About RHT Health Trust

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

Key Information on the Portfolio

RHT's Portfolio as of 31 December 2017 comprises interest in twelve RHT Clinical Establishments, four Greenfield Clinical Establishments and two Operating Hospitals located across India.

Clinical Establishments

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

Greenfield Clinical Establishments

Ludhiana
Chennai
Hyderabad
Greater Noida

Operating Hospitals

Bengaluru, Nagarbhavi
Bengaluru, Rajajinagar

Developments in FY18 Q3

Proposed disposal ("Proposed Disposal")

On 14 November 2017, RHT Health Trust Manager Pte. Ltd. (in its capacity as trustee-manager of RHT) (the "Trustee-Manager") has received a proposal from Fortis Healthcare Limited ("Fortis") to acquire RHT's entire portfolio. In connection with the Proposed Disposal, the Trustee-Manager has entered into a term sheet with Fortis, which provides for a sixty day period to negotiate exclusively with each other and enter into the definitive agreements. On 12 January 2018, the negotiation was further extended for another 31 days till 12 February 2018.

Update in respect of the payment of outstanding amounts due from Fortis Healthcare Limited ("Fortis") for the 6 months ended 30 September 2017 ("Outstanding Amounts") and 3 months ended 31 December 2017

As stated in the 1 February 2018 announcement, certain service fees and interest income on the Compulsorily Convertible Debentures ("CCDs") amounting to INR 660.7 million remained outstanding from the relevant Fortis entities in respect of the the Outstanding Amounts. RHT has received INR 280.0 million of which INR 169.3 million is towards the payment of the Outstanding Amounts and INR 110.7 million is towards the payment of part of the base fees of FY18 Q3 under the HSMA. The Trustee-Manager is continuing to actively follow up with the Fortis entities on the remaining Outstanding Amounts and that due for FY18 Q3. The variable fees under the HSMA and interest income on CCDs for FY18 Q3 are not due as of date of this announcement.

Foreign exchange rate

	FY18 Q3	FY17 Q3	FY18 YTD	FY17 YTD
Average rate	47.70	47.57	47.24	48.75
Closing rate	47.74	46.96	47.74	46.96
Contracted rate	48.91	52.03	49.79	52.03
Estimated forward rate(1)	51.75	-	49.42	-
Effective forward rate(2)	50.16	52.03	49.62	52.03

(1) Estimated forward rate represent the estimated rate on the expected date of conversion.

(2) The effective forward rate represent the average forward rate based on 50% of hedged distributable income and 50% of unhedged distributable income. Any difference between the actual spot rate and the estimated forward rate will be adjusted in the next distribution.

Hedging policy

Commencing 1 April 2017, the Trustee-Manager hedges a maximum of 50% of the INR cash flow which is receivable by RHT every 6 months from India. This change in hedging policy was arrived at in consultation with our stakeholders, and will serve to balance the interests of different stakeholders, while managing risks and costs more efficiently. Prior to this, the Trustee-Manager hedged 100% of the INR cash flow.

The Trustee-Manager has not and will not be entering into any hedge for the INR cash flow of six months ending December 2018 and for the future periods considering the Proposed Disposal.

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 2018, the Trustee-Manager will distribute 95.0% of its distributable income. The 5.0% which is retained will be used to fund existing asset enhancement initiative and operational requirement. Please see paragraph 11 and 12 for more details on distributions.

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1 Unaudited Results for the quarter ended 31 December 2017

The Board of Directors of the Trustee-Manager announces the following unaudited results of RHT and its subsidiary companies ("RHT Group") for the quarter ended 31 December 2017.

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

	Notes	FY 18 Q3 S$'000	FY 17 Q3 S$'000	Var	FY 18 YTD S$'000	FY 17 YTD S$'000	Var
Revenue:							
Service fee	2	20,173	20,225	-0%	61,780	59,624	4%
Hospital income	3	2,662	2,255	18%	8,014	7,422	8%
Other income	4	803	608	32%	2,706	1,880	44%
Total revenue		**23,638**	**23,088**	**2%**	**72,500**	**68,926**	**5%**
Service fee and hospital expenses:							
Medical consumables	5	(2,155)	(2,024)	6%	(6,723)	(6,173)	9%
Employee benefits expense	6	(786)	(719)	9%	(2,396)	(2,124)	13%
Doctor charges	7	(1,971)	(1,975)	-0%	(6,094)	(5,871)	4%
Depreciation and amortisation	8	(3,001)	(3,034)	-1%	(9,071)	(8,766)	3%
Other service fee expenses	9	(3,246)	(2,943)	10%	(9,371)	(8,913)	5%
Hospital expenses	3	(2,037)	(2,102)	-3%	(6,681)	(6,406)	4%
Total service fee and hospital expenses		**(13,196)**	**(12,797)**	**3%**	**(40,336)**	**(38,253)**	**5%**
Finance Income	10	3,992	3,565	n.m	12,114	3,804	n.m
Finance Expenses	11	(5,222)	(3,801)	n.m	(14,810)	(8,485)	n.m
Trustee-Manager Fee	12	(1,338)	(6,074)	-78%	(4,152)	(9,328)	-55%
Other Trust Expenses	13	(346)	(322)	7%	(2,040)	(1,747)	17%
Foreign exchange (loss)/gain	14	(607)	521	n.m	(5,724)	748	n.m
Total expenses		**(16,717)**	**(18,908)**	**-12%**	**(54,948)**	**(53,261)**	**3%**
Gain on disposal of 51% interest in a subsidiary		-	96,029	n.m	-	96,029	n.m
Share of results of an associate	1	2,212	2,424	n.m	7,395	2,424	n.m
Profit before changes in fair value of financial derivatives		**9,133**	**102,633**	**-91%**	**24,947**	**114,118**	**-78%**
Fair value gain/(loss) on financial derivatives	15	288	(1,564)	n.m	3,603	(3,188)	n.m
Profit before taxes		**9,421**	**101,069**	**-91%**	**28,550**	**110,930**	**-74%**
Income tax (expense)/credit	16	(6,906)	1,210	-671%	(17,229)	(218)	7803%
Profit from continuing operations	**17**	**2,515**	**102,279**	**-98%**	**11,321**	**110,712**	**-90%**
Discontinued Operations							
Profit after tax for the period from discontinued operations	1	-	1,218	n.m	-	14,734	n.m
Profit for the period attributable to Unitholders of the Trust		**2,515**	**103,497**	**-98%**	**11,321**	**125,446**	**-91%**
Other Comprehensive Income							
Items that may be reclassified subsequently to profit or loss							
Foreign currency translation		523	23,202	n.m	(12,426)	28,523	n.m
Other Comprehensive Income for the period, net of tax		523	23,202	n.m	(12,426)	28,523	n.m
Total Comprehensive Income for the period attributable to Unitholders of the Trust		**3,038**	**126,699**	**n.m**	**(1,105)**	**153,969**	**n.m**

^ n.m – not meaningful.

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

Reconciliation to Unitholders Distributable Income	Notes	FY 18 Q3 S$'000	FY 17 Q3 S$'000	FY 18 YTD S$'000	FY 17 YTD S$'000
Profit for the period attributable to Unitholders of the Trust		**2,515**	**103,497**	**11,321**	**125,446**
Distribution adjustments:					
Impact of non-cash straight-lining		(400)	(544)	(1,206)	(1,574)
Technology renewal fee		(163)	(164)	(495)	(480)
Depreciation and amortisation		3,001	3,034	9,071	8,766
Trustee-Manager fees payable in units	12	669	5,258	2,076	6,885
Deferred tax expense/(credit)	16	4,227	(3,743)	9,240	(8,432)
Foreign exchange differences	18	(364)	(340)	35	1,136
Compulsorily Convertible Debentures ("CCD") interest income	10	(3,944)	(3,356)	(11,904)	(3,356)
Non-Convertible Debentures ("NCD") interest expense	11	1,772	1,525	5,347	1,525
Non-cash adjustments of discontinued operations	1	-	166	-	5,005
Non-cash adjustments of an associate	1	1,973	1,344	5,756	1,344
Others		(65)	(96,032)	98	(95,287)
Total Distributable Income attributable to Unitholders of the Trust		**9,221**	**10,645**	**29,339**	**40,978**

Notes to Consolidated Statement of Comprehensive Income and Distributable Income Statement

1. On 12 October 2016, the Group disposed 51.0% economic interest in Fortis Hospotel Limited ("FHTL"). The results of FHTL are presented separately on the Consolidated Statement of Comprehensive Income as "Profit from discontinued operations" up to 12 October 2016. The comparative results and non-cash adjustments below represents 100.0% of FHTL for the quarter up to 12 October 2016 and excludes any allocation of any common expenses.

<u>Results of discontinued operations</u>	FY 17 Q3 S$'000	FY 17 YTD S$'000
Total revenue	**1,984**	**27,938**
Total expenses	**(491)**	**(5,883)**
Profit before tax	**1,493**	**22,055**
Income tax expense	(275)	(7,321)
Profit for the period	**1,218**	**14,734**
Non-cash adjustments:		
Impact of non-cash straight-lining	(54)	(744)
Technology renewal fee	(2)	(21)
Depreciation and amortisation	91	1,530
Deferred tax expense	179	4,918
Capital expenditure	(48)	(678)
FHTL's non-cash adjustments	**166**	**5,005**
Net cash flow from FHTL	**1,384**	**19,739**

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

As the Group retains 49.0% of economic interest in FHTL, results of FHTL will be accounted as "Share of results of an associate" post the disposal of 51.0% economic interest. The results and non-cash adjustments of 100.0% as well as 49.0% economic interest in FHTL for FY18 Q3, for the period from 13 October 2016 to 31 December 2016 for FY17 Q3 and FY 18 YTD have been presented below.

Results of an associate	FY 18 Q3	13 October 2016 to 31 December 2016	FY 18 YTD
Revenue:	**S$'000**	**S$'000**	**S$'000**
Total revenue	**14,397**	**12,941**	**43,898**
Total expenses	**(7,645)**	**(5,822)**	**(23,059)**
Profit before tax	**6,752**	**7,119**	**20,839**
Income tax expenses	(2,237)	(2,172)	(5,747)
Profit for the period	**4,515**	**4,947**	**15,092**
Share of 49.0% of profit for the period	**2,212**	**2,424**	**7,395**
Non-cash adjustments:			
Impact of non-cash straight-lining	(888)	(1,890)	(2,680)
Technology renewal fee	(10)	(8)	(30)
Depreciation and amortisation	1,603	1,086	4,900
Deferred tax (credit)/expense	(243)	869	(1,241)
Capital expenditure	(57)	(280)	(169)
Interest income and expense with related parties	3,621	2,965	10,967
FHTL's non-cash adjustments	**4,026**	**2,742**	**11,747**
Share of 49.0% of non-cash adjustment	**1,973**	**1,344**	**5,756**
Net cash flow from FHTL	**8,541**	**7,689**	**26,839**
Share of 49.0% of net cash flow from FHTL	**4,185**	**3,768**	**13,151**

Note: The following notes do not include a performance analysis of FHTL. Please refer to relevant sections of paragraph 8 on pages 16 to 19 for FHTL's performance analysis.

2. The service fee is the aggregate of the base and variable service fees for the provision of the Clinical Establishment services, including but not limited to the Out-Patient Department services ("OPD") and the Radio Diagnostic Services ("RDS").

INR mn	FY18 Q3	FY17 Q3	Variance	FY18 YTD	FY17 YTD	Variance
Base Fee*	571	555	3%	1,714	1,666	3%
Variable Fee	372	382	(3%)	1,148	1,164	(1%)
Total Fee	**943**	**937**	**1%**	**2,862**	**2,830**	1%

*Excluding impact of straight-lining.

The service fee for the quarter in INR terms is higher due to the contractual 3% increase in base fee offset by lower variable fee because of lower operating revenue recorded by the Operator at the Clinical Establishments. The lower operating revenue was due to the lower occupancy rate of 71% during the winter season as well as the festive season. It was however noted that FY17 Q3 had a higher occupancy of 77% due to the extended effect of the heavier monsoon season that significantly increased seasonal diseases such as malaria and viral related medical cases in FY17 Q2. A slight increase in Average Revenue per Bed ("ARPOB") of 3.4% offsets the impact of the decrease in occupancy rates.

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

The net hospital income for both the quarter and year-to-date in INR terms is higher compared to the prior periods. This is mainly attributed to higher occupancy rate in the hospital. In addition, effective cost control measures have resulted in lower cost in FY18 Q3.

4. Other income includes income from pharmacy, cafeteria, bookshop, automated teller machines, and other amenities in the Clinical Establishments of the Group. Higher other income for the quarter is contributed by rental income from a pharmacy in Mohali Clinical Establishment, subsequent to a revised service fee arrangement. Late payment interest on outstanding amount due from Fortis will be recorded in FY18 Q4.

5. Medical consumables expense in INR terms was slightly higher for both the quarter and year-to-date due to the implementation of GST.

6. Employee benefits in INR terms for the both the quarter and year-to-date was slightly higher due to an increase in headcount and annual inflationary wage increases at the beginning of the financial year.

7. Doctor charges in INR terms has remained consistent as a percentage to the variable fee compared to corresponding quarter and year to date.

8. Higher depreciation and amortisation for the year-to-date was a result of the revaluation of fixed assets at the end of 31 March 2017. However, slightly lower depreciation for the quarter is as a result of certain assets being fully depreciated during the quarter.

9. Other service fee expenses mainly consist of housekeeping costs, security costs, power and fuel expenses, annual equipment maintenance charges for both medical and non-medical equipment owned by RHT Group, rent, property taxes and insurance, as well as administrative expenses. The increase in other service fee expenses for the quarter is mainly due to the non-recurring professional fee incurred in relation to upgrading of the information technology system, stamp duty cost incurred for issuance of Non-Convertible Debentures ("NCDs") as well as the recurring increase in salary for the security guards. Savings in power and fuel expenses as well as lower house keeping expenses help offset the increase in other service fee expenses. In addition, for year-to-date, there were other increase in cost in the earlier quarters such as implementation of GST, increase in annual maintenance cost and provision made for wear-and-tear of fixed assets.

10. At the time of initial public offering, interest bearing Compulsorily Convertible Debentures ("CCDs") were issued by entities in the RHT Group including, FHTL to one of the subsidiaries for the infusion of funds to complete the acquisition of the initial portfolio by RHT. As FHTL became an associate on 13 October 2016, such interest income of the subsidiary will no longer be eliminated. However, such CCD interest income is correspondingly recognised as CCD interest expense in the results of the associate and both the CCD interest income and expense are added back for distribution purpose. Excluding the CCD interest income, there is no material difference in finance income.

11. Similary, as stated above, interest bearing Optionally Convertible Debentures ("OCDs") were issued by entities in the RHT Group including, one of the subsidiaries to FHTL for RHT Group's internal funding requirements. Such OCDs were converted to Non-Convertible Debentures ("NCDs") as part of the disposal. As FHTL has become an associate, such interest expense of the subsidiary will no longer be eliminated. However, such NCD interest expense is correspondingly recognised as NCD interest income in the results of the associate and both the NCD interest expense and income are added back for distribution purpose.

    Excluding the interest expense to FHTL, the higher finance expense for the quarter and year-to-date was due to increased borrowings and higher interest rates.

12. The Trustee-Manager Fee for the quarter is lower as compared to the corresponding periods due to the reduction in Net Asset Value and Distributable Income post the disposal of 51.0% of economic interest in FHTL as well as the absence of disposal related performance fee.

13. The higher year-to-date other trust expense relates to the legal and professional fees arising from the refinancing activities and one-off consent exercise as mentioned in the announcement dated 28 July 2017 and 8 August 2017 in the first half of FY18 for the bank loans and bond issuance.

14. The foreign exchange gain/(loss) 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 and year-to-date arose from the depreciation in INR against SGD for the INR denominated net receivables and realised loss from the settlement of forward contracts in the first and third quarter of FY18.

15. For FY18 Q3, RHT Group has entered into forward contracts only in relation to 2FY18 distribution to manage its INR denominated cash flows from India. The forward contracts are carried at fair value. The fair value gain recorded during the quarter was the result of the depreciation of the expected INR against SGD at the time of settlement compared to the contracted INR/SGD rate.

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

INR mn	FY18 Q3	FY17 Q3	FY18 YTD	FY17 YTD
Current tax	128	120	378	422
Deferred tax	201	(180)	436	(411)

Withholding tax expense for the year-to-date was reduced to the extent of the interest on the CCD that was disposed in FY17 Q3. The increase in withholding tax expense for the quarter is mainly due to the issuance of new NCD during the quarter.

The deferred tax expense recognised in the current quarter and year-to-date is mainly due to the utilisation of unabsorbed tax losses previously recognised.

17. Profit from continuing operations in the comparative period include gain on disposal of FHTL amounting to S$96.0 million.

18. Included in foreign exchange differences are:
(i) adjustments for the year-to-date distributable income based on the average forward INR/SGD rate of 49.62[1] against the INR/SGD rate of 47.24 for the translation of the Statement of Comprehensive Income, (ii) changes in fair value on financial derivatives and; (iii) foreign exchange differences recorded in the Statement of Comprehensive Income.

[1] With the change in the Group's hedging strategy, the Trustee-Manager has hedged 50% of the expected INR cash flow, leaving the remaining unhedged portion of INR cash flow to be realised at the spot rate on the date the forward contracts are settled. The Trustee-Manager assumes a forward rate in conjunction with the forward contract settlement date for the unhedged INR cashflow to determine the Distributable Income. Any difference between the actual spot rate on realisation of INR cashflow and the estimated forward rate will be adjusted in the next distribution. The average forward rate disclosed is the weighted average of the contracted forward rate and the estimated forward rate. Please see paragraph 11 and 12 for additional details.

1(b)(i) Balance Sheets

	Notes	Group		Trust	
		31 December 2017	31 March 2017	31 December 2017	31 March 2017
		S$'000	S$'000	S$'000	S$'000
ASSETS					
Non-current assets					
Intangible assets	2	90,725	94,640	-	-
Property, plant and equipment	3	552,133	562,074	-	-
Invesment in subsidiary		-	-	12,634	12,634
Loan to a subsidiary		-	-	429,810	441,959
Investment in an associate	1	360,112	352,717	-	-
Financial assets	4	34,949	30,550	-	-
Deferred tax assets	5	466	22,529	-	-
Other assets	6	24,439	25,024	-	-
Total non-current assets		1,062,824	1,087,534	442,444	454,593
Current assets					
Inventories		94	103	-	-
Financial assets	4	21,748	2,362	114,519	46,295
Trade receivables	7	33,892	10,606	-	-
Other assets		1,492	809	723	58
Cash and bank balances		3,618	7,246	71	255
Total current assets		60,844	21,126	115,313	46,608
Total assets		**1,123,668**	**1,108,660**	**557,757**	**501,201**
LIABILITIES					
Non-current liabilities					
Loans and borrowings		201,378	183,658	-	60,000
Other liabilities	9	15,864	12,299	-	-
Deferred tax liabilities	8	76,014	90,234	-	-
Total non-current liabilities		293,256	286,191	-	60,000
Current liabilities					
Loans and borrowings		130,720	104,607	119,497	517
Trade and other payables		7,747	5,502	1,074	-
Other liabilities	9	14,401	12,371	6,007	2,157
Current tax liabilities		-	-	-	-
Derivative financial instruments	10	12	3,615	-	-
Total current liabilities		152,880	126,095	126,578	2,674
Total liabilities		**446,136**	**412,286**	**126,578**	**62,674**
Net assets		**677,532**	**696,374**	**431,179**	**438,527**
Unitholders' funds					
Represented by:					
Units in issue (net of Unit issue cost)		519,488	518,114	519,488	518,114
Capital reserve	11	210,216	210,216	-	-
Foreign currency translation reserve		(30,744)	(18,318)	-	-
Revaluation reserve		42,792	43,096	-	-
Other reserves	12	(52)	(52)	-	-
Accumulated losses		(64,168)	(56,682)	(88,309)	(79,587)
Total Unitholders' fund		**677,532**	**696,374**	**431,179**	**438,527**

Notes to Balance Sheets

1. Investment in an associate
The investment in associate relates to investment in 49% of Fortis Hospotel Limited ("FHTL"). The increase in investment in associate relates to the recognition of the share of profits from FHTL during the period.

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

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

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

The decrease in intangible assets is due to the amortisation of intangible assets for the period as well as the depreciation of INR against SGD.

3. Property, plant and equipment
Property, plant and equipment comprises land and buildings, plant and machinery, medical equipment and other assets of the Clinical Establishment and the 2 Operating Hospitals.

Property, plant and equipment in INR terms has increased due to the additions during the quarter. The increase was negated by the depreciation of INR against SGD and depreciation charges during the period.

4. Financial assets
The non-current financial assets mainly relate to accrued income on straight-lining of the base service fee, CCD interest receivable from an associate and security deposits paid. The increase in financial assets is attributed to the recognition of accrued income on straight-lining of the base service fee and accrual of CCD interest for the period.

The current financial assets mainly relate to fixed deposits, recoverable advances as well as security deposits. The increase is mainly due to the placement of unutilised proceeds from the IndusInd loan in quoted mutual funds.

5. Deferred tax assets
Deferred tax assets are made up unabsorbed tax losses to be utilised against future taxable profits. The unabsorbed tax losses was recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary difference can be utilised.

The decrease in deferred tax assets was mainly due to the utilisation of unabsorbed tax losses.

6. Other non-current assets
Other non-current assets comprise of prepaid expenses and prepaid taxes deducted at source on service fee, hospital income and interest income on inter-company debt instrument. The non-current assets have decreased due to the refund of prepaid taxes and realisation of prepaid expenses.

7. Trade receivables

Trade receivables comprises of service fees receivable from the Operators, rent receivable and receivables from corporate clients of the 2 Operating Hospitals.

The increase is mainly due to the recognition of service fees and hospital income during the period and service fees payable but not yet paid.

8. Deferred tax liabilities

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

9. Other liabilities

Other non-current liabilities comprise mainly of interest payable on NCD owing to an associate and retention amounts owing to creditors (capital in nature) as a result of ongoing capital expenditure for expansion and upgrading projects. The increase is mainly due to accrual of interest payable to an associate offset by a portion of the retention amounts becoming current.

Other current liabilities comprise of statutory dues and other creditors. The increase in current liabilities is mainly due to the delay in payment of Trustee-Manager fees and other professional fees.

10. Derivative financial instruments

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

11. Capital reserve

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

12. Other reserves

Other reserves comprise of:

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

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

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

	31 December 2017		31 March 2017	
	Secured	Unsecured	Secured	Unsecured
	S$'000	S$'000	S$'000	S$'000
Amount Repayable in One Year or Less, or on Demand	11,685	119,035	104,090	517
Amount Repayable after One Year	104,169	97,209	22,096	161,562

Details of Collateral

Singapore

Secured

The Group has loan facilities with United Overseas Bank Limited and Siemens Bank GMBH, Singapore Branch for an aggregate amount of S$55 million to refinance an existing loan facility as well as for working capital purposes. These loan facilities are due on 28 June 2020.

On 30 October 2017, the Group entered into a loan agreement with IndusInd Bank Limited, IFSC GIFT City Branch for a term loan equivalent of S$53 million to replace the secured loan facilities with Axis Bank Limited.

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

The amount of unamortised upfront fees as of 31 December 2017 is S$5.0 million.

Unsecured

On 24 May 2017, the Trustee-Manager issued S$60 million 4.50% fixed rate notes due 2018 payable semi-annually in arrears (the "Series 1 Tranche 2 Notes"). The Series 1 Tranche 2 Notes have been consolidated to form a single series with the existing S$60 million 4.50% fixed rate notes issued on 22 July 2015, aggregating to a total of S$120 million. The notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Trustee-Manager and at all times rank pari passu and rateably, without any preference or priority amongst themselves, and pari passu with all other present and future secured obligations (other than subordinated obligations and priorities created by law) of the Trustee-Manager.

The amount of unamortised bond expense as of 31 December 2017 is S$1.1 million.

India

Secured

The overdraft facilities from IndusInd Bank are secured by corporate guarantees and the Malar Clinical Establishment. As of 31 December 2017, the overdraft facilities amounted to INR 427.0 million (approximately S$ 8.9 million).

One of the subsidiaries has a loan amounting to INR 64.2 million (approximately S$ 1.3 million) secured against the asset purchased from the lender for which INR 8.4 million (approximately S$ 0.2 million) is repayable in one year or less.

Unsecured

The Group received an unsecured and interest-free loan amounting to INR 94.8 million (approximately S$ 2.0 million) from the Sponsor for the development of the Ludhiana Greenfield Clinical Establishment. This loan is repayable upon completion of the Ludhiana Greenfield Clinical Establishment. The Group also received unsecured and interest-free loans amounting to INR 8.1 million (approximately S$ 0.2 million) from an associate.

At the time of initial public offering, unsecured and interest-bearing OCDs were issued by one of the subsidiaries in RHT Group to FHTL for RHT Group’s internal funding requirements. The OCDs were converted to NCDs as part of the Disposal. As FHTL became an associate, the liability of the subsidiary which amounted to INR 4,546.4 million (approximately S$95.2 million) is no longer eliminated. In addition, the NCDs are subordinated to all other creditors of the subsidiary whether secured or unsecured.

1(c) Consolidated Cash Flow Statement

	Group		Group	
	FY18 Q3 S$'000	FY17 Q3 S$'000	FY18 YTD S$'000	FY17 YTD S$'000
Profit before tax from continuing operation	**9,421**	**101,069**	**28,550**	**110,930**
Profit before tax from discontinued operation	**-**	**1,493**	**-**	**22,055**
Adjustments for:				
Depreciation and amortisation expense	3,001	3,125	9,071	10,296
Finance income	(3,992)	(3,619)	(12,114)	(4,321)
Finance expenses	5,222	3,836	14,810	8,579
Unrealised loss/(gain) on financial assets	65	(3)	(98)	(10)
Fair value gain on financial derivatives	(288)	(94,465)	(3,603)	(92,841)
Share of results of an associate	(2,212)	(2,424)	(7,395)	(2,424)
Foreign exchange (gain)/loss	(148)	-	2,030	-
Foreign currency alignment	(195)	256	(375)	(229)
Operating cash flow before working capital changes	**10,874**	**9,268**	**30,876**	**52,035**
Changes in working capital:				
(Increase)/decrease in trade receivables	(8,346)	4,788	(23,829)	(63)
(Increase)/decrease in financial assets and other assets	(7,085)	21,249	(1,944)	18,306
Decrease in inventories	25	-	8	-
(Decrease)/Increase in trade and other payables and other liabilities	(1,591)	12,282	2,428	14,797
Cash flow (used in)/generated from operations	**(6,123)**	**47,587**	**7,539**	**85,075**
Interest received	3,883	264	4,045	966
Tax paid	1,677	(7,498)	(3,901)	(19,775)
Net cash (used in)/generated from operating activities	**(563)**	**40,353**	**7,683**	**66,266**
Cash flow from investing activities				
Purchase of property, plant and equipment	(4,156)	(5,607)	(13,429)	(13,341)
(Purchase)/sale of short term investments	(21,126)	199,245	(19,146)	203,840
Net cash (used in)/generated from investing activities	**(25,282)**	**193,638**	**(32,575)**	**190,499**
Cash flow from financing activities				
Distribution paid to Unitholders	-	(227,261)	(19,110)	(257,739)
Interest paid	(2,308)	(2,849)	(8,598)	(6,648)
Net proceeds from borrowings	26,074	2,205	48,993	13,643
Net cash generated from/(used in) financing activities	**23,766**	**(227,905)**	**21,285**	**(250,744)**
Net (decrease)/increase in cash and cash equivalents	**(2,079)**	**6,086**	**(3,607)**	**6,021**
Effects of currency translation on cash and cash equivalents	(13)	-	(21)	-
Cash and cash equivalent at beginning of period	5,710	5,766	7,246	5,831
Cash and cash equivalents at end of period	**3,618**	**11,852**	**3,618**	**11,852**

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

Group S$'000	Units in issue (net of units issue cost)	Capital reserve	Foreign currency translation reserve	Revaluation reserve	Other reserve	(Accumulated losses)/ Revenue reserves	Total
At 1 April 2017	**518,114**	**210,216**	**(18,318)**	**43,096**	**(52)**	**(56,682)**	**696,374**
Profit for the period	-	-	-	-	-	9,181	**9,181**
Other Comprehensive Income							
Foreign currency translation	-	-	(5,471)	-	-	-	**(5,471)**
Depreciation transfer for land and building	-	-	-	103	-	(103)	**-**
Total Comprehensive Income	-	-	(5,471)	103	-	9,078	**3,710**
Payment of Trustee-Manager fees in Units	1,374	-	-	-	-	-	**1,374**
Distribution on Units in issue	-	-	-	-	-	(19,110)	**(19,110)**
At 30 June 2017	**519,488**	**210,216**	**(23,789)**	**43,199**	**(52)**	**(66,714)**	**682,348**
Profit for the period	-	-	-	-	-	(376)	**(376)**
Other Comprehensive Income							
Foreign currency translation	-	-	(7,478)	-	-	-	**(7,478)**
Net surplus revaluation of land and buildings	-	-	-	(205)	-	205	**-**
Total Comprehensive Income	-	-	(7,478)	(205)	-	(171)	**(7,854)**
At 30 September 2017	**519,488**	**210,216**	**(31,267)**	**42,994**	**(52)**	**(66,885)**	**674,494**
Profit for the period	-	-	-	-	-	2,515	**2,515**
Other comprehensive income							
Foreign currency translation	-	-	523	-	-	-	**523**
Dilution of 51% interest in a subsidiary				(202)		202	**-**
Net surplus revaluation of land and buildings	-	-	-	-	-	-	**-**
Total comprehensive income	-	-	523	(202)	-	2,717	**3,038**
Dilution of 51% interest in a subsidiary	-	-	-	-	-	-	**-**
Payment of Trustee-Manager fees in Units	-	-	-	-	-	-	**-**
Distribution on Units in issue	-	-	-	-	-	-	**-**
At 31 December 2017	**519,488**	**210,216**	**(30,744)**	**42,792**	**(52)**	**(64,168)**	**677,532**

Group S$'000	Units in issue (net of Units issue cost)	Capital reserve	Foreign currency translation reserve	Revaluation reserve	Other reserve	(Accumulated losses)/ Revenue reserves	Total
At 1 April 2016	**510,399**	**210,216**	**(82,469)**	**142,911**	**33**	**(41,482)**	**739,608**
Profit for the period	-	-	-	-	-	10,666	**10,666**
Other Comprehensive Income							
Foreign currency translation	-	-	(16,578)	-	-	-	**(16,578)**
Depreciation transfer for land and building	-	-	-	(1,740)	-	1,740	**-**
Total Comprehensive Income	-	-	(16,578)	(1,740)	-	12,406	**(5,912)**
Payment of Trustee-Manager fees in Units	1,658	-	-	-	-	-	**1,658**
Distribution on Units in issue	-	-	-	-	-	(30,478)	**(30,478)**
At 30 June 2016	**512,057**	**210,216**	**(99,047)**	**141,171**	**33**	**(59,554)**	**704,876**
Profit for the period	-	-	-	-	-	11,283	**11,283**
Other Comprehensive Income							
Foreign currency translation	-	-	21,899	-	-	-	**21,899**
Net surplus revaluation of land and buildings	-	-	-	(287)	-	287	**-**
Total Comprehensive Income	-	-	21,899	(287)	-	11,570	**33,182**
At 30 September 2016	**512,057**	**210,216**	**(77,148)**	**140,884**	**33**	**(47,984)**	**738,058**
Profit for the period	-	-	-	-	-	103,497	**103,497**
Other comprehensive income							
Foreign currency translation	-	-	23,202	-	-	-	**23,202**
Dilution of 51% interest in a subsidiary				(104,845)		104,845	**-**
Net surplus revaluation of land and buildings	-	-	-	(251)	-	251	**-**
Total comprehensive income	-	-	23,202	(105,096)	-	208,593	**126,699**
Dilution of 51% interest in a subsidiary	-	-	32,252	-	-	-	**32,252**
Payment of Trustee-Manager fees in Units	6,057	-	-	-	-	-	**6,057**
Distribution on Units in issue	-	-	-	-	-	(227,261)	**(227,261)**
At 31 December 2016	**518,114**	**210,216**	**(21,694)**	**35,788**	**33**	**(66,652)**	**675,805**

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

	Units in issue (net of Unit issue cost)	Revenue reserves/ (Accumulated losses)	Total
	S$'000	S$'000	S$'000
Trust			
At 1 April 2017	**518,114**	**(79,587)**	**438,527**
Loss for the period, representing total Comprehensive Income for the period	-	(7,847)	**(7,847)**
Payment of Trustee-Manager fees in Units	1,374	-	**1,374**
Distribution on Units in issue	-	(19,110)	**(19,110)**
At 30 June 2017	**519,488**	**(106,544)**	**412,944**
Profit for the period, representing total Comprehensive Income for the period	-	10,106	**10,106**
At 30 September 2017	**519,488**	**(96,438)**	**423,050**
Profit for the period, representing total comprehensive income for the period	-	8,129	**8,129**
At 31 December 2017	**519,488**	**(88,309)**	**431,179**

	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**
Profit for the period, representing total Comprehensive Income for the period	-	43,705	**43,705**
At 30 September 2016	**512,057**	**(31,789)**	**480,268**
Profit for the period, representing total comprehensive income for the period	-	146,288	**146,288**
Contributions by and distributions to owners			
Distribution on Units in issue	-	(227,261)	**(227,261)**
Payment of Trustee-Manager fees in Units	6,057	-	**6,057**
Total transactions with owners in their capacity as owners	6,057	(227,261)	**(221,204)**
At 31 December 2016	**518,114**	**(112,762)**	**405,352**

1(d)(ii) Units in issue

	FY18		FY17	
	Number of Units '000	S$'000	Number of Units '000	S$'000
Balance as at 1 April	**806,332**	**518,114**	**797,842**	**510,399**
Issue of new Units - Payment of Trustee-Manager fees in Units	1,510	1,374	1,753	1,658
Balance as at 30 June and 30 September	**807,842**	**519,488**	**799,595**	**512,057**
Issue of new units - Payment of Trustee-Manager fees in Units	-	-	6,737	6,057
Balance as at 31 December	**807,842**	**519,488**	**806,332**	**518,114**

2 Audit

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

3 Auditors' Report

Not applicable.

4 Accounting Policies

The Group has applied the same accounting policies and methods of computation as in the Group's 31 March 2017 annual financial statement dated 23 June 2017 except for the adoption of all new and revised IFRS that are effective for annual periods beginning 1 April 2017. The changes in accounting standards do not have a material impact to the Group and its financial statements.

5 Changes in Accounting Policies

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

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

	Group			
	FY18 Q3	FY17 Q3	FY18 YTD	FY17 YTD
Weighted number of Units	807,841,944	801,822,085	807,402,671	800,403,769
Total Units	807,841,944	806,331,994	807,841,944	806,331,994
EPU (cents)				
Net profit	2,515	103,497	11,321	125,446
Based on weighted number of Units as at 31 December	**0.311**	**12.908**	**1.402**	**15.673**
Distributable Income attributable for Distribution per unit (cents)				
Distributable Income*	9,221	10,645	29,339	40,978
Distributable Income attributable for Distribution	8,760	10,113	27,872	38,929
Based on total Units as at 31 December	**1.084**	**1.254**	**3.450**	**4.828**

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

A special distribution of 24.8 cents in relation to the disposal of 51.0% economic interest in FHTL was recorded in the comparative periods.

Had the disposal of FHTL occurred in the comparative period:

	FY18 Q3	**FY17 Q3**	**FY18 YTD**	**FY17 YTD**
Distributable Income (S$'000)	9,221	10,090	29,339	32,407

*The lower Distributable Income for both the current quarter and year-to-date is on the account of;
(a) Higher finance cost due to increased borrowings and higher interest rates,
(b) Higher tax expense incurred by the associate, and
(c) Increase in non-recurring other trust expenses in relation to the refinancing activities in the first half of FY18

Please see paragraph 8 for review of performance.

DPU is provided for illustration purposes only. Please see paragraph 11 and 12 for information on Distribution to Unitholders.

7 Net Asset Value ("NAV")

	Group	
	31 December 2017	31 March 2017
NAV	**677,532,000**	**696,374,000**
No. of Units in issue at end of period	**807,841,944**	**806,331,994**
NAV per Unit (S$)	**0.839**	**0.864**

The decrease in NAV per Unit by around 2.9% is mainly due to distribution (FY17 2H) to Unitholders and the depreciation of the closing INR against SGD from 46.94 to 47.74.

8 Review of Group's Performance

Quarter analysis

Portfolio							
	FY18 Q3	**FY18 Q2**	**Variance**		**FY17 Q3**	**Variance**	
	S$'000	**S$'000**	**S$'000**	**%**	**S$'000**	**S$'000**	**S$'000**
Total Revenue (excluding straight lining)	23,238	23,948	(710)	(3.0)	22,544	694	3.1
Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation)	13,043	13,405	(362)	(2.7)	12,781	262	2.0
	INR'000	**INR'000**	**INR'000**	**%**	**INR'000**	**INR'000**	**%**
Total Revenue (excluding straight lining)	1,108,717	1,136,099	(27,382)	(2.4)	1,072,630	36,087	3.4
Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation)	622,245	636,031	(13,786)	(2.2)	608,280	13,965	2.3

FHTL(1)							
	FY18 Q3	**FY18 Q2**	**Variance**		**FY17 Q3**	**Variance**	
	S$'000	**S$'000**	**S$'000**	**%**	**S$'000**	**S$'000**	**S$'000**
Total Revenue (excluding straight lining)	13,509	14,062	(553)	(3.9)	12,981	528	4.1
Net Service Fee (excluding straight-lining, depreciation and amortisation)	11,125	11,655	(530)	(4.5)	10,795	330	3.1
	INR'000	**INR'000**	**INR'000**	**%**	**INR'000**	**INR'000**	**INR'000**
Total Revenue (excluding straight lining)	644,410	655,130	(10,720)	(1.6)	617,921	26,489	4.3
Net Service Fee (excluding straight-lining, depreciation and amortisation)	530,802	542,978	(12,176)	(2.2)	513,920	16,882	3.3

Group(2)							
	FY18 Q3	**FY18 Q2**	**Variance**		**FY17 Q3**	**Variance**	
Adjusted net service fee margin	62%	62%		-	63%		(1.0)
Distributable Income (S$'000)	9,221	9,673	(452)	(4.7)	10,645	(1,424)	(13.4)
Distributable Income had the dilution occurred for the full comparative period (S$'000)					10,090	(869)	(8.6)

Note:

(1) The table showing FHTL's results represent the performance of FHTL on 100.0% basis before RHT's share. On 12 October 2016, the Group disposed 51.0% of its economic interest in FHTL and consequentially shares 49.0% of the results of FHTL going forward. Please refer to Note 1 of Paragraph 1(a) for the actual contribution from FHTL to the Group.

(2) This table takes into account the performance of FHTL which was accounted as an associate.

FY18 Q3 against FY18 Q2

Exchange rate

The foreign exchange rates used to translate the results of the Indian subsidiary companies are INR/SGD 47.70 and INR/SGD 47.43 for the quarter ended 31 December 2017 and 30 September 2017 respectively.

Total Revenue

Total Revenue for FY18 Q3 in INR terms is lower than FY18 Q2 mainly due to lower variable fees resulting from lower revenue recorded by the Operator at the Clinical Establishments. The lower variable fees are mainly due to the decrease in occupancy rate from the winter season and festive season. In addition, occupancy rate for second quarter is higher as a result of increase in seasonal disease caused by mosquitos such as dengue and viral related medical cases during the monsoon period.

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

Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation) decreased slightly in INR terms due to the decrease in total revenue. The margin was similar to the previous quarter as service and hospital expenses decreased in parallel with the drop in total revenue.

Contribution from FHTL

Net Service Fee from FHTL decreased against FY18 Q2 mainly due to lower total revenue recorded. The decrease is mainly attributable to the decrease in variable fees recorded in FHTL as a result of a decrease in occupancy rate and ARPOB. Prior quarter has higher occupancy rate as a result of increase in seasonal disease arises from mosquitos such as dengue and viral during the monsoon season.

Distributable Income

Distributable Income is slightly lower against the trailing quarter. This is due to:
(a) lower net service fee; and
(b) higher finance cost due to increased borrowings and higher interest rates.

FY18 Q3 against FY17 Q3

Exchange rate

The foreign exchange rates used to translate the results of the Indian subsidiary companies are SGD/INR 47.70 and SGD/INR 47.57 for the quarter ended 31 December 2017 and 31 December 2016 respectively.

Total Revenue

Total revenue for FY18 Q3 in INR terms is higher than FY17 Q3. This is due to the contractual 3% increase in base fee and increase in other income. The increase is muted by the decrease in variable fee because of lower operating revenue recorded by the Operator at the Clinical Establishments. The lower operating revenue was due to the lower occupancy rate during the winter season and festive season. It was however noted that FY17 Q3 has a higher occupancy due to the extended effect of the heavier monsoon season that significantly increased seasonal disease such as malaria and viral related medical cases in FY17 Q2. A slight increase in Average Revenue per Bed (ARPOB) of 3.4% offset the impact of decrease in occupancy rate.

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

Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation) has increased by 2.3% in INR terms as compared to FY17 Q3. The increase is contributed by an increase in revenue. The net service fee margin of the portfolio excluding FHTL had remained constant despite the increase in non-recurring cost.

Contribution from FHTL

Net Service Fee from FHTL increased against FY17 Q3 due to higher total revenue recorded. The increase in revenue is a combination of the contractual 3% increase in base fees and higher variable fees. The higher variable fee is a result of higher ARPOB and increase in number of occupied beds arising from an increase in both specialty and common cases.

Distributable Income

Had the disposal taken place at the beginning of FY17 Q3, Distributable Income for the current quarter is 5.9% lower despite a slightly improved forward rate. This is mainly attributable to
(a) higher finance cost from increased borrowings and higher interest rates; and
(b) higher tax expense incurred by the associate.

Year-to-date analysis

Portfolio				
	FY18 YTD	FY17 YTD	Variance	
	S$'000	S$'000	S$'000	%
Total Revenue (excluding straight lining)	71,294	67,352	3,942	5.9
Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation)	40,029	37,865	2,164	5.7
	INR'000	INR'000	INR'000	%
Total Revenue (excluding straight lining)	3,367,888	3,283,343	84,545	2.6
Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation)	1,890,921	1,854,903	36,018	1.9
FHTL(1)				
	FY18 YTD	FY17 YTD	Variance	
	S$'000	S$'000	S$'000	S$'000
Total Revenue (excluding straight lining)	41,219	38,245	2,974	7.8
Net Service Fee (excluding straight-lining, depreciation and amortisation)	34,044	31,701	2,343	7.4
	INR'000	INR'000	INR'000	INR'000
Total Revenue (excluding straight lining)	1,947,147	1,864,379	82,768	4.4
Net Service Fee (excluding straight-lining, depreciation and amortisation)	1,608,223	1,545,388	62,835	4.1

Group(2)				
	FY18 YTD	FY17 YTD	Variance	
Adjusted net service fee margin	62%(3)	65%(3)		(3.0)
Distributable Income (S$'000)	29,339	40,978	(11,639)	(28.4)
Distributable Income had the dilution occurred for the full comparative period (S$'000)		32,407	(3,068)	(9.5)

Note:

(1) The table showing FHTL's results represent the performance of FHTL on 100.0% basis before RHT's share. On 12 October 2016, the Group disposed 51.0% of its economic interest in FHTL and consequentially shares 49.0% of the results of FHTL going forward. Please refer to Note 1 of Paragraph 1(a) for actual contribution from FHTL to the Group.

(2) This table takes into account the performance of FHTL which was accounted as an associate for FY18 YTD.

(3) Considering 100.0% of FHTL, the adjusted net service fee margin for both the period would have been at around 66%

FY18 YTD against FY17 YTD

Exchange rate

The foreign exchange rates used to translate the results of the Indian subsidiary companies are SGD/INR 47.24 and SGD/INR 48.75 for the quarter 31 December 2017 and 31 December 2016 respectively.

Total Revenue

Total revenue for FY18 YTD in INR terms has increased by 3% against FY17 YTD. This is due to the contractual 3% increase in base fee and increase in other income. A slightly lower variable fee arising from lower operating revenue recorded by the Operator offsets the increase. It was noted that second quarter of FY17 was an exceptional period as occupancy was at the 80% mark due to the heavier monsoon season.

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

Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation) has increased by 1.9% in INR terms as compared to FY17 YTD. The increase is contributed by an increase in revenue. The net service fee margin of the portfolio excluding FHTL had remained constant with FY17 YTD despite increased non-recurring costs.

Contribution from FHTL

Net Service Fee from FHTL increased against FY17 YTD due to higher total revenue recorded. The increase in revenue is a combination of the contractual 3% increase in base fees and higher variable fees. The higher variable fee is a result of higher ARPOB and an increase in number of occupied beds arising from an increase in both specialty and common cases.

Distributable Income

Had the disposal taken place at the beginning of FY17 YTD, Distributable Income for the current quarter is 8.6% lower despite an improved forward rate. This is mainly attributable to

(a) non-recurring other trust expenses in connection with the refinancing activities and consent exercise during the period;
(b) higher finance cost from increased borrowings and higher interest rates; and
(c) higher tax expense incurred by the associate.

9 Variance from Forecast

No forecast has been provided.

10 Market and Industry Information

Over the last 12 months, there have been various new measures rolled out by the Indian government which are relevant for the healthcare industry. While some of these measures are aimed at enhancing the standard of healthcare in India, others serve to help meet some of the healthcare demand in the country. These include:

- The medical devices rule which took effect in January 2018, aims to bring in price control on critical medical devices such as stents and orthopaedic implants and certain diagnostic under stringent regulation.
- The capping of prices charged by hospitals for cardiac stents and knee implants procedures.
- The Clinical Establishment Act, 2010 ("Act") and the Amendment Bills have taken effect in some states within India. The Act has been enacted by the Central Government to provide for the registration and regulation of all clinical establishments in the country, with a view to prescribe the minimum standards of facilities and services provided by them.
- The private healthcare hospitals have been directed to increase the number of designated free/ subsidized beds in their hospitals for the downtrodden and poor towards societal cause.
- The Government's recent budget encourages the corporates to make corporate social responsibility funds available for programmes to address health goals.

The various measures may have an effect on the margins of the operator and make the operating environment more challenging. At the same time, some of the increased challenges for healthcare operators in India to meet higher standards can also provide opportunities for operators who are already working towards such goals to move ahead of their competitors. We continue to monitor the situation and as and when there are new developments in the industry, we will keep you informed.

11 Information on Distribution

Any distribution declared for:

Current financial period

Yes. A distribution of 1.22 Singapore Cents per Unit is declared which is equivalent to S$9.8 million.

Event	Date
Distribution period	**1 April 2017 to 31 December 2017**
Ex-distribution date and time	**19 February 2018 at 9.00 a.m.**
Books closure date and time	**21 February 2018 at 5.00 p.m.**
Payment date	**1 March 2018**

Corresponding period of the immediately preceding year

A special distribution of 24.8 Singapore cents per Unit was paid on 28 October 2016.

12 Distribution

For the 9 months ended 31 December 2017 ("9MFY2018"), the Trustee-Manager has estimated, that based on the Distributable Income, the amount available for Distribution is 3.45 cents per Unit ("Distributable Amount"). In view of the amounts received from Fortis, the Trustee-Manager is pleased to declare a distribution per Unit of 1.22 cents which is reflective of the Distributable Amount for the 3 months ended 30 June 2017 (the " Distribution"). The Distribution will be paid on 1 March 2018. The Trustee-Manager will consider the distribution of the remaining amount reflective of the Distributable Amount for 9MFY2018 (less the Distribution) when it receives the remainder of the Outstanding Amounts and the service fees and interest income on the CCDs for FY18 Q3 from the relevant Fortis entities.

The Distributable Amount per Unit of 3.45 cents is estimated based on the effective forward rate of INR:SGD rate of INR 49.62:SGD1.00. The actual amount of a distribution, if any, of the remaining amount reflective of the Distributable Amount for 9MFY2018 may differ as the outstanding service fees and interest income on the CCDs to be received will be converted at the spot rate when received rather than at a contracted forward rate. The INR equivalent of remaining Distributable Income for 9 months ended 31 December 2017 is INR 893.4 million.

In line with the payment of the Distribution, the Trustee-Manager will also be paid its Trustee-Manager fees in respect of the FY18 Q1, of which 50% will be paid in units. The balance of the Trustee-Manager fees due will be paid along with any distribution of the remaining amount reflective of the 9MFY2018 Distributable Amount (less the Distribution).

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
8 February 2018