

About RHT Health Trust

Following the completion of the Disposal of entire portfolio of assets of RHT Health Trust (“RHT”) (“the Disposal”) on 15 January 2019, RHT has ceased to have any operating business, and has become a cash trust within the meaning of Rule 1018 of the Listing Manual of the SGX-ST.

On 7 April 2019, the Trustee-Manager had received a notification from Fortis Healthcare Limited⁽¹⁾ (“Fortis”) that an open invitation had been extended to interested parties to submit proposals in connection with sale of Fortis’s interest in RHT and the Trustee-Manager (“Potential Sale”). Following the evaluation of proposal with professional advisors, preliminary discussion were held with interested parties. However, no firm proposal which was commercially viable was received by Fortis, and no agreement (binding or unbinding) has been reached by Fortis or any of its subsidiaries with any of these parties in connection with the Potential Sale or any other transaction involving RHT and/or the Trustee-Manager. Fortis had therefore cease to actively explore other option for RHT and/or the Trustee-Manager. (Refer to announcement on 17 June 2019)

Notwithstanding the above, the Trustee-Manager will continue to consider various options available for RHT, including identifying any possible new business for RHT which is able to satisfy the requirement of the Singapore Exchange Securities Trading Limited (“SGX-ST”) for a new listing, or the winding up of RHT.

RHT’s financial results for the quarter ended 30 September 2019 (“FY20 Q2”) reflect RHT’s operations as a cash trust and are not comparable with prior periods.

- (1) Fortis Healthcare International Limited (“FHIL”) is a controlling Unitholder of RHT, and Stellant Capital Advisory Services Private Limited (“Stellant”) is the sole shareholder of the Trustee-Manager. FHIL and Stellant are both wholly owned subsidiaries of Fortis Healthcare Limited (“Fortis”).

Foreign exchange rate

	FY20 Q2	FY19 Q2	FY20 YTD	FY19 YTD
Average rate	NA ⁽²⁾	51.71	NA ⁽²⁾	50.99
Closing rate	NA ⁽²⁾	53.07 ⁽³⁾	NA ⁽²⁾	53.07 ⁽³⁾
Effective forward rate	NA ⁽²⁾	53.90 ⁽¹⁾	NA ⁽²⁾	53.90 ⁽¹⁾

- (1) Based on estimated forward rate. No hedge has been entered into for FY19 distributions.

- (2) Not applicable (“NA”) for the current quarter following the Disposal of India operations.

- (3) Reference rate is mid-market rate quoted from www.xe.com on 30 September 2018

Hedging policy

The Trustee-Manager has not entered into any hedge for the INR cash flow for the financial year beginning 1 April 2018, after entering into the Master Purchase Agreement (“MPA”) for the Disposal. Following the completion of the Disposal, all cash and cash equivalents are denominated in Singapore Dollars.

Distribution policy

Following the Disposal, the Trustee-Manager had distributed 95% of the Net Proceeds from the Disposal on 4 February 2019 and a further 60% of the remaining 5% of the Net Proceeds was distributed on 1 March 2019. The balance of the Net Proceeds has been retained for use to fund the Trust’s operational requirements as well as expenditure for potential investments.

The Trustee-Manager is considering various options available for RHT, including identifying any possible new business for RHT which is able to satisfy the SGX-ST’s requirements for a new listing, or the winding up of RHT and distribution of any remaining cash after deducting any expenses incurred therefrom to the Unitholders. Pending that determination, the Trustee-Manager will not be making any further distribution of distributable income arising from the current assets of RHT.

Please see paragraph 11 and 12 for more details on distributions.

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1 Unaudited Results for the quarter ended 30 September 2019

The Board of Directors of the Trustee-Manager announces the following unaudited results of RHT and its subsidiary companies ("RHT Group") for the quarter and periods ended 30 September 2019.

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

	Notes	FY20 Q2	FY19 Q2	Var	FY20 YTD	FY19 YTD	Var
		S\$'000	S\$'000		S\$'000	S\$'000	
Continuing operations							
Revenue							
Other income		-	-	n.m	-	-	n.m
Total revenue		-	-	n.m	-	-	n.m
Expenses							
Employee benefits expense		-	(27)	-100%	(14)	(56)	-75%
Finance Income	2	71	3,643	-98%	129	7,352	-98%
Finance Expenses	3	(1)	(2,549)	-100%	(2)	(5,742)	-100%
Trustee-Manager Fee	4	(45)	(1,297)	-97%	(90)	(2,642)	-97%
Other Trust Expenses	5	(205)	(1,018)	-80%	(365)	(1,661)	-78%
Foreign exchange loss	6	-	(4,732)	n.m	-	(5,579)	n.m
Total expenses		(180)	(5,980)	-97%	(342)	(8,328)	-96%
Loss before changes in fair value of financial derivatives							
		(180)	(5,980)	-97%	(342)	(8,328)	-96%
Fair value loss on financial derivatives		-	-	n.m	-	(389)	n.m
Loss before taxes		(180)	(5,980)	-97%	(342)	(8,717)	-96%
Tax expense	7	(349)	(2,502)	-86%	(349)	(5,049)	-93%
Loss from continuing operation		(529)	(8,482)	-94%	(691)	(13,766)	-95%
Discontinued operation							
Profits after tax from discontinued operations	1	-	8,477	n.m	-	17,747	n.m
(Loss)/profit for the period attributable to Unitholders of the Trust		(529)	(5)	n.m	(691)	3,981	-117%
Other Comprehensive Income							
<u>Items that may be reclassified subsequently to profit or loss</u>							
Foreign currency translation		-	(21,579)	n.m	-	(26,609)	n.m
<u>Items that will not be reclassified to profit or loss</u>							
Remeasurement of defined benefit		-	5	n.m	-	12	n.m
Other Comprehensive Income for the period, net of tax		-	(21,574)	n.m	-	(26,597)	n.m
Total Comprehensive Income for the period attributable to Unitholders of the Trust		(529)	(21,579)	n.m	(691)	(22,616)	n.m

⁽¹⁾ n.m – not meaningful.

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

	Notes	FY20 Q2	FY19 Q2	FY20 YTD	FY19 YTD
		S\$'000	S\$'000	S\$'000	S\$'000
Reconciliation to Unitholders Distributable Income					
(Loss)/profit for the period attributable to Unitholders of the Trust		(529)	(5)	(691)	3,981
Distribution adjustments:					
Deferred Trustee-Manager fees		-	649	-	1,321
Foreign exchange differences	8	-	4,732	-	5,579
Compulsorily Convertible Debentures ("CCD") interest income	2	-	(3,637)	-	(7,339)
Non cash adjustment from Discontinued operations		-	7,026	-	14,196
Others (includes working capital adjustment)		-	(843)	-	(1,265)
Total Distributable Income attributable to Unitholders of the Trust for the period		(529)	7,922	(691)	16,473

Notes to Consolidated Statement of Comprehensive Income and Distributable Income Statement

Note: The following notes do not include a performance analysis of India operations which has been disposed off on 15 January 2019.

- On 15 January 2019, the Trust completed the Disposal of Investment in its subsidiaries and associate, including its entire portfolio of clinical establishments and hospitals in India.

The results of the disposed subsidiaries in prior periods were as follow:

	FY19 Q2 S\$'000	FY19 YTD S\$'000
Revenue	22,507	44,743
Expense	(14,431)	(28,470)
Share of results of associate	2,391	4,672
Profit from discontinued operations	10,467	20,945
Income tax expense	(1,990)	(3,198)
Profit for the period	8,477	17,747

- Finance income for current quarter and year-to-date is mainly relating to interest income from fixed deposits while the corresponding periods mainly relating to interest income from a related party.

At the time of initial public offering, interest bearing CCDs were issued by entities in the RHT Group including, Fortis Hospotel Limited ("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.

- The finance expense was lower in the current quarter and year-to-date as all the loans and borrowings were settled following the completion of the Disposal.
- The Trustee-Manager Fee for the quarter and year-to-date is lower compared to the prior period. This is mainly attributable to the completion of the Disposal as the Trustee-Manager Fee is pegged to the value of the assets managed.
- Other trust expenses was lower for the quarter and year-to-date is mainly due to the decrease in business activities of the Trust following the completion of the Disposal.

6. In the prior period, the foreign exchange 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 (settlement of forward contract is only applicable for F19Q1).
7. Tax expense mainly relate to withholding tax expense on the offshore interest income from the India subsidiaries and associate to the Singapore subsidiaries as well as withholding tax for interest payment to a non-tax resident bank. There is no such withholding tax expense arising from offshore interest income subsequent to the Disposal.

During the quarter, the management had paid to the tax authority on identifiable interest expense that subjected to withholding tax paid to an Indian tax resident bank.

8. In the corresponding prior period, included in foreign exchange differences are:
 - (i) adjustments for the Distributable Income based on the average forward INR/SGD rate of 53.90⁽¹⁾ against the INR/SGD rate of 50.99 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⁾ The Trustee-Manager assumes a forward rate 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.

1(b)(i) Balance Sheets

	Notes	Group		Trust	
		30 September 2019	31 March 2019	30 September 2019	31 March 2019
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Non-current assets					
		-	-	12,634	12,634
		-	-	12,634	12,634
Current assets					
		64	103	10	40
	1	391	357	388	356
		17,922	19,324	14,453	15,789
		18,377	19,784	14,851	16,185
		18,377	19,784	27,485	28,819
LIABILITIES					
Current liabilities					
	2	1,156	1,872	293,576	294,696
		1,156	1,872	293,576	294,696
		1,156	1,872	293,576	294,696
		17,221	17,912	(266,091)	(265,877)
Unitholders' funds					
Represented by:					
		522,247	522,247	522,247	522,247
	3	210,216	210,216	-	-
		(715,242)	(714,551)	(788,338)	(788,124)
		17,221	17,912	(266,091)	(265,877)

Note: The balance sheets of the Group as at 30 September 2019 and 31 March 2019 reflect solely the financial position of Singapore operations.

Notes to Balance Sheets

1. Other assets

Other current assets mainly consist of Goods and Services Tax ("GST") receivables and prepaid expenses. The slight increase in other current assets is due to the increase in GST receivables and prepayment of retainer fees.

2. Other liabilities

Other current liabilities mainly consist of accrual of operating expenses, statutory dues and other creditors. The decrease is mainly due to settlements of statutory dues and repayment of other creditors.

3. 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.

4. Contingent Liabilities

Expenses related to the termination of loan and swap arrangements paid to an Indian tax resident bank might be subjected to withholding tax. The Group had sought the opinion of tax professional and filed with the tax authority on the identifiable interest expense under Voluntary Disclosure Programme. As the tax authority has yet to finalise the findings and hence the Group is exposed to potential liabilities on the expenses relating to termination of loan and swap arrangements paid to an Indian tax resident bank. Based on the opinion of the tax professional, a conservative potential tax liabilities has been estimated to be approximately S\$960,000.

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

The Group has no borrowings or debt securities as at 30 September 2019 and 31 March 2019. All loans and borrowings were fully repaid following the Disposal.

1(c) Consolidated Cash Flow Statement

	Group		Group	
	FY20 Q2 S\$'000	FY19 Q2 S\$'000	FY20 YTD S\$'000	FY19 YTD S\$'000
Loss before taxes from continuing operations	(180)	(5,980)	(342)	(8,717)
Profit before tax from discontinued operations	-	10,466	-	20,945
Adjustments for:				
Depreciation and amortisation expense	-	2,687	-	5,434
Finance income	(71)	(3,895)	(129)	(7,773)
Finance expenses	1	4,521	2	9,779
Unrealised gain on financial assets	-	(131)	-	(227)
Fair value loss on financial derivatives	-	-	-	389
Share of results of an associate	-	(2,391)	-	(4,672)
Foreign exchange loss	-	4,732	-	5,905
Foreign currency alignment	-	715	-	401
Operating cash flow before working capital changes	(250)	10,724	(469)	21,464
Changes in working capital:				
(Increase)/decrease in trade receivables	-	(1,548)	-	919
Decrease/(increase) in financial assets and other assets	951	(6,514)	(33)	(7,777)
Decrease in inventories	-	15	-	25
(Decrease)/increase in trade and other payables and other liabilities	(976)	2,140	(718)	3,138
Increase in provisions	-	-	-	-
Cash flow (used in)/generated from operations	(275)	4,817	(1,220)	17,769
Interest received	73	6,851	167	20,982
Tax paid	(349)	(367)	(349)	(11,611)
Net cash (used in)/generated from operating activities	(551)	11,301	(1,402)	27,140
Cash flow from investing activities				
Purchase of property, plant and equipment	-	(1,211)	-	(3,022)
(Purchase)/sale of short term investments	-	(924)	-	9,847
Net cash (used in)/generated from investing activities	-	(2,135)	-	6,825
Cash flow from financing activities				
Distribution paid to Unitholders	-	(17,407)	-	(26,627)
Interest paid	-	(4,006)	-	(8,608)
Repayment of borrowings	-	(3,226)	-	(2,066)
Net cash used in financing activities	-	(24,639)	-	(37,301)
Net decrease in cash and cash equivalents	(551)	(15,473)	(1,402)	(3,336)
Effects of currency translation on cash and cash equivalents	-	(358)	-	(435)
Cash and cash equivalent at beginning of period	18,473	20,107	19,324	8,047
Cash and cash equivalents at end of period	17,922	4,276	17,922	4,276

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 2019	522,247	210,216	-	-	-	(714,551)	17,912
Loss for the period	-	-	-	-	-	(162)	(162)
Total Comprehensive Income	-	-	-	-	-	(162)	(162)
At 30 June 2019	522,247	210,216	-	-	-	(714,713)	17,750
Loss for the period	-	-	-	-	-	(529)	(529)
Total Comprehensive Income	-	-	-	-	-	(529)	(529)
At 30 September 2019	522,247	210,216	-	-	-	(715,242)	17,221
At 1 April 2018	520,191	210,216	(47,588)	48,944	(85)	(69,141)	662,537
Profit for the period	-	-	-	-	-	3,986	3,986
<i>Other Comprehensive Income</i>							
Foreign currency translation	-	-	(5,030)	-	-	-	(5,030)
Net surplus revaluation of land and buildings	-	-	-	(250)	-	250	-
Remeasurement of defined benefit plan	-	-	-	-	7	-	7
Total Comprehensive Income	-	-	(5,030)	(250)	7	4,236	(1,037)
Payment of Trustee-Manager fees in Units	684	-	-	-	-	-	684
Distribution on Units in issue	-	-	-	-	-	(9,220)	(9,220)
At 30 June 2018	520,875	210,216	(52,618)	48,694	(78)	(74,125)	652,964
<i>Loss for the period</i>	-	-	-	-	-	(5)	(5)
<i>Other Comprehensive Income</i>							
Foreign currency translation	-	-	(21,579)	-	-	-	(21,579)
Net surplus revaluation of land and buildings	-	-	-	(223)	-	223	-
Remeasurement of defined benefit plan	-	-	-	-	5	-	5
Total Comprehensive Income	-	-	(21,579)	(223)	5	218	(21,579)
Payment of Trustee-Manager fees in units	1,372	-	-	-	-	-	1,372
Distribution on units in issue	-	-	-	-	-	(17,407)	(17,407)
At 30 September 2018	522,247	210,216	(74,197)	48,471	(73)	(91,314)	615,350

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

Trust

At 1 April 2019

Loss for the period, representing total Comprehensive Income for the period

At 30 June 2019

Loss for the period, representing total Comprehensive Income for the period

At 30 September 2019

Units in issue (net of Unit issue cost)	Revenue reserves/ (Accumulated losses)	Total
S\$'000	S\$'000	S\$'000
522,247	(788,124)	(265,877)
-	(124)	(124)
522,247	(788,248)	(266,001)
-	(90)	(90)
522,247	(788,338)	(266,091)

Trust

At 1 April 2018

Loss for the period, representing total Comprehensive Income for the period

Payment of Trustee-Manager fees in Units
Distribution on Units in issue

At 30 June 2018

Loss for the period, representing total Comprehensive Income for the period

Payment of Trustee-Manager fees in units
Distribution on Units in issue

At 30 September 2018

Units in issue (net of Unit issue cost)	Revenue reserves/ (Accumulated losses)	Total
S\$'000	S\$'000	S\$'000
520,191	(92,602)	427,589
-	(10,214)	(10,214)
684	-	684
-	(9,220)	(9,220)
520,875	(112,036)	408,839
-	(5,098)	(5,098)
1,372	-	1,372
-	(17,407)	(17,407)
522,247	(134,541)	387,706

1(d)(ii) Units in issue

	FY20 YTD		FY19 YTD	
	Number of Units		Number of Units	
	'000	S\$'000	'000	S\$'000
Balance as at 1 April	811,403	522,247	808,732	520,191
Issue of new Units - Payment of Trustee-Manager fees in Units	-	-	912	684
Balance as at 30 June	811,403	522,247	809,644	520,875
Issue of new units - Payment of Trustee-Manager fees in Units			1,759	1,372
Balance as at 30 September	811,403	522,247	811,403	522,247

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 2019 annual financial statement dated 24 June 2019 except for the adoption of all new and revised IFRS that are effective for annual periods beginning 1 April 2019. 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")

	Group		FY20 YTD	FY19 YTD
	FY20 Q2	FY19 Q2		
Weighted number of Units	811,402,944	811,024,664	811,402,944	809,927,354
Total Units	811,402,944	811,402,944	811,402,944	811,402,944
EPU (cents)				
Net (loss)/profit (S\$'000)	(529)	(5)	(691)	3,981
Based on weighted number of Units as at 30 September	(0.065)	(0.001)	(0.085)	0.492
Distributable Income attributable for Distribution per unit (cents)				
Distributable Income (S\$'000)	-	7,922	-	16,473

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

The Trustee-Manager is considering various options available for RHT, including identifying any possible new business for RHT which is able to satisfy the SGX-ST's requirements for a new listing, or the winding up of RHT and distribution of any remaining cash after deducting any expenses incurred therefrom to the Unitholders. Pending that determination, the Trustee-Manager will not be making any further distribution of distributable income arising from the current assets of RHT.

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	
	30 September 2019	31 March 2019
NAV	17,221,000	17,912,000
No. of Units in issue at end of period	811,402,944	811,402,944
NAV per Unit (S\$)	0.0212	0.0221

The decrease in NAV per Unit is mainly due to the expenses incurred during the period.

8 Review of Group's Performance

Following the Disposal on 15 January 2019, RHT has no business operations in FY20 Q2. As such, the financial results of the current quarter do not offer a like-for-like comparison when compared to the corresponding quarter.

Group level operations

RHT's financial results for FY20 Q2 and FY20 YTD reflects its operations as a cash trust, and its operating expenses for the period consist of:-

- (i) The Trustee-Manager fees
- (ii) The trust expenses including audit, legal and other professional fees

Other trust expenses are higher in the corresponding quarter and FY19 YTD due to one-off consent solicitation exercise professional fees were taken up in prior period and higher professional fees.

9 Variance from Forecast

No forecast has been provided.

10 Market and Industry Information

Following the completion of the Disposal on 15 January 2019, RHT has ceased to have any operating business, and has become a cash trust within the meaning of Rule 1018 of the Listing Manual of the SGX-ST. The Trustee-Manager is considering various options available for RHT, including identifying any possible new business for RHT which is able to satisfy the SGX-ST's requirements for a new listing, or the winding up of RHT and distribution of any remaining cash after deducting any expenses incurred therefrom to the Unitholders. Unitholders should note that pursuant to Rule 1018(2) of the Listing Manual, the SGX-ST will remove RHT from the Official List if it is unable to meet the requirements for a new listing within 12 months from the time it becomes a cash trust. The Trustee-Manager may apply to the SGX-ST for a maximum six-month extension to the 12-month period if it has already signed a definitive agreement for the acquisition of a new business, of which the acquisition must be completed in the six-month extension period. The extension is subject to RHT providing information to investors on its progress in meeting key milestones in the transaction. In the event RHT is unable to meet its milestones, or complete the relevant acquisition despite the extension granted, no further extension will be granted and RHT will be required to delist and a cash exit offer in accordance with Rule 1309 of the Listing Manual be made to its Unitholders. Pursuant to Rule 1018(1)(b) of the Listing Manual, the Trustee-Manager will announce monthly reports of its net assets and utilisation of cash and provide quarterly updates of milestones in obtaining a new business (if any) via SGXNET.

The Trustee-Manager will make relevant announcements (if any) when appropriate to keep Unitholders updated of any significant developments.

11 Information on Distribution

Current financial period

No.

Corresponding period of the immediately preceding year

A distribution of 1.92 Singapore Cents per Unit was declared.

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.

Paul Hoahing
Chief Executive Officer
18 October 2019