About RHT Health Trust

RHT Health Trust ("RHT") is a registered Business Trust with an investment mandate to invest principally in medical and healthcare assets and services, in Asia, Australasia and emerging markets in the rest of the world. RHT may also develop medical and healthcare assets. It is expected that the medical services will be provided directly by RHT or in collaboration with third parties.

Key Information on the Initial Portfolio

RHT's Portfolio as of 30 June 2016 comprises twelve RHT Clinical Establishments, four Greenfield Clinical Establishments and two Operating Hospitals located across India.

Clinical Establishments
Amritsar
Bengaluru, BG Road
Chennai, Malar
Faridabad
Gurgaon
Jaipur
Kolkata
Mohali (including land acquired as an extension)
Mumbai, Kalyan
Mumbai, Mulund
New Delhi, Shalimar Bagh
Noida

Greenfield Clinical Establishments
Ludhiana
Chennai
Hyderabad
Greater Noida

Operating Hospitals
Bengaluru, Nagarbhavi
Bengaluru, Rajajinagar

Distribution policy

RHT's policy is to distribute at least 90.0% of its distributable income on a semi-annual basis, for every six-month period ending 30 September and 31 March. For the year ending 31 March 2017, the RHT Health Trust Manager Pte. Ltd ("Trustee-Manager") intends to distribute 95% of its distributable income. This policy will not apply to the proposed special distribution, mentioned in the announcement titled "Proposed Disposal And Related Documents" dated 8th July 2016. It is intended that the entire net proceeds from the Proposed Disposal And Related Documents be distributed.

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1 Unaudited Results for the quarter ended 30 June 2016

The Board of Directors of RHT Health Trust Manager Pte. Ltd. announces the following unaudited results of RHT and its subsidiary companies ("RHT Group") for the quarter ended 30 June 2016.

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

	Notes	FY 17 Q1 S$'000	FY 16 Q1 S$'000	Var
Revenue:				
Service fee	1	31,991	31,971	0%
Hospital income	2	2,532	2,446	4%
Other income	3	868	952	-9%
Total revenue		**35,391**	**35,369**	**0%**
Service fee and hospital expenses:				
Medical consumables	4	(2,429)	(2,344)	4%
Employee benefits expense*	5	(892)	(834)	7%
Doctor charges*	6	(2,302)	(2,309)	0%
Depreciation and amortisation	7	(3,913)	(3,891)	1%
Other service fee expenses*	8	(3,941)	(4,005)	-2%
Hospital expenses*	2	(2,114)	(1,912)	11%
Total service fee and hospital expenses		**(15,591)**	**(15,295)**	**2%**
Finance Income		441	136	n.m
Finance Expenses	9	(2,333)	(1,442)	62%
Trustee-Manager Fee	10	(1,652)	(1,612)	2%
Other Trust Expenses*	11	(332)	(665)	-50%
Foreign exchange loss	12	(706)	(5,405)	-87%
Total expenses		**(20,173)**	**(24,283)**	**-17%**
Profit before changes in fair value of financial derivatives		**15,218**	**11,086**	**37%**
Fair value gain on financial derivatives	13	231	5,340	n.m
Profit before taxes		**15,449**	**16,426**	**-6%**
Income tax expense	14	(4,783)	(4,131)	16%
Net profit for the period attributable to unitholders of the Trust		**10,666**	**12,295**	**-13%**
Other comprehensive income				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Foreign currency translation		(16,578)	(31,366)	n.m
Other comprehensive income for the period, net of tax		(16,578)	(31,366)	n.m
Total comprehensive income for the period attributable to unitholders of the Trust		**(5,912)**	**(19,071)**	**n.m**

*Prior quarter's amounts have been reclassified to conform to current quarter's presentation.

1(a) Consolidated Statement of Comprehensive Income and Distributable Income Statement (Cont'd)

Reconciliation to Unitholders Distributable Income

	Notes	FY 17 Q1 S$'000	FY 16 Q1 S$'000
Net profit for the period attributable to unitholders of the Trust		**10,666**	**12,295**
Distribution adjustments:			
Impact of non-cash straight-lining		(854)	(1,112)
Technology renewal fee		(167)	(174)
Depreciation and amortisation		3,913	3,891
Amortisation of debt arrangement fee		-	151
Trustee-Manager fees payable in units		826	806
Deferred tax	14	555	1,033
Foreign exchange differences	15	512	(1,168)
Capital expenditure	16	(314)	(276)
Unrealised gain on financial asset		(3)	(3)
Total distributable income attributable to unitholders of the Trust*		**15,134**	**15,443**

*95% of Distributable Income for FY17 Q1 will be distributed

Notes to Consolidated Statement of Comprehensive Income and Distributable Income Statement

1. The service fee is the aggregate of the base and variable service fee for the provision of the Clinical Establishment services, including but not limited to the out-patient department services (OPD) and the radio diagnostic services (RDS).

INR mn	FY17 Q1	FY16 Q1	Variance
Base Fee	1,039	1,013	2.6%
Variable Fee	500	451	10.9%

The service fees compared to corresponding quarter in INR terms are higher due to the contractual 3% increase in base fee and higher variable fee as a result of higher operating revenue recorded by the operator. The higher operating revenue was a result of higher occupancy and higher ARPOB contributed by the increase in major surgeries such as heart and liver transplant, joint replacement and neuro.

2. RHT has 2 Operating Hospitals, Bengaluru, Rajajinagar Operating Hospital and the Bengaluru, Nagarbhavi Operating Hospital. The hospital income and expense arises solely from the provision of medical services at these hospitals.

   The higher hospital income for the quarter is due to increase in number of major surgeries for certain medical programs.

3. Other income includes lease income from pharmacy, cafeteria, bookshop, automated teller machines and other amenities in the Clinical Establishments of the Group. In the corresponding period, there was a profit being recognised on sale of asset. There is no such profit in current quarter.

4. The increase in medical consumables for the quarter is in line with increase in variable service fee.

5. The increase in employee benefits expense for the quarter is a result of increase in salaries on account of annual appraisals and additional headcounts for the project team and respective clinical establishment.

1(a) Consolidated Statement of Comprehensive Income and Distribution Statement (Cont'd)

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

6. Doctors' charges in INR terms is higher against corresponding quarter which is in line with the increase in variable fee excluding the additional cost arising from the initiative to expand the out-patient department capacity in various Clinical Establishments in the corresponding quarter.

7. Depreciation and amortisation is higher for the quarter due to the increase in fair value of assets at the end of 31 March 2016.

8. Other service fee expenses mainly consist of housekeeping costs, security costs, power and fuel expenses, annual equipment maintenance charges for both medical and non-medical equipment owned by RHT Group, rent, property taxes and insurance, as well as administrative expenses.

   The increase in other service fee expenses for the quarter in INR terms is mainly due to higher housekeeping and security cost resulting from inflationary increase and increase in activities in the clinical establishments.

9. The higher finance expense for the quarter corresponds with a fixed interest rate on the bonds issued to replace a floating rate debt. Furthermore, the Group utilised a $30 million facility during the third quarter of last financial year to fund the acquisition of land and expansion projects which contributed to the higher finance expenses as well.

10. The Trustee-Manager fee for the quarter is higher due to higher asset value offset by the lower distributable income.

11. The higher other trust expense in FY16 Q1 was a result of expenses in connection with the professional fees in connection with the issuance of the first series of notes under the medium term note programme.

12. The foreign exchange differences are on the account of:
    (i) unrealised differences from interest receivables denominated in INR; and
    (ii) realised differences from the settlement of forward contracts and interest received.

    The foreign exchange loss for the quarter arose from the depreciation of INR against SGD on the INR denominated interest receivables and realised loss from the settlement of forward contracts.

13. RHT Group has entered into forward contracts to manage its Indian Rupees denominated cash flows from India. The forward contracts are carried at fair value. The fair value gain recognised in current quarter is a result of the appreciation of the expected INR against SGD at the time of settlement compared to the trailing quarter.

1(a) Consolidated Statement of Comprehensive Income and Distribution Statement (Cont'd)

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

14. This relates to withholding tax expense on the offshore interest payment from the India subsidiary companies to the Singapore holding company, corporate tax in an Indian subsidiary and deferred tax in certain India subsidiary companies for the respective periods.

	FY 17 Q1	**FY 16 Q1**
Current tax	4,228	3,098
Deferred tax	555	1,033

The higher current tax in current quarter is due to corporate tax expense in an Indian subsidiary.

The deferred tax expense for current quarter is lower as a result of the reversal of deferred tax liability.

15. Included in foreign exchange differences are
(i) adjustments for the distributable income based on the average forward contracted INR/SGD rate against INR/SGD for the translation of the statement of comprehensive income, (ii) changes in fair value on financial derivatives and; (iii) foreign exchange differences recorded in the statement of comprehensive income.

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

1(b)(i) Balance Sheets

	Notes	Group		Trust	
		30 June 2016	31 March 2016	30 June 2016	31 March 2016
		S$'000	S$'000	S$'000	S$'000
ASSETS					
Non-current assets					
Intangible assets	1	125,064	127,986	-	-
Property, plant and equipment	2	828,455	844,851	-	-
Invesment in subsidiary		-	-	12,634	12,634
Loan to a subsidiary		-	-	469,534	478,922
Financial assets	3	36,749	36,047	-	-
Deferred tax assets	4	5,708	6,011	-	-
Other assets	5	25,122	24,783	-	-
Total non-current assets		1,021,098	1,039,678	482,168	491,556
Current assets					
Inventories		128	130	-	-
Financial assets	3	77,323	79,783	17,925	49,090
Trade receivables	6	10,944	25,340	-	-
Other assets		1,588	983	304	65
Derivative financial instruments	9	1,122	891	-	-
Cash and bank balances		8,968	5,831	36	344
Total current assets		100,073	112,958	18,265	49,499
Total assets		**1,121,171**	**1,152,636**	**500,433**	**541,055**
LIABILITIES					
Non-current liabilities					
Loans and borrowings		104,854	166,598	60,000	60,000
Other liabilities	8	2,897	3,710	-	-
Deferred tax liabilities	7	140,981	143,233	-	-
Total non-current liabilities		248,732	313,541	60,000	60,000
Current liabilities					
Loans and borrowings		66,749	3,438	1,200	525
Trade and other payables		7,582	6,032	-	-
Other liabilities	8	93,232	90,017	2,670	3,103
Total current liabilities		167,563	99,487	3,870	3,628
Total liabilities		**416,295**	**413,028**	**63,870**	**63,628**
Net assets		**704,876**	**739,608**	**436,563**	**477,427**
Unitholders' funds					
Represented by:					
Units in issue (net of unit issue cost)		512,057	510,399	512,057	510,399
Capital reserve	10	210,216	210,216	-	-
Foreign currency translation reserve		(99,047)	(82,469)	-	-
Revaluation reserve		141,171	142,911	-	-
Other reserves	11	33	33	-	-
Accumulated losses		(59,554)	(41,482)	(75,494)	(32,972)
Total unitholders' fund		**704,876**	**739,608**	**436,563**	**477,427**

1(b)(i) Balance Sheets (Cont'd)

Notes to Balance Sheets

1. Intangible assets

Intangible assets comprises of:

(i) Customer related intangible – arose from the Hospital and Medical Services Agreements which RHT Group entered into with the Sponsor, Fortis Healthcare Limited, to provide medical and Clinical Establishment services.

(ii) Rights to use "Fortis" brand – The two Operating Hospitals owned by RHT Group will continue to use the "Fortis" brand name for a period of 15 years from the date of transfer.

(iii) Goodwill – Goodwill mainly arose from the recognition of the deferred tax liability, being the difference between the tax effect of the value of acquired assets and liabilities and their respective tax bases. The balance of goodwill comprises the value of synergies arising from acquisition.

The decrease is due to the translation loss on account of depreciation of INR against SGD and the amortisation for the period.

2. Property, plant and equipment

Property, plant and equipment comprise of the land and building, plant and machinery, medical equipment and other assets of the Clinical Establishment and the 2 Operating Hospitals.

The decrease in property, plant and equipment is due to the translation loss on account of depreciation of INR against SGD and depreciation of property, plant and equipment for the period.

3. Financial assets

The non-current financial assets mainly relate to accrued income on straight-lining of the base service fee and security deposits paid. The increase is due to the recognition of accrued income on straight-lining of base service fee for the period.

The current financial assets mainly relate to investment in unquoted compulsory convertible preference shares (CCPS) of a related party, investment in quoted mutual funds and fixed deposits. The decrease is mainly due to the sale of quoted mutual funds made during the period and impact of the depreciation of INR against SGD.

4. Deferred tax assets

Deferred tax assets are made up of minimum alternate tax (MAT) credit paid to the India tax authorities. If the tax liability computed under the normal provisions of the India Income Tax Act is less than 18.5% of the book profits shown in the profit or loss account, after making certain specified adjustments, an entity is to pay minimum alternate tax at a rate of 18.5% of the book profits. MAT paid during the financial year is creditable for a period of 10 years against future tax liabilities arising under the normal provisions of the India Income Tax Act.

The decrease is due to utilisation of MAT credit for the corporate tax expense assessed in an India subsidiary.

5. Other non-current assets

Other non-current assets comprise of prepaid taxes deducted at source on service fee, hospital income and interest income on intra company debt instrument.

The increase is due to tax deducted at source on service fee for the period.

6. Trade receivables

Trade receivables comprise of service fees receivable from the Operators, rent receivables and receivables from corporate clients of the 2 operating hospitals.

The decrease is due to receipt of receivables during the quarter offset by the recognition of receivables for the quarter.

1(b)(i) Balance Sheets (Cont'd)

Notes to Balance Sheets (Cont'd)

7. Deferred tax liabilities

The deferred tax liabilities arose from the fair value adjustments arising on acquisition of subsidiaries at time of Initial Public Offering, revaluation of land, differences in depreciation and accrued income for tax purpose. The decrease is mainly due to reversal of deferred tax liability and depreciation of INR against SGD.

8. Other liabilities

Other non-current liabilities comprise mainly of retention amounts owing to creditors (capital in nature) as a result of ongoing capital expenditure for expansion and upgrading projects. The decrease is mainly due to some of these retention amounts becoming current.

Other current liabilities comprise of amount due to a related party for the purchase of 51% interest in FHTL, statutory dues and other creditors. The increase is mainly due to increase in advances from Fortis offset by payment of statutory dues and depreciation of INR against SGD.

9. Derivative financial instruments

RHT Group has entered into forward contracts to hedge its Indian Rupees denominated cash flows from India. The forward contracts are carried at fair value.

10. Capital reserve

The capital reserve represents the excess of interest of associates in the fair value of the net identifiable assets and liabilities transferred over the consideration paid. This reserve in substance represents the Sponsor's contribution to the Group for the Sponsor's retained interest. Please refer to page A-9 of the Prospectus dated 15 October 2012 for more details.

11. Other reserves

Other reserves comprise of:

(i) Capital redemption reserve is a statutory reserve created in accordance with India's Companies Act 2013 in connection to redemption of preference shares of an India subsidiary company. The reserve is not considered a free reserve for distribution of dividend and can be utilised only for the purpose of issuing bonus shares.

(ii) Re-measurement of defined benefit plan reserve is a reserve to record the actuarial gain or loss under a defined benefit plan which is recorded in other comprehensive income.

1(b)(ii) Group's Borrowings and Debt Securities

	30 June 2016		31 March 2016	
	Secured	Unsecured	Secured	Unsecured
	S$'000	S$'000	S$'000	S$'000
Amount Repayable in One Year or Less, or on Demand	65,549	1,200	2,913	525
Amount Repayable after One Year	41,499	63,355	103,312	63,407

Details of Collateral

Singapore

Secured

The Group has loan facilities with DBS Bank Ltd and Deutsche Bank AG, Singapore Branch for an amount of S$32.5 million from each of the bank, in connection with the acquisition of Mohali Clinical Establishment.

In the third quarter of last financial year, the Group fully utilised a S$30 million facility with United Overseas Bank for the acquisition of land and expansion projects.

Each term loan facility is secured by an irrevocable pledge on the shares of Fortis Global Healthcare Infrastructure Pte Ltd ("FGHIPL") on a pari passu basis, a non-disposal undertaking on the hospital infrastructure companies owned by FGHIPL on a pari passu basis and a first pari passu legal assignment over the interest, benefits and rights over all existing and future loans granted by the borrower to its subsidiaries.

The amount of unamortised upfront fees as of 30 June 2016 and 31 March 2016 are S$ 1.26 million and S$ 1.74 million respectively.

Unsecured

On 22 July 2015, the Trustee-Manager issued a S$60 million 4.50% fixed rate notes due and payable semi-annually in arrears and will mature on 22 July 2018. The notes constitute direct, unconditional, unsubordinated and unsecured obligations of the RHT Health Trust and at all times rank pari passu and rateably, without any preference or priority amount themselves, and pari passu with all other present and future secured obligations (other than subordinated obligations and priorities created by law) of RHT Health Trust.

India

Secured

The India subsidiary companies have loans amounting to INR 121.6 million (S$2.4 million) secured against assets purchased from the lender for which INR 45.9 million (S$0.9 million) is repayable in one year or less.

The Group had entered into two INR term loan facilities with Axis Bank Limited. Each of the term loans are secured by BG Road and Ludhiana Clinical Establishment respectively and a legal assignment over the interest, benefits and rights over all existing and future loans granted by the borrower to its subsidiaries. The amount utilised as of 30 June 2016 is INR 509.8 million (S$10.2 million).

Unsecured

The Group has received an unsecured and interest-free loan amounting to INR 168.3 million (S$3.4 million) from the Sponsor for the development of Ludhiana Greenfield Clinical Establishment. This loan is repayable on the completion of the Ludhiana Greenfield Clinical Establishment.

1(c) Consolidated Cash Flow Statement

	Group	
	FY 17 Q1 S$'000	FY 16 Q1 S$'000
Net Profit before tax	**15,449**	**16,426**
Adjustments for:		
Depreciation and amortisation expense	3,869	3,891
Finance income	(441)	(136)
Finance expenses	2,333	1,442
Unrealised gain on financial assets	(3)	(3)
Fair value gain on financial derivatives	(231)	(5,340)
Foreign exchange loss	-	2,965
Foreign currency alignment	464	(496)
Operating cash flow before working capital changes	**21,440**	**18,749**
Changes in working capital:		
Decrease in trade receivables	13,899	19,888
Increase in financial assets and other assets	(1,595)	(2,793)
Decrease in inventories	-	9
Increase in trade and other payables and other liabilities	12,143	8,092
Cash flows generated from operations	**45,887**	**43,945**
Interest received	441	133
Tax paid	(9,677)	(8,322)
Net cash generated from operating activities	**36,651**	**35,756**
Cash flow from investing activities		
Purchase of property, plant and equipment	(3,235)	(2,234)
Sale/(investment) in short term investments	616	(1,737)
Net cash used in investing activities	**(2,619)**	**(3,971)**
Cash flow from financing activities		
Distribution paid to unitholders	(30,478)	(29,481)
Interest paid	(2,673)	(2,066)
Net proceeds from borrowings	2,256	3,699
Net cash generated used in financing activities	**(30,895)**	**(27,848)**
Net increase in cash and cash equivalents	**3,137**	**3,937**
Cash and cash equivalent at beginning of period	5,831	4,170
Cash and cash equivalents at end of period	**8,968**	**8,107**

1(d)(i) Statement of Changes in Unitholders' Funds

Group S$'000	Units in issue (net of units issue cost)	Capital reserve	Foreign currency translation reserve	Revaluation reserve	Capital redemption reserve	(Accumulated losses)/ Revenue reserves	Total
At 1 April 2016	**510,399**	**210,216**	**(82,469)**	**142,911**	**33**	**(41,482)**	**739,608**
Profit for the period						10,666	**10,666**
Other comprehensive income							
Foreign currency translation			(16,578)				**(16,578)**
Depreciation transfer for land and building				(1,740)		1,740	**-**
Total comprehensive income	-	-	(16,578)	(1,740)	-	12,406	**(5,912)**
Payment of Trustee-Manager fees in units	1,658						**1,658**
Distribution on units in issue						(30,478)	**(30,478)**
At 30 June 2016	**512,057**	**210,216**	**(99,047)**	**141,171**	**33**	**(59,554)**	**704,876**

Group S$'000	Units in issue (net of units issue cost)	Capital reserve	Foreign currency translation reserve	Revaluation reserve	Capital redemption reserve	(Accumulated losses)/ Revenue reserves	Total
At 1 April 2015	**507,180**	**210,216**	**(23,854)**	**101,396**	**69**	**(25,874)**	**769,133**
Profit for the period						12,295	**12,295**
Other comprehensive income							
Foreign currency translation	-	-	(31,366)	-	-	-	**(31,366)**
Net surplus revaluation of land and buildings	-	-	-	(793)	-	793	**-**
Total comprehensive income	-	-	(31,366)	(793)	-	13,088	**(19,071)**
Payment of Trustee-Manager fees in units	1,582	-	-	-	-	-	**1,582**
Distribution on units in issue	-	-	-	-	-	(29,482)	**(29,482)**
At 30 June 2015	**508,762**	**210,216**	**(55,220)**	**100,603**	**69**	**(42,268)**	**722,162**

1(d)(i) Statement of Changes in Unitholders' Funds (Cont'd)

	Units in issue (net of unit issue cost)	Revenue reserves/ (Accumulated losses)	Total
	S$'000	S$'000	S$'000
Trust			
At 1 April 2016	**510,399**	**(32,972)**	**477,427**
Loss for the period, representing total comprehensive income for the period	-	(12,044)	**(12,044)**
Payment of Trustee-Manager fees in units	1,658		**1,658**
Distribution on units in issue		(30,478)	**(30,478)**
At 30 June 2016	**512,057**	**(75,494)**	**436,563**

	Units in issue (net of unit issue cost)	Revenue reserves/ (Accumulated losses)	Total
	S$'000	S$'000	S$'000
Trust			
At 1 April 2015	**507,180**	**14,427**	**521,607**
Loss for the period, representing total comprehensive income for the period	-	(19,001)	**(19,001)**
Payment of Trustee-Manager fees in units	1,582	-	**1,582**
Distribution on units in issue	-	(29,481)	**(29,481)**
At 30 June 2015	**508,762**	**(34,055)**	**474,707**

1(d)(ii) Units in issue

	FY 17		FY 16	
	Number of units		Number of units	
	'000	S$'000	'000	S$'000
Balance as at 1 April	**797,842**	**510,399**	**794,633**	**507,180**
Issue of new units				
- Payment of Trustee-Manager fees in units	1,753	1,658	1,542	1,582
Balance as at 30 June	**799,595**	**512,057**	**796,175**	**508,762**

2 Audit

The figures in this announcement have not been audited or reviewed by our auditor.

3 Auditors' Report

Not applicable.

4 Accounting Policies

The Group has applied the same accounting policies and methods of computation as in the Group's 31 March 2016 annual financial statement dated 24 June 2016 except for the adoption of all new and revised IFRS that are effective for annual periods beginning 1 April 206. The changes in accounting standards do not have a material impact to the Group and its financial statements.

5 Changes in Accounting Policies

There is no change in the accounting policies and methods of computation adopted except as mentioned above.

6 Earnings Per Unit ("EPU") and Distribution Per Unit ("DPU")

	Group	
	FY 17 Q1	FY 16 Q1
Weighted number of units	798,015,318	794,751,559
Total units	799,594,944	796,174,944
EPU (cents)		
Net profit	**10,666**	**12,295**
Based on weighted number of units as at 30 June	**1.337**	**1.547**
DPU based on income available for distribution (cents)		
Distributable income	**15,134**	**15,443**
Distribution	**14,377**	**15,443**
Based on total units as at 30 June	**1.798**	**1.940**

Diluted EPU is the same as the basic EPU as there were no dilutive instruments in issue during the financial period.

The DPU for the current quarter is lower due to the corporate tax expense in an India subsidiary despite the higher Net Service Fee and Hospital Income. Please see paragraph 8 for more details. In addition, management intends to distribute 95% of the distributable income for the current financial year, hence resulting the DPU to drop even lower compared to corresponding quarter.

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

7 Net Asset Value

	Group	
	30 June 2016	31 March 2016
NAV	**704,876,000**	**739,608,000**
No. of units in issue at end of period	**799,594,944**	**797,841,944**
NAV per unit (S$)	**0.882**	**0.927**

The decrease in NAV per unit by around 5% is due to the distribution to unitholders (amounting to 4%) and balance due to translation loss on account of depreciation of INR against SGD (1%) during the period.

8 Review of Group Performance

Quarter analysis

	Group						
	FY 17 Q1	FY 16 Q4	Variance		FY 16 Q1	Variance	
	S$'000	S$'000	S$'000	%	S$'000	S$'000	%
Total Revenue (excluding straight lining)	**34,537**	**33,817**	**720**	2.1%	**34,257**	**280**	0.8%
Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation)	22,859	23,272	(413)	-1.8%	22,853	6	0.0%
Margin	66%	69%			67%		
Distributable Income	15,134	15,261	(127)	-0.8%	15,443	(309)	-2.0%
	INR'000	INR'000	INR'000	%	INR'000	INR'000	%
Total Revenue (excluding straight lining)	**1,707,551**	**1,641,315**	**66,236**	4.0%	**1,626,672**	**80,879**	5.0%
Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation) (A)	1,130,187	1,128,897	1,290	0.1%	1,085,157	45,030	4.1%

FY 17 Q1 against FY 16 Q4

Exchange rate

The foreign exchange rates used to translate the results of the India subsidiary companies are INR/SGD 49.44 and INR/SGD 48.50 for the quarter 30 June 2016 and 31 March 2016 respectively.

Total Revenue

Total Revenue for FY 17 Q1 in INR terms increased by 4.0% from FY 16 Q4 mainly due to the contractual increase in base fee and higher variable fee as a result of higher operating revenue recorded by Fortis. The higher operating revenue of Fortis was a result of higher occupancy and higher ARPOB contributed by the increase in major surgeries such as heart and liver transplant, joint replacement and neuro.

Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation)

Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation) in INR terms is similar to the trailing quarter despite the increase in revenue. This is due to the

(i) corresponding increase in variable expenses such as doctors' charges and medical consumables;
(ii) increase in personnel cost arising from the additional headcount for the project team and respective clinical establishment; and
(iii) increase in housekeeping and security cost arising from inflationary increase and increased activities.

The year to date margin of last year was 67.6%. The lower margin of 66.2% this quarter was due to inflationary increase of fixed cost such as housekeeping and security cost which was higher than the increase in revenue. Management will monitor and work towards controlling such cost increases.

Distributable Income

Despite the improved revenue and improved contracted forward rates of INR/SGD 49.35 compared to 49.59 in the trailing quarter, Distributable income was lower due to corporate tax amounting to INR 59 million in one of the India subsidiary and higher operating expenses.

8 Review of Group Performance (Cont'd)

FY 17 Q1 against FY 16 Q1

Exchange rate

The foreign exchange rates used to translate the results of the India subsidiary companies are SGD/INR 49.44 and SGD/INR 47.48 for the quarter 30 June 2016 and 30 June 2015 respectively.

Total Revenue

Total Revenue for FY 17 Q1 in INR terms grew 5.0% from FY 16 Q1 mainly due to the contractual increase in base fee, higher variable fee as a result of higher operating revenue recorded by Fortis (accounting for 3% of the 5.0%). The higher operating revenue of Fortis was a result of higher occupancy and higher ARPOB contributed by the increase in major surgeries such as heart and liver transplant, joint replacement and neuro

Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation)

Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation) increased by 4.1% in INR terms due to increase in total revenue. However, margins was slightly lower compared to corresponding quarter by 1% as a result of inflationary increase of fixed cost such as housekeeping and security cost which was higher than the increase in revenue. Management will monitor and work towards controlling such cost increases.

Distributable Income

Despite higher Net Service Fee and Hospital Income, the Distributable Income was lower largely due to an increase in corporate tax in India and higher finance cost in the current quarter.

9 Variance from Forecast

No forecast has been provided.

10 Market and Industry Information

The Indian healthcare industry presents both opportunities and challenges. The potential room for growth in the industry is attractive, with the country's large, expanding and increasingly affluent population requiring more sophisticated and better medical services. In the near term, the increasing and aging population and rising affluence, coupled with the shortage of healthcare infrastructure in India, are expected to be the immediate drivers of growth for the industry. We expect the private sector to play a key role in filling the demand for these medical services. At the same time, the potential for growth in the industry leads to increasing competition from new entrants. RHT will continue to look at expanding the portfolio both organically and inorganically.

At the Extraordinary General Meeting held on 29 July 2016, Unitholders had approved the proposed disposal of 51% of compulsorily convertible debentures held in Fortis Hospotel Limited ("FHTL") and 100% of compulsorily convertible preference shares held in Escorts Heart Institute and Research Centre Limited (the "Disposal") to, as well as the Related Arrangements with, interested persons[1]. Upon completion of the Disposal, control over FHTL will be transferred to FHIL and accordingly the Group will recognise FHTL as an associate instead of a subsidiary. Information on the special distribution to be paid out from the proceeds of the Disposal will be also announced in due course.

11 Information on Distribution

Any distribution declared for:

Current financial period

No.

Corresponding period of the immediately preceding year

No.

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[1] Fortis Healthcare International Limited, Fortis Healthcare Limited and Fortis Hospitals Limited

12 Distribution

Please refer to paragraph 11.

13 Interested Person Transactions

The Group has not obtained any interested person transactions mandate from the Unitholders.

14. Confirmation by Board

The Board of Directors of RHT Health Trust Manager Pte. Ltd. has confirmed that, to the best of their knowledge, nothing has come to their attention which may render these interim financial results to be false or misleading in any material aspect.

15. Confirmation by Issuer

The issuer has procured undertakings from all its directors and executive officers under Rule 720(1).

Disclaimer:

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

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

Gurpreet Singh Dhillon
Executive Director & Chief Executive Officer
3 August 2016