the subject property is:

Fortis Hospital, Sector 62, Phase 8, Mohali Market Value for	
A. Land Component ~ Using Sales Comparable Method	**INR 1,620 Million or INR 197 Million per acre**
B. Built Up Component ~ Using Depreciated Replacement Cost Method	**INR 892.51 Million**
C. Total Capital Expenditure Incurred*	**INR 246 Million**
Total Market Value (A+B+C)	**INR 2,758 Million**

***Note**: The Capital Expenditure incurred for the new oncology block till December 2013 is provided by the client. We have assumed the same to be correct and have not validated the same. Please refer to appendix 6 for detailed breakup.*

Based on the information provided by the client, we understand that the total capital expenditure for Oncology Block is INR 284.4 million out of which cash outflow till December 2013 has been INR 245.98 million and balance pending is INR 38.42 million.

"The market value of the subject property is as on the date of valuation. Also, we understand that there have been no major socio / political / micro market changes, etc. which may influence the real estate dynamics in the subject micro market and thus impact the market value of the subject property between valuation date and the report date."

It may be noted that this is approximate value estimation. Actual achievable value may vary in the range of +/- 5 % depending on space usage, buyer profiles, and case-to-case transaction peculiarities.

Signed for and on behalf of Cushman & Wakefield India Pvt. Ltd.

Avichit Sood, MRICS
Area Manager

Abhinna Rastogi
Associate

Prince Agrawal
Analyst



10 Instructions (Caveats & Limitations)

1. The Valuation Report (hereafter referred to as "Report") will not be based on comprehensive market research of the overall market for all possible situations. Cushman & Wakefield India (hereafter referred to as "C&WI") will cover specific markets and situations, which will be highlighted in the Report. C&WI will not be carrying out comprehensive field research based analysis of the market and the industry given the limited nature of the scope of the assignment. In this connection, C&WI will rely solely on the information supplied to C&WI and update it by reworking the crucial assumptions underlying such information as well as incorporating published or otherwise available information.
2. In conducting this assignment, C&WI will carry out analysis and assessments of the level of interest envisaged for the property(ies) under consideration and the demand-supply for the hospitality / retail / land / commercial sector in general. C&WI will also obtain other available information and documents that are additionally considered relevant for carrying out the exercise. The opinions expressed in the Report will be subject to the limitations expressed below.
    a. C&WI has adopted valuation method based on its own expertise and knowledge and endeavors to develop forecasts on demand, supply and pricing on assumptions that would be considered relevant and reasonable at that point of time. All of these forecasts will be in the nature of likely or possible events/occurrences and the Report will not constitute a recommendation to **Religare Health Trust Trustee Manager Pte. Ltd. (acting in its capacity as trustee-manager of Religare Health Trust)** (hereafter referred to as the "Client") or its affiliates and subsidiaries or its customers or any other party to adopt a particular course of action. The use of the Report at a later date may invalidate the assumptions and bases on which forecasts have been generated and is not recommended as an input to a financial decision.
    b. Changes in socio-economic and political conditions could result in a substantially different situation than those presented at the stated effective date. C&WI assumes no responsibility for changes in such external conditions.
    c. In the absence of a detailed field survey of the market and industry (as and where applicable), C&WI will rely upon secondary sources of information for a macro-level analysis. Hence, no direct link is sought to be established between the macro-level understandings on the market with the assumptions estimated for the analysis.
    d. The services provided will be limited to assessment and will not constitute an audit, a due diligence, tax related services or an independent validation of the projections. Accordingly, C&WI will not express any opinion on the financial information of the business of any



party, including the Client and its affiliates and subsidiaries. The Report will be prepared solely for the purpose stated, and should not be used for any other purpose.

e. While the information included in the Report will be believed to be accurate and reliable, no representations or warranties, expressed or implied, as to the accuracy or completeness of such information is being made. C&WI will not undertake any obligation to update, correct or supplement any information contained in the Report.

f. In the preparation of the Report, C&WI will rely on the following information:

   i. Information provided to us by the Client and its affiliates and subsidiaries and third parties;
   ii. Recent data on the industry segments and market projections;
   iii. Other relevant information provided to us by the Client and its affiliates and subsidiaries at C&WI's request;
   iv. Other relevant information available to C&WI; and
   v. Other publicly available information and reports.

3. The Report will reflect matters as they currently exist. Changes may materially affect the information contained in the Report.
4. All assumptions made in order to determine the Valuation of the identified property(ies) will be based on information or opinions as current. In the course of the analysis, C&WI would be relying on information or opinions, both written and verbal, as current obtained from the Clients as well as from third parties provided with, including limited information on the market, financial and operating data, which would be accepted as accurate in bona-fide belief. No responsibility is assumed for technical information furnished by the third party organizations and this is bona-fidely believed to be reliable.
5. No investigation of the title of the assets will be been made and owners' claims to the assets will be assumed to be valid. No consideration will be given to liens or encumbrances, which may be against the assets. Therefore, no responsibility is assumed for matters of a legal nature.
6. C&WI's total aggregate liability to the Client including that of any third party claims, in contract, tort including negligence or breach of statutory duty, misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of the services is limited to an aggregate sum not exceeding the total fees paid for each instructions accepted. C&WI shall not be liable for any pure economic loss, loss of profit, loss of business, depletion of goodwill, in each case whether direct or indirect or consequential or any claims for consequential loss compensation whatsoever which, arise out of or in connection with services provided under this engagement.



7. C&WI endeavors to provide services to the best of ability and in bona-fide good faith. The proposed services and/or work product of C&WI shall be only for the use of the Client. If the Client allows any third party to use or rely thereon the work product of C&WI, it shall be at the sole risk of the Client and there shall be no liability on C&WI (including its Directors, and employees) towards any third party claim for damages, economic loss or damage suffered arising out of or in connection with the services proposed to be rendered, direct or indirect due to whatsoever reasons and however the loss or damage is caused. The Client shall assist and cooperate with C&WI to defend any third party claim before any court of law or authorities, and indemnify C&WI of the cost of such proceedings.
8. The Client including its agents, affiliates and employees, must not use, reproduce or divulge to any third party any information it receives from C&WI for any purpose without prior written consent from C&WI and should take all reasonable precautions to protect such information from any sort of disclosure. The information or data, whether oral or in written form (including any negotiations, discussion, information or data) forwarded by C&WI to the Client may comprise confidential information and the Client undertakes to keep such information strictly confidential at all times unless prior written consent from C&WI has been obtained.

   C&WI endeavors to provide services to the best of its ability and in bonafide good faith. The Report issued shall be only for use by the Client, including in connection with the proposed acquisition. In the event the Client provides a copy of the Report to, or permits reliance thereon by, any person or entity not authorized by C&WI in writing to use or rely thereon, the Client hereby agrees to, except in the case of fraud, willful default negligence or dishonesty on the part of C&WI, its affiliates and their respective shareholders, directors, officers and employees ("Relevant Persons"), indemnify (subject to the cap on liability in paragraph 10) and hold the Relevant Persons, harmless from and against all damages, expenses, claims and costs, including reasonable attorneys' fees, reasonably incurred in investigating and defending any claim arising from the use of, or reliance upon, the Report by any such unauthorized person or entity. The Client shall not be liable for any consequential or special loss, loss of profit or exemplary damages. C&WI disclaims any and all liability to any party other than the Client.

9. In the event of any party wants to disclose any information it shall take prior written consent of C&WI and shall make only such disclosures as allowed by the C&WI. However, the non-disclosure condition shall not apply to any information that is already in the public domain or required by any court of law or authorities under any law. In such an event the disclosing party shall intimate the other party before making such disclosure.



10. This engagement shall be governed by and construed in accordance with Indian laws and any dispute arising out of or in connection with the engagement, including the interpretation thereof, shall be submitted to the exclusive jurisdiction of courts in New Delhi.

2. INDEPENDENT CLINICAL ESTABLISHMENT ENTERPRISE VALUATION

DTZ
a UGL company

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20 March 2014

The Board of Directors,
Religare Health Trust Trustee- Manager Pte. Ltd.
(acting in its capacity as trustee-manager of Religare Health Trust)
C/o 9 Battery Road #15-01,
Straits Trading Building
Singapore 049910

Dear Sirs

VALUATION OF AN OPERATIONAL CLINICAL ESTABLISHMENT LOCATED AT MOHALI

Instructions

DTZ has been instructed by Religare Health Trust Trustee Manager Pte. Ltd. (acting in its capacity as trustee-manager of Religare Health Trust) (hereinafter referred to as "Client" or "RHTTM") to assess the valuation in respect of the abovementioned clinical establishment ("Clinical Establishment"). We have provided the valuation report ("the Report") in respect of the abovementioned Clinical Establishment (subject to a hospital and medical services agreement ("the Agreement") to be entered into between Escorts Heart and Super Specialty Hospital Limited ("EHSSHL" or the "Hospital Services Company"), the proposed owner of the Clinical Establishment and Fortis Healthcare Limited ("FHL" or the "Fortis Operating Company"), operator and manager of the Clinical Establishment. The valuation has been done as of 31 December 2013.

This Valuation Summary Report ("Valuation Summary"), together with its attachments, has been prepared for the specific purposes of inclusion in the Circular ("Circular") to be issued in connection with the purchase of the Clinical Establishment by Religare Health Trust ("Proposed Transaction"). This Valuation Summary together with its attachments is a summary of the full Report that DTZ has provided and it does not contain all the necessary information and assumptions that are necessary to determine the value of the Clinical Establishment.[1] Further reference may be made to this report, copy of which is with Religare Health Trust Trustee Manager Pte. Ltd. (acting in its capacity as trustee-manager of Religare Health Trust). A Valuation Certificate comprising a brief description of the Clinical Establishment with the key valuation drivers are appended to this Valuation Summary. The conclusion reflects all information known by the valuers of DTZ in respect of the Clinical Establishment, market conditions and available data.

[1] This Valuation Summary Report in conjunction with the full valuation report is an update to the previous summary submitted on 29th January 2014 to RHTTM. It was informed to us by the client that based on certain commercial understanding there was slight increase in the base fee effective on the date of valuation i.e. 31st December 2013. Therefore, we were requested by RHTTM to revised the opinion of value and submit an updated report as well as valuation summary report. Hence we are submitting a revised valuation summary report dated 20th March 2014.

The term 'Market Value' as used in the context of this valuation is defined as "an estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion".

Reliance on This Valuation Summary

The Clinical Establishment is a fully centrally air-conditioned institution proposed to be established by the Hospital Services Company, specifically customized and duly fitted with all fixtures, fittings, medical equipment and infrastructure required for running and operating a hospital and offering:

a. services for diagnosis and treatment for illness, disease, injury, deformity and/or abnormality;
b. diagnosis of diseases through radiological and other diagnostic or investigative services with the aid of laboratory or other medical equipment; and
c. beds for in-patient treatment.

In the given case, the Hospital Services Company is proposed to be in the business of, *inter alia,* maintaining and operating the Clinical Establishment at Mohali to allow the Fortis Operating Company to run full fledged, full service secondary, tertiary or quaternary hospitals for providing healthcare services to patients.

Through the Agreement, the Hospital Services Company will provide services to Fortis Operating Company who in turn shall provide a complete healthcare solution to the patients. While the Hospital Services Company has specialized infrastructure for establishing a hospital and expertise, resources/ manpower for providing Outpatient Department ("OPD") services, radio diagnostic services and facility management services (hereinafter referred to as "the Services"), the Fortis Operating Company has the expertise to provide in-patient care and run, manage and operate a hospital. In consideration for the Services proposed to be provided by the Hospital Services Company, the Fortis Operating Company will pay service fees to the Hospital Services Company.

We understand that, as at the material date of valuation, the Agreement for of the Mohali Clinical Establishment located at Mohali in Punjab has yet not been signed. However, we have been provided with pertinent terms and conditions of the proposed Agreement for this property and for the purpose of this valuation, we have assumed that the Agreement will be executed according to the information provided. We reserve the right to review our valuation if the terms and conditions of the proposed Agreement are materially different from what was provided. The valuation report dated 31 December 2013 shall be valid only if the proposed Agreement is executed as per the terms and conditions provided to DTZ for the purpose of this valuation.

Due to the lack of public transaction data of clinical establishments given they are hardly transacted, and consequently lack of necessary valuation benchmarks, our valuation is at best an estimate at which the Clinical Establishment may be acquired in the open market. Further, due to lack of necessary income and expense benchmarks, we have valued the Clinical Establishment in accordance with the terms of the Agreement between the Hospital Services Company and Fortis Operating Company.

The valuation as assessed by DTZ are not guarantees or predictions but are based on the information obtained from reliable and reputable agencies and sources, the Hospital Services Company, the Fortis Operating Company and other related parties. DTZ has also relied on information particularly in relation to the Agreement, hospital performance, dates of completion, technical due diligence or engineering report and all other relevant matters as provided by Fortis Global Healthcare Infrastructure Pte. Ltd. (FGHIPL). Whilst DTZ has endeavored to obtain accurate information, it has not independently verified all the information provided by

RHTTM or other reliable and reputable agencies. DTZ has no reason to doubt the truth and accuracy of the information provided to us by RHTTM which is material to the valuation.

Our valuation has been made on the assumption that the owner sells the Clinical Establishment in the open market in its existing state taking into account the terms of the Agreement but without the benefit of a deferred term contract, joint venture or any similar arrangement which would affect the value of the Clinical Establishment. We have also assumed that the Agreement is legally valid and enforceable and the Clinical Establishment has proper legal title that can be freely transferable or transacted in the market without being subject to any extra charges or regulatory constraints. No allowance has been made in the valuation for any charges, mortgages or amounts owing on the underlying asset.

Our valuation is prepared on the assumption that all necessary permits and approvals have been secured and will be duly renewed throughout the entire period of the hospital operations. We have also assumed that the Clinical Establishment (and any works thereof) was constructed in accordance with the local zoning ordinances, building code and all other applicable regulations. However, necessary qualifications have been made with respect to developmental deviations brought to our notice.

We have not reviewed or analyzed the ability of the Hospital Services Company to perform their duties/services under the Agreement. We have however inspected the exterior and, where possible, the interior of the Clinical Establishment. No structural survey has been made, but in the course of our inspection, we did not note (besides what has been highlighted) any serious defect to the completed buildings. We are not, however, able to report that the Clinical Establishment is free from rot, infestation or any structural defect. No tests were carried out on any of the services and hospital operations. We have also not inspected the radiology and diagnostic equipment as it is outside our terms of reference and have relied on a third party valuation report of these equipments (as provided by the client). We take no responsibility towards the same. We have also not carried out investigations on site in order to determine the suitability of ground conditions, nor have we undertaken archaeological, ecological or environmental surveys. Our valuation is on the basis that these aspects are satisfactory.

Valuation Rationale

Valuation of the Clinical Establishment may be ascertained by using any of the three commonly adopted valuation approaches i.e. sales comparable approach, cost approach or income approach. Due to the specialized nature of the Clinical Establishment some of these approaches may not be suitable due to the lack of adequate and similar benchmarks.

The Sales Comparable Method is most useful in cases where the assets are homogeneous and the adjustments are few and relatively simple to compute. A Clinical Establishment is not frequently or publicly traded, thus there are very limited sales suitable for comparison.

In view of the foregoing reasons, we believe the income approach is the best measure for valuation of the Clinical Establishment. Due to the lack of clinical establishment transactions across India, we have relied on the proposed Agreement between the Hospital Services Company and Fortis Operating Company to evaluate the value of the Clinical Establishment.

The Clinical Establishment under valuation is an operational Clinical Establishment located at Sector 62 in Mohali, Punjab.

Due to the constraints as discussed above, the operational Clinical Establishment has been valued using Discounted Cash Flow Method based on the proposed Agreement.

Discounted Cash Flow Method

Clinical Establishment:

The Residual valuation method is based on the premise that value of an income-producing asset is a function of the future benefits and income derived from that asset. The present value of such future benefits is what a willing buyer is likely to pay for the asset being valued.

In the case of the subject operational clinical establishment, a revenue and expense schedule is prepared based on the agreed terms and conditions (between the owning company and the operation company) shared with us for all such distributions. The net cash flows (gross income – expenses) have been projected assuming an investment horizon of 10 years and assuming that the subject clinical establishment shall be transacted in 11^{th} year.

The projected net cash flow is discounted at weighted average cost of capital (WACC) to arrive at the net present value. The terminal value is computed by capitalizing the 11th year net cash flow after deducting the disposal related cost and has been discounted to give the present value. The present value of discounted cash flow and present value of the terminal value together give the valuation of the operational and non-operational clinical establishments.

The discounted cash flow method used in valuing the Operational Clinical Establishment is based on our professional opinion and estimates of the future results and are not guarantees or predictions. The valuation methodology is based on a set of assumptions as to the income and expenses taking into consideration the changes in economic conditions and other relevant factors affecting the Clinical Establishment. The resultant value is, in our opinion, the best estimate, but it is not to be construed as a guarantee or prediction and is dependent upon the accuracy of the assumptions made. In arriving at our valuation, we have considered relevant general and economic factors.

In undertaking this analysis, a wide range of assumptions are made including a target discount rate, income and expenses growth, terminal capitalization rate as well as costs associated with its disposal at the end of the investment period.

Weighted Average Cost of Capital (discount rate)

- **Cost of Equity:** For the cost of equity, the Capital Asset pricing Model has been used, $R_e = R_f + \beta*(R_m – R_f)$, where,
    - Risk free return (R_f) – yield on 10 year Government Bond as on is around 8% *(Source- Bloomberg)*
    - Return on market (R_m) – cumulative average return on the BSE since March 2003 till March 2013 is approx. 20% *(Source: 10 Year return on benchmark index – SENSEX)*
    - Measure of market risk (β) – is taken as 0.65 as per the industry data available *(Source: Average of Fortis Healthcare Ltd and Apollo Hospitals Enterprise Limited from REUTERS)*

  Based on above the COE has been calculated at 15.9%

- **Cost of Debt:** As per industry average the cost of debt has been assumed at 13%.

- **Weighted Average Cost of Capital:** Assuming a capital structure of 0.6:1, the WACC is estimated to be 13.25%

Terminal capitalization rates

We have adopted a terminal capitalization rate of 11.0% in our analysis. The same has been benchmarked to current institutional deals being reported pan India in commercial space; which is in range of 10%-12%. Our selected terminal capitalization rate takes into consideration perceived market conditions in the future, terms and conditions in the Agreement, cash flow profile and the overall physical condition of the infrastructure. The adopted terminal capitalization rate, additionally, has regard to the duration of the remaining tenure of the Clinical Establishment at the end of the cash flow period.

The proposed Agreement between the Hospital Services Company and the Fortis Operating Company provide for fixed income in the form of a base fee and variable income in the form of a variable fee (collectively referred to as "Service Fee"). Looking at the current market conditions and risk profile of the Clinical Establishment (stabilized nature of the healthcare industry, and mitigation of occupancy risk given the length of the Agreement (15 years) which may be extended by a similar term subject to the mutual consent of the parties) we have adopted a capitalization rate of 11.0% for the Clinical Establishment.

Reasonableness of the Agreements for Clinical Establishments

Tenure of the Agreement:

The Agreement is for an initial term of 15 years which may be extended for a similar term by mutual consent. This term is considered reasonable as it is on par with other specialized businesses like hospitality which in India are usually contracted for 10 to 25 years.

Service Fees:

The Service Fee (excluding applicable Taxes other than Taxes required to be deducted at source, if any) is the aggregate of the Base Service Fee and the Variable Service Fee received from the Fortis Operating Company ("FOC") by the Hospital Services Company ("HSC") for undertaking and performing its obligations as per mutually agreed terms and conditions. The respective rights and obligations of the FOC and the HSC shall be governed through the Hospital and Medical Services Agreement ("HSMA")

Summary of Valuation

Our opinion of the valuation of the Clinical Establishment is stated in the table below, subject to the proposed Agreement and/ or occupancy arrangement. The following summarizes the market value:

	Clinical Establishment	Market Value as at 31 December, 2013 INR Million
1.	Mohali Clinical Establishment	2,902

More details of the Clinical Establishment are found in the Valuation Certificate attached to this letter.

Disclaimer

We have prepared this Valuation Summary, together with its attachments, for inclusion in the Circular and specifically disclaim liability to any person in the event of any omission from or false or misleading statement included in the Circular, other than in respect of the information provided within this Valuation Summary, together with its attachment and the full valuation report. We do not make any warranty or representation as to the accuracy of the information in any part of the Circular other than as expressly made or given in this Valuation Summary, its attachments and the full valuation report. The Valuation Summary should also be read together with the full valuation report.

All information provided to us by RHTTM is treated as correct and true and we accept no responsibility for subsequent changes in information and reserve the right to change our valuation if any information provided were to materially change.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and is our personal, unbiased professional analyses, opinions and conclusions.

We have no present or prospective interest in the Clinical Establishment and are not a related corporation of RHTTM.

The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

We hereby certify that the valuers undertaking the valuation are authorized to practice as valuers and have the necessary experience in valuing similar types of assets.

Yours faithfully
For and on behalf of
DTZ

Shubhendu Saha, MRICS
Director and Head – Advisory
(Valuation)

Counter Signatory:
The above signatory verify that this summary and Valuation Certificate are genuine. The opinion of the value expressed for the property has been arrived at by the DTZ appraiser who valued the property.

Encl: Valuation Certificate

VALUATION OF AN OPERATIONAL CLINICAL ESTABLISHMENT AT MOHALI

VALUATION CERTIFICATE

Date of Valuation:	31 December 2013
Location:	An operational clinical establishment located at Sector 62, Mohali
Legal Description:	Sector 62, Sahibzada Ajit Singh Nagar, Mohali
Brief Description of Clinical Establishment:	The Clinical Establishment is located in Sector 62 of Mohali, Punjab. The subject Clinical Establishment is approachable from main sector road. The building was constructed in 2001. As per the visual inspection of the site the facility appeared to be in good state with no major sign of any issues or defects. The existing building is built on 8.22 acres of land and has a built up area of 43,201.82 sq m. The building is a four storey reinforces structure with one basement level, a ground floor and three upper floors. The existing capacity of subject facility is 300 beds and with the completion of the Oncology Block the total capacity has now increased to 355 beds. The additional facility (Oncology Block) is built on 2B+G+4 Floors with a total FAR area of 5,268.94 sq m therefore increasing the total built up area to 48,470.76 sq m. The upper basement is a service floor while the lower basement has OT's and doctors rooms. According to information provided, the Clinical Establishment is situated on freehold land and no lease rental is applicable. Hence, no outflow has been assumed with respect to said cost. The hospital / medical services being offered in Mohali Clinical Establishment are in the field of Cardiac Sciences, Critical Care, Dental, Emergency Medicine, ENT, Gastroenterology, General Medicine, General Surgery, Internal Medicine, Nephrology, Neurosciences, Oncology, Orthopedic, Physiotherapy, Plastic and Reconstructive Surgery, Vascular Surgery, Rehabilitation Centre amongst others. It also has an in-house pharmacy, testing laboratories, rooms with multi-bed/private bed facilities, suites and isolation rooms, meeting rooms, elevators, cafeteria, super market, blood bank, money changer, library, service and maintenance areas amongst others. The Mohali Clinical Establishment appears to be in compliance with the permitted use and floor space index (FSI) as provided under the Comprehensive Development Plan for the city.
Registered Owner:	Religare Health Trust ("RHT") is in advanced discussions with Radha Soami Satsang ("Seller"), to acquire Mohali Clinical Establishment ("Proposed Acquisition"). Fortis Healthcare Limited ("FHL"), the Sponsor of Religare Health Trust currently has an agreement with the Seller to run hospital on this site. Under the current arrangement the Seller acquires the land, undertakes construction of the building and then leases it to FHL who in turn operates a hospital on the premises. Post acquiring the infrastructure assets from the Seller, it is envisaged that RHT through its Indian subsidiary, Escorts Heart and Super Specialty Hospital Limited (EHSSHL) shall provide Clinical Establishment Services to FHL. EHSSHL shall subsequently enter into a Hospital and Medical Services Agreement ("HMSA") with FHL on similar terms as that of RHT's existing portfolio.

	Key terms of the HMSA Under the proposed Hospital and Medical Services Agreement (HMSA), EHSSHL, a subsidiary of Fortis Global Health Infrastructure Pte. Ltd. ("FGHIPL") shall acquire the healthcare infrastructure assets from the Seller and will provide the Clinical Establishment Services to FHL. The HMSA would be for an initial term of 15 years from the date on which the EHSSHL commences provision of the Clinical Establishment Services to FHL with an extension for another 15 years by the mutual consent of the parties. For the provision of the above services, FHL shall pay to EHSSHL a base service fees, variable service fees and technology renewal fees.
Town Planning:	Hospital
Site Area:	Approximately 8.22 acres
Floor Area:	Approximately 48,470.76 sq m
No. of Beds:	Installed: 355 beds with the completion of the Oncology Block The building was constructed in 2001 and the construction of the Oncology Block got completed in July 2013.
Hospital Management:	According to information provided to us, the hospital services have been operated and managed by Fortis Healthcare Limited (and/or its subsidiaries) under the Fortis brand since 2001.
The Agreement terms:	• Revenues: o Base fee of INR 141.50 for FY 2014, INR 145.75 million for FY 2015 and then growing at 3.0% per annum; and o Variable fee of 7.5% of operating income of the Fortis Operating Company o Other income (like parking income, lease rentals, etc) • Outgoings : a) Radiology and OPD medical consumables, including doctors' payouts b) Personnel costs including costs of radiologists, technicians, physiotherapists, dieticians and other staff c) Housekeeping, Security, Power, Fuel, Water and Waste Management Costs d) Insurance premium e) Annual maintenance charges of the radiological/ diagnostic medical equipment f) Repairs and maintenance cost of the facility in excess of INR 40 million per annum g) Any major capital expenditure pertaining to the Clinical Establishment h) Medical equipment costs • Term: Initial period of 15 years which may be extended for similar term (with the mutual consent of the parties).
Terminal Yield:	11.0%

VALUATION OF AN OPERATIONAL CLINICAL ESTABLISHMENT AT MOHALI

Discount Rate:	13.25%
Market Value:	**INR 2,902 Million**

DTZ India

20 March 2014

K. K. MANKESHWAR & CO.
Chartered Accountants

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PH. :91-712-6629946/47, 2554223
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To

The Board of Directors,
Religare Health Trust Trustee- Manager Pte. Ltd.
(acting in its capacity as trustee-manager of Religare Health Trust)
C/o 9 Battery Road #15-01,
Straits Trading Building
Singapore 049910

REPORT ON THE VALUATION OF RADIOLOGY AND OPD BUSINESS UNDERTAKING OF M/S FORTIS HEALTHCARE LIMITED AT HOSPITAL, MOHALI

1. OBJECTIVE

This is in accordance with the terms of reference set out in our engagement letter dated 16th September, 2013, wherein K K Mankeshwar & Co. has been appointed by M/s Religare Health Trust Trustee- Manager Pte. Ltd (acting in its capacity as trustee-manager of Religare Health Trust) (hereafter called as "the Trustee-Manager") to carry out the valuation of business undertakings of the hospital running & operating under the name & style of "Fortis Hospital", at Mohali of the Seller (as defined herein) relating to:

- the out-patient consultation services and day care services, and
- the radiology and imaging diagnostic services in relation to the Hospital,

hereinafter collectively referred to as "Radiology and OPD business undertaking".

Our work did not constitute an audit in accordance with generally accepted auditing standards, an examination of internal controls or other attestation or review services. Accordingly we do not express an opinion on the information presented.

The valuation has been carried out as on 31st August, 2013 and shall be for the purposes of assisting the Trustee-Manager's evaluation of the Radiology and OPD business undertaking and for inclusion in a circular to the unitholders of Religare Health Trust.

2. BACKGROUND

FORTIS HEALTHCARE LIMITED (Seller or FHL)

Fortis Healthcare Limited is a company incorporated under the Companies Act, 1956 ("Act") and having its registered office at Escorts Heart Institute and Research Center, Okhla Road, New Delhi. It is engaged in the business of running & operating a hospital under the name & style of "Fortis Hospital", at Mohali (hereinafter referred to as "Hospital").

ESCORTS HEART AND SUPER SPECIALTY HOSPITAL LIMITED (Purchaser or EHSSHL)

Escorts Heart and Super Specialty Hospital Limited (step down subsidiary of Religare Health Trust) is a company incorporated under the Act and having its registered office at Escort Heart Institute Andresearch Centre, Okhla Road, Delhi – 110025. It is engaged primarily in the business of running and operating the clinical establishments in India.

It is proposed that the business undertakings of the Seller relating to (i) providing, the out-patient consultation services and day care services, and (ii) the radiology and imaging diagnostic services in relation to the Hospital (together referred to as the "Business") be transferred from the Seller to the Purchaser to allow the Seller to focus its resources and energies on the divisions and undertakings pertaining to (a) in-patient healthcare services; and (b) emergency healthcare services (together referred to as the "IPD Business").

3. EXCLUSIONS

This valuation is limited to the subject Radiology and OPD business undertaking described above and was based on the data provided to us.

4. INFORMATION SOURCES AND PROCEDURES

Reliance has been placed on the information provided by the management of the Seller during discussions.

It may be relevant to indicate here that scope of our assignment did not include any corroborative work on the above stated information and their underlying assumptions, as provided by the management of the [Seller].

Key Documents Received

- Details of fixed assets relating to Radiology and OPD business undertaking
- Information memorandum containing details relating to Radiology and OPD business undertaking.

Work Performed

In general, the principal procedures in formulating our recommendation of valuation of Radiology and OPD business undertaking of the [Seller] included, but were not limited to, the following steps:

- Discussions with the Seller's management for understanding of the business, historical operations and potential, to obtain requisite explanation and clarifications on data provided
- Analyzed the economic conditions and competitive business environment in which the Seller operates.
- Such other analyses, reviews and queries, as we considered necessary.

5. METHODOLOGY AND APPROACH

Net Asset Value Approach

The Net Asset Value (NAV) Methodology values a business undertaking on the basis of the value of its underlying assets. This is relevant where the value of the business undertaking is fairly represented by its underlying assets. This methodology is normally used to determine the minimum price a seller would be willing to accept and, thus serves to establish the floor for the value of the business.

It will be calculated starting from the total assets of the Radiology and OPD business undertaking of the company and deducting there from all debts, dues, borrowings and liabilities, including contingent liabilities, if any. Further, no revaluation of fixed asset has been considered.

On the basis of above, the book value of the total assets of Radiology and OPD business undertaking is Rs. 1,62,20,668.

Net Asset Value provides guidance on the historical cost. Accordingly, for our analysis, this value has been calculated.

Asset Valuation Methodology

The asset valuation methodology essentially estimates the cost of replacing the tangible assets of the business. The replacement cost takes into account the market value of various assets or the expenditure required to create the infrastructure exactly similar to that of a company being valued. Since the replacement methodology assumes the value of business as if we were setting a new business, this methodology may not be relevant in a going concern. Instead it will be more realistic if asset valuation is done on the basis of the new book value of the assets.

The asset valuation is a good indicator of the entry barrier that exists in a business. Alternatively, this methodology can also assume the amount which can be realised by liquidating the business by selling off all the tangible assets of a company and paying off all the liabilities.

This methodology indicates the value of the business on the basis of balance sheet of radiology and OPD business undertaking of the company which is being valued. This methodology is based on the summation of the values of the underlying assets less the value of the liabilities and contingent liabilities, if any to arrive at the adjusted net value of the undertaking.

Under this methodology, we have adopted the following approaches for valuation of fixed assets and other assets:

Fixed Assets:

- By reference to the current cost of a similar machine, or if an equivalent medical equipments at present is not being manufactured, then, by reference to alternative medical equipments considered suitable by the technical members, The cost of similar or corresponding medical equipment was ascertained from market

sources wherever possible, discussions with management and where prices were not available, on the basis of best estimates made by the technical members, or

- The price includes cost of equipment, taxes prevalent & the cost of installation. To arrive at the present replacement value, relevant RBI index has been applied on the acquisition cost & also the enquiries from the supplier of similar equipments have been made.

- The prices of the machineries have increased over the years both due to inflation as well as Technological development. The Techno Economic Obsolescence (TEO) of the existing machines have been assessed considering the age, function, type and associated parameters, a deduction factor has been applied to arrive at the adjusted price in case of imported equipments.

- Purchase price of the medical equipments being purchased by the company since 1st September, 2012, has been considered for the purpose of valuation of medical equipments under consideration, or

- The residual/scrap value has been considered as fair value which is the amount expected from the disposal of the asset after its useful life at 5% of original cost, where medical equipment is in use, but does not have residual life.

Other Assets and Liabilities:

As per the information and explanation given by the Management of the [the Seller], there are no other assets and liabilities for the undertaking under consideration.

On the basis of above, depreciated replacement cost of the total assets of Radiology and OPD business undertaking is Rs. 91,25,933 based on independent fixed asset valuer's report as attached in Appendix-2.

Discounted Cash Flow Approach

Discounted Cash Flow Approach indicates the Fair Market Value of the business based on the value of the cash flows that the business can be projected to generate in the future. This method involves the estimation of post-tax cash flows for the projection period, after consideration of the business's requirement of reinvestment in terms of capital expenditure and incremental working capital. These cash flows are then discounted at a cost of capital that reflects the risks of the business and the capital structure.

Discounted Cash Flow Method (DCF) uses the future free cash flows of the company discounted by the firm's weighted average cost of capital (the average cost of all the capital used in the business, including debt and equity), plus a risk factor measured by beta, to arrive at the present value.

Beta is an adjustment that uses historic stock market data to measure the sensitivity of the company's cash flow to market indices, for example, through business cycles.

The DCF method is a strong valuation tool, as it concentrates on cash generation potential of a business. This valuation method is based on the capability of a company to generate cash flows in the future. The free cash flows are projected for a certain number of years and then discounted at a discount rate that reflects a company's cost of capital and the risk associated with the cash flows it generates

The terminal value refers to the present value of the business as a going concern beyond the period of projections up to infinity. This value is estimated by taking into account expected growth rates of the business in future, sustainable capital investments required for the business as well as the estimated growth rate of the industry and economy.

The discount factor considered for arriving at the present value of the free cash-flows to equity of the Seller is the Cost of Equity ("CoE"). The CoE is computed using the Capital Asset Pricing Model ("CAPM").

After considering the major parameters to derive the cost of capital such as Risk-Free Rate – Yield of 10 Year Indian Government Bond Rate, Market Risk Premium, Beta Factor, Discount for unlisted equity shares, the estimated WACC works out at 13.64%.

Year	2014	2015	2016	2017	2018
Radiology	15,02,48,143	17,27,85,365	19,87,03,169	22,85,08,645	26,27,84,941
OP consult	2,29,07,735	2,63,43,895	3,02,95,479	3,48,39,801	4,00,65,771
Radiology Outsource Cost	11,22,06,524	12,90,37,502	14,83,93,127	17,06,52,096	19,62,49,911
OP consult Cost	1,57,61,069	1,81,25,229	2,08,44,014	2,39,70,616	2,75,66,208
Radiology Manpower	17,83,754	19,26,455	20,80,571	22,47,017	24,26,778
Rentals	2,54,87,575	2,67,61,954	2,81,00,052	2,95,05,054	3,09,80,307
Rates & Taxes	14,29,850	15,72,835	17,30,119	19,03,130	20,93,443
Housekeeping	47,36,708	52,10,379	57,31,417	63,04,558	69,35,014
Power & Fuel	1,05,11,117	1,15,62,228	1,27,18,451	1,39,90,296	1,53,89,326
Total Expenses	**17,19,16,597**	**19,41,96,582**	**21,95,97,750**	**24,85,72,768**	**28,16,40,987**
Cash Flow Pre- Tax	12,39,281	49,32,677	94,00,898	1,47,75,678	2,12,09,725
Tax	4,02,085	16,00,407	30,50,121	47,93,969	68,81,495
Net Cash Flow	**8,37,196**	**33,32,270**	**63,50,776**	**99,81,709**	**1,43,28,230**

Particulars	PV OF FREE CASH FLOWS				
	FY 14	FY 15	FY 16	FY 17	FY 18
Net Cash Flows	8,37,196	33,32,270	63,50,776	99,81,709	1,43,28,230
WACC	13.64%	13.64%	13.64%	13.64%	13.64%
Discount Factor	0.88	0.77	0.68	0.60	0.53
Present Value of FCF	**7,36,688**	**25,80,196**	**43,27,086**	**59,84,527**	**75,59,163**
Sum of PV of FCF					**2,11,87,661**

Particulars	Terminal Value
Sum of PV of FCF	**2,11,87,661**
WACC	13.64%
Terminal Growth	4.00%
Terminal Value	**15,45,25,834**
Present Value of Terminal Value	8,15,23,403
Terminal Value as % of Total Value	79.37%
Total Value (EV)	**10,27,11,064**

Summary:

On the basis of assumption, methodology of valuation and the belief that there are no onerous, covenants as unusual outgoing which we have knowledge of, we are of the opinion that the value of Radio and OPD business undertaking of the Seller as on 31st August 2013, is as follows:

S.No.	Method	Value (Rs.)	Weights	Total Value (Rs.)
1	Net Asset Value Methodology	1,62,20,668	1	1,62,20,668
2	Assets Valuation Methodology	91,25,933	2	1,82,51,866
3	Discounted Cash Flow Methodology	10,27,11,064	3	30,81,33,192
	Total		6	34,26,05,726
	Fair value considering being Weighted Average Value			5,71,00,954

This valuation report is subject to our standard General Assumptions and Limiting Conditions as attached in Appendix I.

We would like to record our appreciation for the courtesy and co-operation received by us during the course of our work and look forward to continuing our professional association.

Yours faithfully,

DINESH KUMAR BACHCHAS
Membership No. 97820
Partner
For and on Behalf of
K K Mankeshwar & Co.
Chartered Accountants
FRN -106009W
New Delhi, dated the
30th January, 2014

Appendix 1

This valuation report is made subject to the following General Assumptions and Limiting Conditions:

1. No investigation has been made of, and no responsibility is assumed for, the legal description or for legal matters, including title or encumbrances. Titles to the assets are assumed to be good and marketable unless otherwise stated. The assets are further assumed to be free and clear of any or all liens, easements or encumbrances, unless otherwise stated.

2. Information furnished by others, upon which all or portions of this report is based, is believed to be reliable but has not been verified except as set forth in this report. No warranty is given as to the accuracy of such information.

3. This report has been made only for the purposes stated and shall not be used for any other purpose ("Stated Purpose"). Save for the Stated Purpose, neither this report nor any portions thereof (including, without limitation, any conclusions as to value or the identity of K. K. Mankeshwar & Co. ("KKM") or any individuals signing or associated with this report or the professional associations or organisations with which they are affiliated), shall be disseminated to third parties by any means without the prior written consent and approval of KKM.

4. Neither KKM nor any individuals signing or associated with this report shall be required by reason of this report to give further consultation, testimony, or appear in court or other legal proceedings, unless prior specific arrangements have been made.

5. No responsibility is taken for changes in market conditions, and no obligation is assumed to revise this report to reflect events or conditions that occur subsequent to the appraisal date hereof.

6. The date of value to which the opinions expressed in this report apply is set forth in this report.

7. Unless otherwise stated, it is assumed that all required licenses, certificates, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organisation have been or can readily be obtained or renewed for any use on which the value estimates contained in this report are based.

8. Full compliance with all applicable state and local zoning, use, environmental, and similar laws and regulations is assumed unless otherwise stated.

9. Responsible ownership and competent management are assumed.

10. In connection with this assignment, the client agrees to indemnify and hold harmless KKM and its personnel from any claims, liabilities, costs and expenses (including, without limitation, attorneys' fees and the time of KKM personnel involved) brought against, paid or incurred by KKM at a time and in any way based on the information made available in connection with KKM's work product except to the extent any such losses,

expenses, damages or liabilities are ultimately determined to be the result of gross negligence of the KKM engagement team in conducting its work.

11. KKM's maximum liability relating to services rendered under this report (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to the charges paid to KKM for the portion of its services or work products giving rise to liability. In no event shall CH be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, lost profits, opportunity costs, etc.), even if it has been advised of their possible existence.

SAPIENT
SERVICES PVT.LTD.

Suraj Bhawan
L-83, Lajpat Nagar - II,
New Delhi – 110 024, India
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Date: 30th January 2014

The Board of Directors,
Religare Health Trust Trustee- Manager Pte. Ltd.
(acting in its capacity as trustee-manager of Religare Health Trust)
C/o 9 Battery Road #15-01,
Straits Trading Building
Singapore 049910

Re: Report on the fair valuation of Medical Equipment, Furniture & Fixtures including Television, Computers

Introduction

Sapient has done fair valuation of Medical Equipment, Furniture & Fixtures including Television, Computers of Fortis Healthcare Limited having their unit at Sector 62, Phase - VIII, Mohali, Punjab.

The purpose of the valuation is to estimate the Fair Market value in existing use in situation subject to potential profitability. It does not include estimation of profitability, return on investment/internal rate of return at different investment levels and assessment of business value. The valuation carried out is pre-tax.

General Basis of Valuation

'Fair Value' basis of valuation, as detailed in the framework and guidelines provided in International Valuation Standards, has been adopted by us.

Under the Indian Accounting Standards, fair market value is `the price that would be agreed to in an open and unrestricted market between knowledgeable and willing parties dealing at arm's length who are fully informed and are not under any compulsion to transact'. International Financial Reporting Standards define fair market value as `the Price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date'.

This valuation report assumes that the enterprise shall continue to operate and run its business and that the assets shall continue to have economic utility.

The assets value reported in the Valuation Report is on a 'whole' basis, it is not a part or fraction or item wise Valuation. Unless otherwise mentioned, the value reported is realizable when all the assets are sold as a whole and not as apart or fraction. The Fair Value is on 'as is where is basis'.

The Depreciated replacement cost of Plant & Machinery, Office Equipment and Furniture & Fixtures represent Fair Value as a whole for the purpose of this valuation exercise. Depreciation has been calculated on asset components wherever applicable.

The Depreciated replacement cost and in turn `Fair Value' of the assets is subject to potential profitability and adequate service potential of subject assets as on the date of valuation.

Approach and Methodology of valuation

Asset valuations can be carried out by the following methodologies:

1. Cost Approach – where value estimation is based on Replacement Cost of an asset of equivalent utility, depreciation and obsolescence.

2. Income Approach – where value estimates are based on expected future cash flows and risks associated with such cash flows.

3. Market Approach – where value estimates take into consideration sales / quotes of similar assets in the market.

The cost approach estimates value using principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction. It is based on the principle of substitution i.e. that unless undue time, inconvenience, risk or other factors are involved, the price that a buyer in the market would pay for the assets being valued would not be more than the cost to assemble or construct an equivalent asset.

The Depreciated Replacement Cost (DRC) method is the most common method under the cost approach. It can be applied to a wide range of assets types. In assessing what he might be prepared to pay for subject asset, a potential purchaser may consider as an alternative to acquiring the subject asset, the cost to construct a similar asset having the same functionality. This represents the maximum that a potential purchaser would be prepared to pay for the subject asset if it were new at the date of valuation.

The DRC methodic most commonly used for the valuation of specialized assets. This is because transactions involving the sale of specialized assets are relatively infrequent and when they do occur, the assets are often sold as a part of a going concern / business. In such situations, the value attributable to each individual asset is often sold as a part of going concern / business.

Factors affecting valuation

- General and industry economic outlook.
- Purpose of valuation.
- Utility of assets
- Current Replacement cost
- Depreciation and obsolescence
- Age and balance Life of assets
- Physical Conditions, status of repair & Maintenance
- Demand &supply of Assets.

Valuation of Land

Factors affecting valuation of land.

- Demand and supply of properties
- Locality, neighborhood, civic amenities etc.
- Type of frontage
- Prevailing land rates in vicinity
- Marketability /utility of industrial land in vicinity.
- Shape, size, prominence, plot area and topography etc.

Valuation of building and Misc. civil structure

Depreciated replacement cost method (DRC), under the Cost approach of valuation is adopted for the estimation of fair value of the building. The Depreciated replacement cost is derived from the Gross Current Reproduction cost (GCRC) which is reduced by considering physical depreciation.

- The GCRC means cost expected to replace existing asset with similar or equivalent new asset as on date of valuation.
- Replacement cost is computed by considering the current rate of construction of similar type of building /civil structures.
- Technical parameters like dimensions, design and specifications, type of foundation, type of structure, construction, specification of finishes etc. were considered based on visual inspection.
- Depreciation has been deducted from the Gross Current Replacement cost to derive Depreciated Replacement Cost.

Following factors are considered while calculating depreciation of the buildings and civil infrastructure.

- Utility
- Depreciation for wear and tear
- Replacement cost as on date of valuation
- Age, balance economic life
- State of repairs and maintenance.
- Physical condition

Straight line method of depreciation has been adopted for calculation of depreciation considering the appropriate percentage of replacement cost as salvage /scrap value.

Balance economic life of building &misc, civil structure has been estimated based on our professional judgment.

Valuation of Plant & Machinery

The value of Plant & Machinery has been estimated by using depreciated replacement cost method under cost approach of valuation. The Depreciated Replacement Cost is derived from the Gross Current Reproduction / Replacement cost (GCRC) which is reduced by considering depreciation. The GCRC means cost expected to replace existing asset with similar or equivalent new asset as on date of valuation.

Computation of replacement cost

Depending on the availability of the information we have worked out the replacement cost of the asset by applying appropriate priced escalation indices.

Computation of DRC

The DRC of Plant &Machinery as on date of valuation has been estimated using depreciated replacement cost method under cost approach of valuation. The depreciated replacement cost is derived from the Gross Current Reproduction /Replacement Cost (GCRC) which is reduced by considering physical depreciation. The GCRC means cost expected to replace the existing asset with similar or equivalent new asset as on date of valuation. To this GCRC, suitable depreciation has been applied based on age of the asset to derive the present value. Straight line method of depreciation has been adopted for calculation of depreciation considering percentage of replacement value as salvage /scrap value.

In order to establish the level of above stated value at which the market reasonably expects to give an appropriate return from the use of the subject assets following points have been considered in order to calculate depreciation:

- Usage.
- Obsolescence.
- Present Day Replacement Cost.
- Age & Balance economic life.
- Physical wear & tear
- Actual working condition
- Capacity etc.

Economic life:

The economic life is how long it is anticipated that the asset could generate returns or provide financial benefit. The total economic life has been estimated based on our professional judgment with an assumption that adequate standards of preventative and breakdown maintenance would continue to be followed during the estimated residual life of the individual plant and machinery /group of plant and machinery. Our professional judgment is based on the visual inspection of the asset and not on the basis of latent characteristics / defects of the assets. The actual age is based on the information made available to us at the time of inspection.

Valuation Procedure

During the course of our visit, the available Medical Equipments including auxiliary equipments, office equipments, supporting safety equipments were critically examined. To evaluate the present condition of such equipments the quality preventive maintenance during the period of its operations has been considered.

Leasehold Improvements

Fortis has taken building on rent and have carried out improvement to meet the stipulations standards applicable to hospitals capital investments have been made towards improvement / addition for electrical works, cabling, lightings, partitioning

/ flooring all kind civil works, Fire Hydrant System / Medical gas pipeings / Signals / paintings / sanitary items, etc.

Assumptions

To estimate the depreciated value of the equipments, the economic life of the various components of the equipments has been considered as per the industry standards. We have not verified the age of the equipments and have relied on the data furnished by the client.

The year mentioned in the report is the financial year in which the equipments had been commissioned and capitalised.

The year of installation has been taken as the basis for calculating depreciation etc.

The price includes cost of equipments, taxes prevalent & the cost of installation.
To arrive at the present fair market realizable value following methodology was used:

- For Plant & Machinery the relevant RBI index has been applied on the acquisition costs.
- In case of lease hold improvements; valuation has been done on realizable value basis.
- An erection / Testing charge has been taken as zero value.
- Where details of assets (Description) not available the value has been taken as zero.
- All the assets embedded in wall i.e. piping etc has negligible value hence has been taken as one.
- CWIP value has been taken as actual.

The fair market value had been calculated using straight-line method of depreciation on the present replacement value. The depreciation has been applied as 10% per year subject to maximum of 90%. The plant & machinery have been maintained & being run on 80-90% capacity. All the proper records of machinery & its history of maintenance are being maintained.

The prices of the equipments / machineries have increased over the years both due to inflation as well as Technological development. The Techno Economic Obsolescence (TEO) of the existing machines have been assessed considering the age, function, type and associated parameters, a deduction factor has been applied to arrive at the adjusted price in case of imported equipments.

All equipments were found of standard make.

Use of Valuation

This report has been prepared at the instance of Religare Health Trust Trustee-Manager Pte. Ltd. and is not for public distribution. This report is designed to be used by Religare Health Trust Trustee Manager Pte. Ltd. (acting in its capacity as trustee-manager of Religare Health Trust) for its evaluation of Plant & Machinery and for inclusion in a circular to the unitholders of Religare Health Trust. Except for the purposes stated in the immediately preceding sentence, neither the whole nor any part of the report or any references the client or any third party may be

included in any publishing document, circular or statement nor published in any way without Sapient prior notice approval.

Use of report

The opinion of value expressed in this report shall be used for the purpose stated in this report only. We are not responsible for any consequences arising from the valuation being quoted

SUMMARY

Particulars	Gross Block	Sapient Replacement cost	Depreciation Value	Sapient Fair Market Value
Leasehold Improvements	223,899,390	38,793,825	21,280,991	17,512,834
P&M	164,432,810	213,432,116	150,794,441	62,637,489
Plant & Machinery	4,443,325	6,076,277	4,557,207	1,519,069
Other Med Equip.	24,702,910	6,445,400	-	6,001,038
Beds	22,056,122	27,297,349	19,423,623	7,552,496
Fortis Inn				
Computer	83,882	12,500	-	12,500
Furniture	415,690	69,800	11,536	58,264
Office Equipment	583,387	67,000	7,986	59,014
Plant & Machinery	200,335	239,650	174,943	64,707
TOTAL	**440,817,851**	**292,433,917**	**196,250,727**	**95,417,411**

CWIP A/C	Gross Block	Sapient Replacement cost	Depreciation Value	Sapient Fair Market Value
CWIP - Lease Hold Improvments	3,315,424	3,315,424	-	3,315,424
CWIP MCH (Fortis Inn)	621,684	621,684	-	621,684
CWIP-Plant & Machinery	7,137,177	7,137,177	-	7,137,177
CWIP- Furniture & Fixture (Beds)	5,047,870	5,047,870	-	5,047,870
TOTAL	**16,122,155**	**16,122,155**	**-**	**16,122,155**

Grand Total	**456,940,006**	**308,556,072**	**196,250,727**	**111,539,566**

For detailed item wise assets, refer Annexure-1 to 8.

General Assumptions and Limiting Conditions

Following Assumptions and Limiting conditions also form the basis of this valuation report:

- The Real Estate market in India lacks transparency. The market is largely fragmented with limited availability of authentic, credible and reliable data with aspect to market transactions. The actual transaction value may be significantly different from the value that is documented in official transactions. We believe that the market survey amongst actual sellers, brokers, developers and other market participants would give a fair representation of market trends. This valuation is, therefore, based on our verbal market survey of the real estate market in the subject area.

- For the purpose of this valuation exercise, we have assumed that the property for valuation i.e., Land, Building, Plant &Machinery is owned by the Client and they have a clear and marketable title to the property and the same is free from any legal and physical encumbrances, disputes, claims and other statutory liabilities.

- We have further assumed that the subject property has received requisite planning approvals and clearances from appropriate local authorities and complies with local development control regulations.

- Any matters related to legal title and ownership are outside the purview and scope of this valuation exercise. No legal advice regarding the title and ownership of the subject property has been obtained by us while conducting this valuation. The client is hereby advised to take an appropriate legal opinion on the matter while taking any decision on the basis of this report.

- Valuation may be significantly influenced by adverse legal, title or ownership /encumbrance issues, we reserve our right to alter the conclusion should any such issues be brought to our knowledge at a later date.

- In the course of this exercise we have relied upon the hardcopy, softcopy, email, documentary and verbal information provided by the client without further verification. We have assumed that the information provided to us is reliable, accurate and complete in all respects. We reserve our right to alter our

conclusion at a later date, if it is found that the data provided to us by the client was not reliable, accurate, or was incomplete.

- Transaction costs like Stamp Duty, Registration Charges, Brokerage, etc., pertaining to the sale /purchase of the property has not been considered while estimating the fair value.

- The valuation exercise is based on prevailing market dynamics as on the date of valuation and does not take into account any unforeseeable development which could impact the same in the future.

- All physical measurement and areas are approximate in nature. The actual age is based on the information made available or verbal information provided to us at the time of inspection. The remaining economic life is approximate in nature, and is based on our professional judgment.

- The valuation is valid only for the purposes mentioned in this report, and is neither intended nor valid to be used for any other purpose. This report shall not be provided to any third party or external party without our written consent. In no event, regardless of whether consent has been provided, shall we assume any responsibility to any third party or external party to whom the report is disclosed or otherwise made available.

- Possession of this report or any copy thereof does not carry with it the right of publication. No portion of this report shall be disseminated to third parties through prospectus, advertising, public relations, news or any other means of communication without the written consent and approval of SSPL.

- Any environment due diligence or study is outside the scope of this engagement. Therefore, no such due diligence or study has been carried out by SSPL. We have assumed that the subject asset complies with all environmental laws and regulations and that there are no substances, environmental or pollution related encumbrances /issues which may adversely affect its value, utility or marketability. We have not carried out any due diligence with respect to any asset retirement obligations (ARO). Any such liability would have to be adjusted against the valuation.

- The condition assessment and estimation of residual economic life is based on visual observations. We have not carried out any structural design or stability study and no physical tests have been performed by us to asses structural integrity &strength. We have also not carried out any physical testing and performance analysis of plant machinery and equipment for the purpose of this valuation.

- No soil analysis or geological or other technical studies were made in conjunction with report, nor was any water, oil, gas or other subsurface mineral and use rights or conditions investigated.

- Unless otherwise stated, no allowances are made in our valuation for any joint venture agreement development right agreement or other similar contracts.

- No investigation was carried out to determine whether or not any deleterious or hazardous materials have been used in the construction n/operation of the properties, or have since been incorporated and are thereof unable to account or report for such in our report.

- In the case of building where works are in hand or have recently been completed, we do not normally make allowance for any liability already incurred, but not yet discharged. In respect of completed works, or obligation in favour of contractors, sub contractors or many member of the professional or design team.

- The inspection and condition assessment of the assets was made by individuals generally familiar with valuation assessment of such assets. However, we do not opine on, nor we are responsible for its conformity to any health, safety, environmental or any other regulatory requirements that were not readily apparent to our team of experts during their inspection.

- We have submitted a list of information required to carry out the valuation of the specified tangible assets to the company. Accordingly, we have estimated the fair value of the tangible assets on the basis of information furnished to us in addition to other aspects of the valuation

- We have provided a draft copy of this report to the management of the cli who has confirmed to the best of their knowledge and beleftthat the fac information contained within this document is correct and that there are material omissions. They have additionally confirmed to us that the data information provided to us are correct and that, in their opinion our re reasonably represents the Valuation of the subject assets. We reserve the r to alter our conclusions should any information that we are not aware of at time of preparing this report comes to light later on and has a material im on the conclusions herein.

- Sapient's maximum liability relating to services rendered under this re (regardless of form of action, whether in contract, negligence or otherw shall be limited to the charges paid to Sapient for the portion of its service work products giving rise to liability. In no event shall Sapient be liable consequential, special, incidental or punitive loss, damage or expe (including without limitation, lost profits, opportunity costs, etc.), even if it been advised of their possible existence.

- Other observations, assumptions and limiting conditions, as appropriate, also mentioned in the respective sections of this report and annexure.

- This report is further governed by our standard terms and conditions professional engagement, offer or contract.

For Sapient Services Pvt. Ltd.

(Authorised Signatory)

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DIRECTORS' AND SUBSTANTIAL UNITHOLDERS' INTEREST

Based on the Register of Directors' Unitholdings maintained by the Trustee-Manager and save as disclosed below, none of the Directors currently holds a direct or deemed interest in the Units as at the Latest Practicable Date:

Name of Directors	Direct Interest		Deemed Interest		Total No. of Common Units Held	%
	No. of Common Units	%	No. of Common Units	%		
Mr Ravi Mehrotra	–	–	1,000,000	0.13	1,000,000	0.13
Mr Gurpreet Singh Dhillon	–	–	1,777,000	0.22	1,777,000	0.22
Mr Pawanpreet Singh	–	–	–	–	–	–
Mr Peter Joseph Seymour Rowe	–	–	–	–	–	–
Dr Yogendra Nath Mathur	–	–	–	–	–	–
Mr Eng Meng Leong	–	–	–	–	–	–
Mr Sydney Michael Hwang	–	–	1,000,000	0.13	1,000,000	0.13

Based on the Register of Substantial Unitholders' Unitholdings maintained by the Trustee-Manager, the Substantial Unitholders and their interests in the Units as at the Latest Practicable Date are as follows:

Name of Substantial Unitholders	Direct Interest			Deemed Interest			Total No. of Units Held	%
	No. of Sponsor units	No. of Common Units	%	No. of Sponsor Units	No. of Common Units	%		
Fortis Healthcare International Limited	220,676,944	–	27.9	–	–	–	220,676,944	27.9
Fortis Healthcare Limited[1]	–	–	–	220,676,944	–	27.9	220,676,944	27.9
Fortis Healthcare Holdings Ltd[1]	–	–	–	220,676,944	–	27.9	220,676,944	27.9
RHC Holding Private Limited[1][2]	–	–	–	223,562,944	–	28.3	223,562,944	28.3
Malav Holdings Pvt. Ltd. [1][2]	–	–	–	223,562,944	–	28.3	223,562,944	28.3
Malvinder Mohan Singh[1][2]	–	4,000,000	0.51	223,562,944	–	28.3	227,562,944	28.8
Japna Malvinder Singh[1][2]	–	–	–	223,562,944	–	28.3	223,562,944	28.3
Shivi Holdings Pvt. Ltd. [1][2]	–	–	–	223,562,944	–	28.3	223,562,944	28.3

Name of Substantial Unitholders	Direct Interest			Deemed Interest			Total No. of Units Held	%
	No. of Sponsor units	No. of Common Units	%	No. of Sponsor Units	No. of Common Units	%		
Shivinder Mohan Singh[(1)(2)]	–	–	–	223,562,944	–	28.3	223,562,944	28.3
Aditi Shivinder Singh[(1)(2)]	–	–	–	223,562,944	–	28.3	223,562,944	28.3

Notes:

(1) Each of 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.

(2) Each of 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 the Trustee-Manager.

Save as disclosed above and in this Circular and based on information available to the Trustee-Manager at the Latest Practicable Date, none of the Directors or the Substantial Unitholders have an interest, direct or indirect in the Proposed Transactions.

SGXNET ANNOUNCEMENT

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

*Nomura Singapore Limited, Religare Capital Markets Corporate Finance Pte. Limited and Standard Chartered Securities (Singapore) Pte. Limited ("**Standard Chartered Securities**") were the joint issue managers ("**Joint Issue Managers**") for the initial public offering and listing of Religare Health Trust ("**RHT**") (the "**Offering**"). CIMB Securities (Singapore) Pte. Ltd., DBS Bank Ltd., Nomura Securities Singapore Pte. Ltd., Religare Capital Markets (Singapore) Pte. Limited and Standard Chartered Securities were the joint global coordinators, bookrunners and underwriters ("**Joint Bookrunners**") of the Offering. The Joint Issue Managers and the Joint Bookrunners assume no responsibility for the contents of this announcement.*

RESPONSE TO SGX-ST'S QUERY ON AN ARTICLE IN THE BUSINESS TIMES DATED 7 FEBRUARY 2014

Religare Health Trust Trustee Manager Pte. Ltd. (acting in its capacity as trustee-manager of RHT) (the "**Trustee-Manager**"), refers to a query raised by the SGX-ST in relation to The Business Times article entitled "RHT's India deal raises questions" on 7 February 2014 ("**Article**") regarding its acquisition of the Mohali Clinical Establishment. Unless otherwise defined, all capitalised terms herein shall bear the same meaning as used in RHT's announcement dated 2 February 2014.

1. Query: The Article stated that Religare Health Trust ("**RHT**") "had agreed to acquire Mohali Clinical Establishment from Radha Soami Satsang Beas ("**RSSB**") for $55.1 million" and that "there is much speculation in India about the connections between RSSB and RHT's indirect parent company, Religare Enterprises". Further, "RHT has made no mention of any potential links with RSSB or connections between RSSB and its sponsor Fortis Healthcare, except to say that Fortis operates the hospital at Mohali Clinical Establishment"

   Please clarify if there are any relationships, past and existing, amongst RSSB, Religare Health Trust and Fortis Healthcare, including but not limited to:-

   (a) Any relationship amongst and between Religare Health Trust CEO Mr. Gurpreet Singh Dillon, Mr. Malvinder Singh, Mr. Shivinder Singh and Mr. Gurinder Singh Dhillon; and

   (b) Any relationships, past and existing, between RHT and RSSB.

   Response:

   (a) Fortis Healthcare Limited ("**Fortis**") is a controlling unitholder of RHT with an interest in approximately 27.9% of the total number of issued units ("**Units**") in RHT. Each of Mr Malvinder Mohan Singh ("**MMS**") and Mr Shivinder Mohan Singh ("**SMS**") are controlling unitholders of RHT. Mr Gurinder Singh Dhillon is (i) the father of Mr Gurpreet Singh Dhillon, and (ii) the cousin of the mother of MMS and SMS. As disclosed on page 188 of RHT's prospectus in relation to the Offering, dated 15

October 2012 ("**Prospectus**") and in subsequent announcements on the SGXNET, Mr Gurpreet Singh Dhillon, the CEO of RHT, is a second cousin of MMS and SMS.

(b) RSSB is a society registered under The Societies Registration Act 1860 of India. RSSB had confirmed to the Trustee-Manager that:

(i) it was registered in 1957 with a general body of members and is governed and managed by an executive committee, similar to a board of directors of a company. The decisions of the general body of members and the executive committee are determined by majority vote;

(ii) the executive committee governing and managing RSSB comprises seven persons. None of Mr Gurinder Singh Dhillon, Mr Gurpreet Singh Dhillon, Mr MMS or SMS or any member of their immediate family[1] is a member of the executive committee of RSSB, which is the governing and managing body of RSSB. The day-to-day functioning of RSSB is carried out by the executive committee;

(iii) the beneficiaries of RSSB are the general public, in pursuance of the spiritual objects of RSSB. Membership in RSSB is held in a gratuitous manner and none of the members of RSSB or the executive committee has any interest[2] in RSSB or receives any distributions or otherwise profit from RSSB. The members of the executive committee are not related to each other and none of (i) the directors of the Trustee-Manager, (ii) the CEO of the Trustee-Manager, (iii) the controlling shareholders of the Trustee-Manager, (iv) Religare Health Trust Trustee Manager Pte. Ltd., or (v) the controlling unitholders of RHT or the members of their respective immediate families[1] are beneficiaries or discretionary objects of RSSB;

(iv) Gurinder Singh Dhillon is a member of the general body of RSSB as well as the spiritual head of RSSB;

(v) Gurinder Singh Dhillon, together with members of his immediate family[1], do not (directly or indirectly) have any interest[2] in RSSB; and

(vi) RSSB is not an associate[3] of (i) the directors of the Trustee-Manager, (ii) the CEO of the Trustee-Manager, (iii) the controlling shareholders of the Trustee-Manager, (iv) Religare Health Trust Trustee Manager Pte. Ltd., or (v) the controlling unitholders of RHT.

In its application to the SGX-ST on 5 February 2014 for the review of the draft circular in respect of the proposed Interested Person Transactions, the Trustee-Manager had voluntarily disclosed certain of the information above to the SGX-ST.

[1] As defined in the Listing Manual of the SGX-ST
[2] Section 7 of the Companies Act of Singapore (Cap. 50)
[3] As defined in the Listing Manual of the SGX-ST

(c) Save in respect of the proposed Clinical Establishment Acquisition, the Trustee-Manager confirms that there are no relationships, past or existing, between RHT and RSSB. Based on a review of RHT's unitholdings from The Central Depositary (Pte) Limited, the Trustee-Manager notes that RSSB Singapore held 2,040,000 Units, representing an interest of approximately 0.26% in RHT, as at 15 November 2013.

2. Query: The Article stated that "investors would be keen to know if there is any influence on decision-making at RHT arising from a connection with RSSB." If so, it would raise the "question of whether it is appropriate to deem RHT's acquisition a non-IPT". Please note that the Exchange will take into consideration the responses to Question 1 while determining if the transaction is an IPT.

Response:

(a) The majority of the Board of Directors of the Trustee-Manager ("**Board**") comprises independent directors. Mr Gurpreet Singh Dhillon had disclosed the relationships set out in Response 1 to the Board when the transaction was put up to the Board for approval. The decision to proceed with the transaction was made then by the Board of Directors with knowledge of the above relationship.

(b) The Trustee-Manager would like to reiterate that the proposed Clinical Establishment Acquisition has been negotiated between EHSSHL and RSSB on an arm's length basis and on normal commercial terms, taking into account, amongst other things, the Independent Clinical Establishment Valuation by Cushman & Wakefield (India) Pvt. Ltd ("**C&W**"). The agreed consideration of ₹2,700.0 million (S$55.1 million)[4] is also lower than C&W's valuation of ₹2,758.0 million (S$56.3 million).

The Circular to Unitholders with further details of Clinical Establishment Acquisition and the Interested Person Transactions will be despatched to the Unitholders in due course, after approval has been received from the SGX-ST in relation thereto.

By Order of the Board

Ravi Mehrotra
Executive Chairman
Religare Health Trust Trustee Manager Pte. Ltd.
(Registration number: 201117555K)
(as trustee-manager of Religare Health Trust)

7 February 2014

[4] Based on the fixed exchange rate of ₹49.0 = S$1.00

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NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING (the "**EGM**") of Religare Health Trust ("**RHT**") will be held at Level 3, Room 326, Suntec International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 28 April 2014 at 10.00 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following ordinary resolutions:

ORDINARY RESOLUTIONS

RESOLUTION 1 – THE PROPOSED ACQUISITION OF THE CLINICAL ESTABLISHMENT BUSINESS AT THE MOHALI CLINICAL ESTABLISHMENT FROM AN INTERESTED PERSON

That:

(1) approval be and is hereby given for the acquisition (the "**Business Acquisition**") of the Clinical Establishment Business at the Mohali Clinical Establishment (as described in the Circular dated 10 April 2014 (the "**Circular**") issued by Religare Health Trust Trustee Manager Pte. Ltd. (the "**Trustee-Manager**") as trustee-manager of Religare Health Trust), from Fortis Healthcare Limited ("**Fortis**"), under the Business Transfer Agreement (as defined in the Circular);

(2) approval be and is hereby given for the payment of all fees (including the Acquisition Fee payable to the Trustee-Manager) and expenses relating to or arising from the Business Acquisition; and

(3) the Trustee-Manager and any director of the Trustee-Manager ("**Director**") be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Trustee-Manager or such Director may consider necessary or expedient or in the interests of RHT to give effect to this resolution.

RESOLUTION 2 – THE PROPOSED ACQUISITION OF THE PLANT AND MACHINERY AT THE MOHALI CLINICAL ESTABLISHMENT FROM AN INTERESTED PERSON

That:

(1) approval be and is hereby given for the acquisition of the Plant and Machinery (the "**P&M Acquisition**") at the Mohali Clinical Establishment (as described in the Circular), from Fortis, under the Asset Transfer Deed (as defined in the Circular);

(2) approval be and is hereby given for the payment of all fees (including the Acquisition Fee payable to the Trustee-Manager) and expenses relating to or arising from the P&M Acquisition; and

(3) the Trustee-Manager and any Director be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Trustee-Manager or such Director may consider necessary or expedient or in the interests of RHT to give effect to this resolution.

RESOLUTION 3 – THE PROPOSED HOSPITAL AND MEDICAL SERVICES AGREEMENT WITH AN INTERESTED PERSON IN RESPECT OF THE PROVISION OF CLINICAL ESTABLISHMENT SERVICES AT THE MOHALI CLINICAL ESTABLISHMENT

That:

(1) approval be and is hereby given for the entry into the hospital and medical services agreement between Escorts Heart and Super Specialty Hospital Limited ("**EHSSHL**"), a wholly-owned subsidiary of RHT, and Fortis (the "**HMSA**") in relation to the provision of healthcare and medical and related services ("**Clinical Establishment Services**") by EHSSHL in respect of the Mohali Clinical Establishment, as described in the Circular, on the terms and conditions set out therein;

(2) approval be and is hereby given for the payment of all fees and expenses relating to or arising from the HMSA; and

(3) the Trustee-Manager and any Director be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Trustee-Manager or such Director may consider necessary or expedient or in the interests of RHT to give effect to this resolution.

BY ORDER OF THE BOARD
Religare Health Trust Trustee Manager Pte. Ltd.
(Company Registration No. 201117555K)
(as trustee-manager of Religare Health Trust)

Abdul Jabbar Bin Karam Din
Chan Poh Kuan
Joint Company Secretaries

Singapore, 10 April 2014

Important notice

1. A Unitholder entitled to attend and vote at the Extraordinary 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 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 Extraordinary General Meeting.

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
EXTRAORDINARY GENERAL MEETING

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 Extraordinary 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 Extraordinary General Meeting of RHT to be held on 28 April 2014 at 10.00 a.m. at Level 3, Room 326, Suntec International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 and any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Extraordinary 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 Extraordinary General Meeting.

	Resolutions	To be used on a show of hands		To be used in the event of a poll	
		For*	Against*	No. of Votes For**	No. of Votes Against**
1	To approve the acquisition of the Clinical Establishment Business at the Mohali Clinical Establishment from an Interested Person (Ordinary Resolution)				
2	To approve the acquisition of the Plant and Machinery at the Mohali Clinical Establishment from an Interested Person (Ordinary Resolution)				
3	To approve the proposed Hospital and Medical Services Agreement in respect of the Mohali Clinical Establishment with an Interested Person (Ordinary Resolution)				

* If you wish to exercise all your votes "For" or "Against", please tick (√) within the box provided.

** 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 _____ 2014

Total number of Units held

_____

Signature(s) of Unitholder(s)/Common Seal

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to Proxy Form

1. A unitholder of Religare Health Trust ("**RHT**", and a unitholder of RHT, "**Unitholder**") entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a Unitholder.

2. Where a Unitholder appoints more than one proxy, the proportion of Units to be represented by each proxy must be stated Where a Unitholder appoints two proxies and does not specify the number of Units to be represented by each proxy, then the Units held by the Unitholder are deemed to be equally divided between the proxies.

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 Extraordinary 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 may reject any Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Extraordinary General Meeting, as certified by CDP to the Trustee-Manager. 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 Extraordinary General Meeting regardless of whether they have attended or voted at the Extraordinary General Meeting.

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