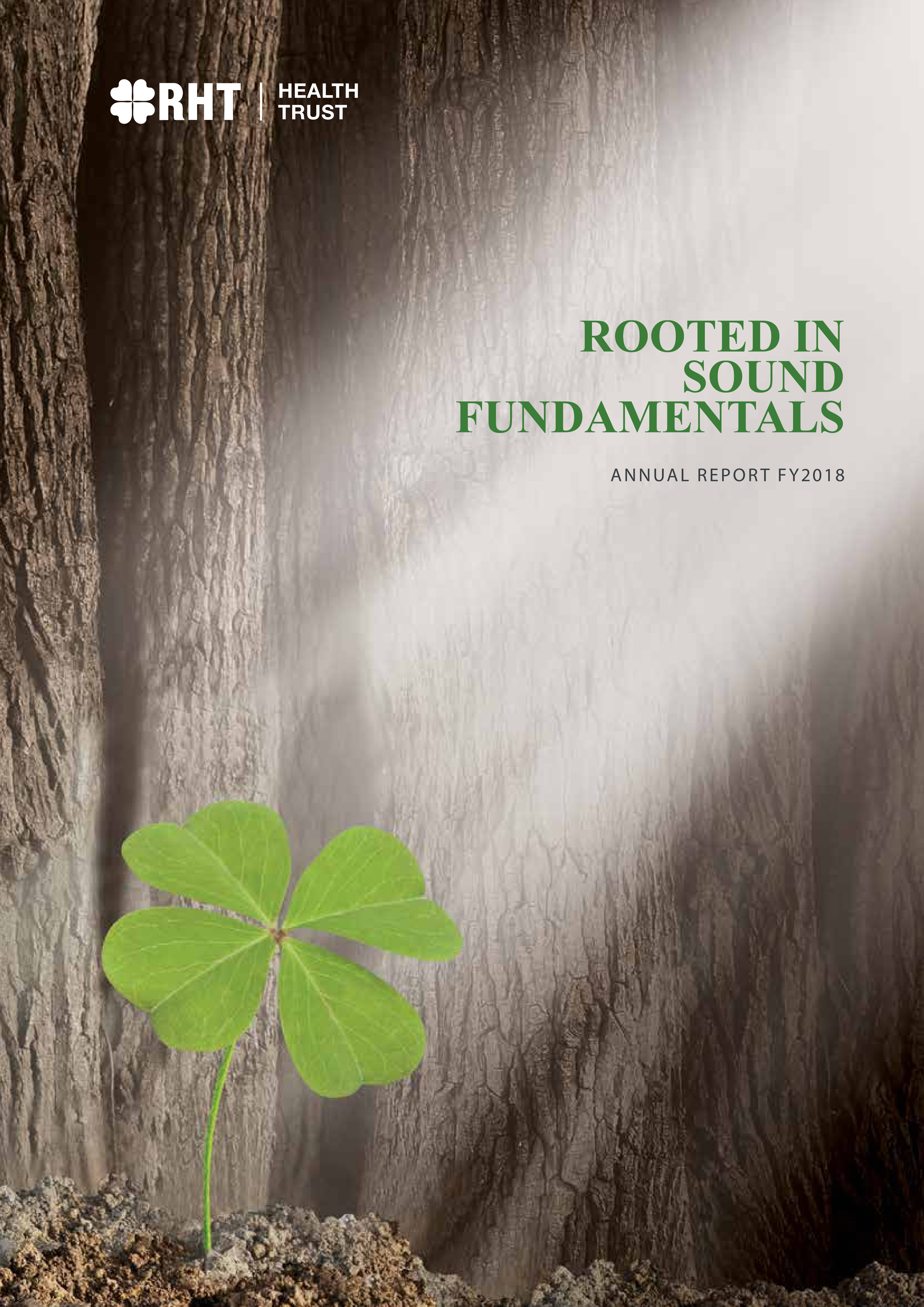
RHT | HEALTH TRUST



ROOTED IN SOUND FUNDAMENTALS

ANNUAL REPORT FY2018

WE ENDEAVOR TO PROVIDE REGULAR AND STABLE RETURNS TO INVESTORS BY INVESTING INTO HEALTHCARE ASSETS PROVIDING ATTRACTIVE YIELDS WITH A POTENTIAL FOR LONG TERM GROWTH.

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CORPORATE PROFILE

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

Our investment mandate is principally to invest in medical and healthcare assets and services in Asia, Australasia and emerging markets in the rest of the world. RHT may also develop medical and healthcare assets.

RHT has a portfolio of strategically located Clinical Establishments and Operating Hospitals across India, currently comprising twelve Clinical Establishments, four Greenfield Clinical Establishments and two Operating Hospitals. The gross value of these assets is approximately S$1,086 million as at 31 March 2018.

We endeavor to provide regular and stable returns to investors by investing into healthcare assets providing attractive yields with a potential for long term growth.

FINANCIAL HIGHLIGHTS

	NET SERVICE FEE AND HOSPITAL INCOME[1 2 3 4]	OCCUPANCY[5]	DISTRIBUTABLE INCOME[6]	BUSINESS VALUE[8 9]
FY2018	S$75.86M	71%	S$38.43M	S$1.09B
FY2017	S$83.18M	77%	S$50.50M[7]	S$1.12B

	DISTRIBUTION PER UNIT[6]	WEIGHTED AVERAGE CONTRACT EXPIRY[10]	AVERAGE REVENUE PER OPERATING BED[5]
FY2018	4.51¢	9.3 Years	INR14.62M
FY2017	5.97¢[7]	10.3 Years	INR14.03M

1 Exchange rate for FY2017 and FY2018 was INR48.39 and INR47.72 respectively.

2 Excludes straight-lining, depreciation and amortisation.

3 For FY2017, includes Fortis Hospotel Limited's ("FHTL") performance up till 12 October 2016 and 49.0% share of FHTL's results from 13 October 2016 to 31 March 2017.

4 The Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation) has increased by 4.0% in INR terms as compared to FY2017.

5 These numbers are presented on the basis of a 100.0% economic interest in FHTL.

6 The Distributable Income is lower due to (i) non-recurring other trust expenses in relation to the refinancing activities and consent exercise during the period; (ii) higher finance cost from increased borrowings and higher interest rates; (iii) higher tax expense incurred by FHTL.

7 For FY2017, excludes the Special Distribution of S$198.3 million, which translates into S$24.8 cents, arising from the Disposal.

8 Exchange rate for FY2017 and FY2018 was INR46.43 and INR49.68 respectively.

9 RHT holds 49.0% economic interest in Gurgaon Clinical Establishment and Shalimar Bagh Clinical Establishment. The remaining 51.0% is held by FHTL.

10 There were no new contracts entered into in FY2018.

PERFORMANCE HIGHLIGHTS

REVENUE PER CLINICAL ESTABLISHMENT (INR MILLION)[1] FY2018	FY2017		OCCUPANCY LEVEL (%)[2] FY2018	FY2017
1,710	1,730	ANANDPUR	88%	88%
2,950	2,830	BG ROAD	74%	73%
5,130	4,790	GURGAON	64%	67%
1,430	1,630	JAIPUR	59%	67%
4,120	4,260	MOHALI	72%	80%
2,930	3,190	MULUND	63%	80%
2,670	2,870	NOIDA	80%	84%
1,890	1,890	SHALIMAR BAGH	74%	75%

1 Source: Fortis Investor Presentation for the quarter and year ended 31 March 2018 and RHT's full year results for FY2017 that was announced on 22 May 2017.
2 On the basis of a 100.0% economic interest in FHTL.

PERFORMANCE HIGHLIGHTS

RECONCILIATION TO UNITHOLDERS DISTRIBUTABLE INCOME

	Notes	FY2018 S$'000	FY2017~ S$'000
Profit for the period attributable to Unitholders of the Trust		15,536	134,951
Distribution adjustments:			
Impact of non-cash straight-lining		(1,584)	(2,101)
Technology Renewal Fee ("TRF")		(654)	(645)
Depreciation and amortisation		11,877	11,735
Trustee-Manager fees payable in units		2,766	7,451
Tax adjustment		9,221	(9,947)
Foreign exchange differences	I	2,709	194
Compulsorily Convertible Debentures ("CCDs") interest income	II	(15,640)	(7,183)
Non-convertible Debentures ("NCDs") interest expense	III	7,025	3,138
Non-cash adjustments of discontinued operations		-	5,015
Non-cash adjustments of an associate		8,000	3,260
Others@		(826)	(95,366)
Total Distributable Income attributable to Unitholders of the Trust^		**38,430**	**50,502**

~ The Distributable Income attributable to Unitholders of the Trust excludes the Special Distribution arising from the Disposal.
@ Gain on Disposal is excluded for comparative purposes.
^ 95.0% of Distributable Income will be distributed.

Notes:

I 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.

II At the time of Initial Public Offering ("IPO"), interest bearing 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 in October 2016, such interest income of the subsidiary which amounted to S$15.6 million is no longer 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.

III At the time of IPO, 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. The OCDs were converted to NCDs as part of the Disposal. As FHTL became an associate in October 2016, such interest expense of the subsidiary which amounted to S$7 million is no longer 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 will be added back for distribution purpose.

FINANCIAL AND OPERATIONAL REVIEW

SUMMARY OF FINANCIAL RESULTS (FY2018 ACTUAL VS FY2017 ACTUAL)

	FY2018 S$'000	FY2017 S$'000	Variance %	FY2018 INR'000	FY2017 INR'000	Variance %
Group[a]						
Total Revenue	94,422	89,919	5%	4,505,932	4,351,591	4%
Net Service and Hospital Income (excluding straight-lining, depreciation and amortisation)	53,707	50,924	5%	2,562,890	2,464,500	4%
FHTL[b]						
Total Revenue	54,170	51,298	6%	2,585,140	2,482,517	4%
Net Service and Hospital Income (excluding straight-lining, depreciation and amortisation)	45,202	42,324	7%	2,157,215	2,048,241	5%
Cash flow contribution from FHTL[c]	18,532	27,858	(33%)			
Distributable Income[d]	38,430	50,502	(24%)	-	-	-
Distributable Income, had the Disposal occurred for the full comparative period		41,931	(8%)	-	-	-

[a] Excludes FHTL's results.

[b] FHTL's performance is presented on a 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.

[c] RHT's actual share of cashflow from FHTL, where it owns 49.0% of economic interest with effect from 12 October 2016.

[d] FY2017 excludes the Special Distribution of S$198.3 million.

In FY2018, Total Revenue grew 4.0% in Indian Rupee ("INR") terms compared to FY2017. This was mainly due to the combination of an increase in Base Fee as well as Other Income. Base Fee increased due to the contractual 3.0% annual increase, while Other Income arose from the recognition of interest on Service Fee charged to the operator of RHT's Clinical Establishments, Fortis Healthcare Limited ("FHL"), resulting from the late payment of Service Fee. The increase in Total Revenue was offset by a slight drop in Variable Fee arising from lower operating revenue recorded by the operator due to lower occupancy in FY2018.

Net Service Fee and Hospital Income in INR terms has increased by 4.0% as compared to FY2017. The increase was mainly contributed by the increase in Total Revenue and Hospital Income.

FHTL has been accounted as an associate of RHT since 13 October 2016. The Total Revenue of Fortis Hospotel Limited ("FHTL") was up 4.0% in INR terms, similar to that of the growth of the rest of the RHT portfolio. This resulted in a higher Net Service Fee and Hospital Income for FHTL compared to FY2017.

DISTRIBUTABLE INCOME

There was a reduction in Distributable Income by 8.0%# in FY2018 compared to FY2017. This decrease was mainly attributable to the non-recurring other trust expenses in relation to the refinancing activities and consent exercise, higher finance cost from increased borrowings as well as higher corporate tax expense incurred by FHTL. For FY2018, the amount of Distribution per Unit ("DPU") recorded was 4.51 cents, of which 2.36 cents has been paid.

PROPOSED DISPOSAL OF THE ENTIRE ASSET PORTFOLIO OF RHT (THE "PROPOSED DISPOSAL")

On 12 February 2018, RHT Health Trust Manager Pte. Ltd. (in its capacity as trustee-manager of RHT) (the "Trustee-Manager") entered into a master purchase agreement with Fortis. The Proposed Disposal will result in the disposal of all of RHT's Indian subsidiaries ("RHT's Indian Subsidiaries"), its 49.0% economic interest in FHTL and the entire asset portfolio of RHT, which includes its interests in 12 Clinical Establishments, 4 Greenfield Clinical Establishments and 2 Operating Hospitals in India.

The Proposed Disposal represents a return of approximately 65.5%^ and an internal rate of return ("IRR") per annum of approximately 12.1%^ in Singapore Dollars terms, and 95.0% of the net proceeds will be distributed to Unitholders. This translates to a Special Distribution of S$0.82* per Unit.

Assuming the dilution of FHTL occurred for the full comparative period.
^ Based on amounts disclosed in the 13 February 2018 announcement.
* Based on the closing INR: SGD exchange rate of INR48.50: SGD1.00 from Bloomberg L.P. on 12 February 2018.

CAPITAL RISK MANAGEMENT

OVERVIEW

Key Indicators

Indicator	As at 31 March 2018
Gearing Ratio	25.4%
Interest Coverage Ratio	4.4 times
Percentage of Fixed Rate Debt	50.9%
Effective Weighted Average Cost of Debt	6.4%
Average Hedged Rates[1]	
June 2018	48.91

CAPITAL RISK MANAGEMENT

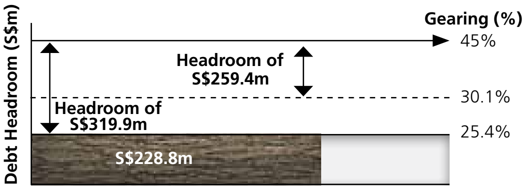
The Trustee-Manager employs an appropriate mix of debt and equity to finance the acquisition and enhancement initiatives of the medical and healthcare assets in the RHT portfolio. The main objective in managing its capital is to maintain an optimal capital structure to maximise Unitholders' value. In 2015, the Group has established a S$500 million Multicurrency Medium Term Note Programme ("MTN Programme") and has issued S$120 million fixed rate notes under this MTN Programme as of 31 March 2018.

As at 31 March 2018, RHT has a net debt of S$228.8[2] million with a gearing ratio of approximately 25.4%. RHT has a debt headroom of S$319.9 million before the internally set gearing ratio limit of 45.0% is reached. This is in line with the gearing ratio limits set out under Monetary Authority of Singapore's Guidelines to Real Estate Investment Trust Managers ("MAS REIT Guidelines") in Singapore.

With the completion of the ongoing and planned future asset enhancement initiatives for Clinical Establishments in BG Road, Ludhiana, Nagarbhavi, Amritsar and Noida, as well as the expansion of the Mohali Clinical Establishment, RHT's gearing ratio will be approximately 30.1%.

However, the ongoing and planned future asset enhancement initiatives for Clinical Establishments have been placed on hold due to the Proposed Disposal that was announced on 13 February 2018.

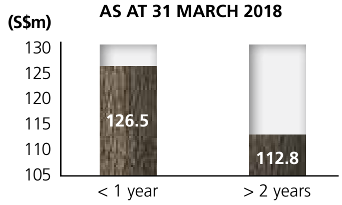
DEBT HEADROOM FOR GROWTH AS AT 31 MARCH 2018



REFINANCING RISK

As at 31 March 2018, RHT has a weighted average debt maturity profile of 1.65 years. RHT has borrowings amounting to S$126.5 million that are due within a year, of which S$120.0 million 4.50 per cent. fixed rate notes are due on 22 January 2019. Upon the completion of the Proposed Disposal, all debt will be settled. Should the Proposed Disposal delay beyond 22 January 2019, the Trustee-Manager intends to seek further extension of the maturity accordingly or replace the debt with other sources.

DEBT MATURITY PROFILE AS AT 31 MARCH 2018



Interest Rate Debt (%)	
Floating	49.1
Fixed	50.9

INTEREST RATE RISK

As at 31 March 2018, approximately 49.1% of RHT's loans and borrowings are exposed to interest rate risks as they are pegged to the Singapore Swap Offer Rate and Indian Base Rate. We will continue to monitor the cost of entering into interest rate swaps to mitigate the interest rate risks.

CURRENCY RISK

RHT derives all its revenue from India as all of RHT's assets and operations are currently located in India. Meanwhile, the distributions to Unitholders are paid out in Singapore Dollars. As such there is an element of currency risk faced by Unitholders.

To provide some certainty to Unitholders, management has adopted the policy of hedging the anticipated amount of cash flows from India to Singapore. Commencing FY2018, the Trustee-Manager had hedged a maximum of 50% of its INR denominated cash flows receivable every 6 months from India.

However, the Trustee-Manager has not and will not be entering into any hedges for the expected INR denominated cash flows for the 6 months ending September 2018 and for future periods since it has entered into the Proposed Disposal.

LIQUIDITY RISK

The Trustee-Manager monitors and maintains a sufficient level of cash and cash equivalents, through a balance between continuity funding and flexibility through the use of stand-by credit facilities to finance RHT's operations including servicing of financial obligations, and to mitigate the effects of fluctuations in cash flows. The Trustee-Manager retains 5.0% of RHT's Distributable Income to mitigate such liquidity risk. The cash generated from India operations are placed with mutual funds in India to maximise interest income prior to the intended repatriation.

DISTRIBUTION POLICY

RHT's current policy is to distribute at least 90.0% of its Distributable Income. Commencing FY2017, the Trustee-Manager has been distributing 95.0% of its Distributable Income. The 5.0% which is retained will be used to fund existing asset enhancement initiatives and operational requirements.

1 The Trustee-Manager has not and will not be entering into any hedges for the expected INR denominated cash flows for the 6 months ending September 2018 and for future periods since it has entered into the Proposed Disposal.

2 Excludes NCD liabilities owing to an associate.

MARKET REVIEW AND OUTLOOK

INDIA'S HEALTHCARE MARKET

Opportunities

The Indian healthcare industry presents numerous opportunities. India has a burgeoning population, having added 450 million people over 25 years up to 2016[1]. This same period saw a drop in the percentage of the population in India who were living in poverty. The growth in population combined with the increasing affluence in India, has led to a "dual disease burden" in India, where we see an increase in lifestyle diseases growing alongside that of communicable diseases.

With increasing affluence in India, comes an increase in ability to afford more and better quality healthcare. Similarly the penetration of health insurance within India is expected to increase, thereby further increasing the affordability of healthcare within the Indian population. Another factor which may serve to drive the growth of the Indian healthcare industry is the increase in medical tourism within the country.

Increasing and Ageing Population In India

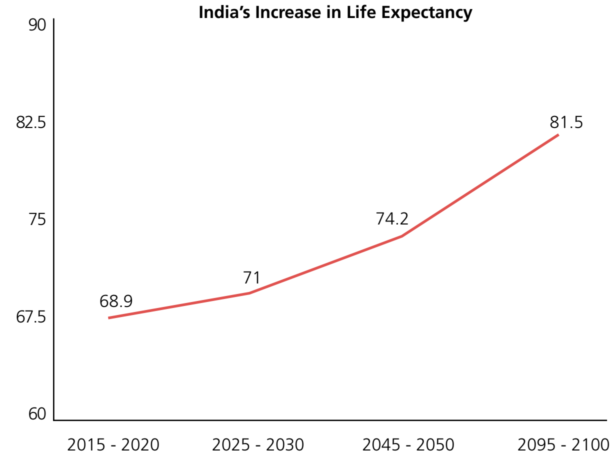
It is not an uncommon fact that India has a fast growing population. With a population of 1.3 billion, India is the second most populous country in the world, just behind China which has a population of 1.4 billion[2]. In the United Nation's recent report on the "2017 Revision to its World Population Prospects[3]", they had estimated that within the next seven years, India will overtake China to become the world's most populous country. In just a year or two after that, once China's population has hit around 1.44 billion people, its population will start to decline for the first time ever. India, on the other hand, will continue to grow until 2061 or so and only start to decline when its population has gone well past 1.68 billion people.

However, what is generally not known is that India's population while increasing in numbers, is also getting older. The median age of the Indian population today is 27 years old. By the time the Indian population starts to decline, India's median age would have crossed 40[4]. With a greater proportion of its population turning 40 over the next decade, India is expected to witness an increase in healthcare needs. It is the size of this group of middle-aged people that drives growth in healthcare spending. At that age, healthcare spending starts to rise rapidly, only to slow when we get closer to 70 years old, according to data studied in Canada and the United States[4] .

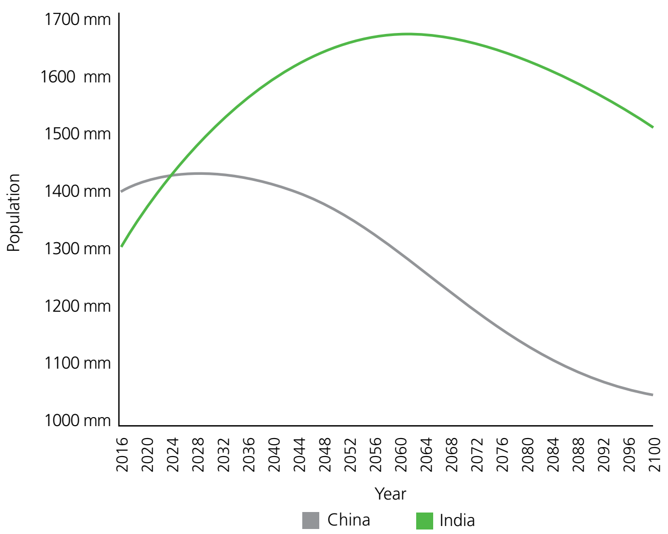
Increase in Life Expectancy

The fast growing population in India will mean an increase in demand for healthcare in the country. This is compounded by the rise in life expectancy. The same United Nations study

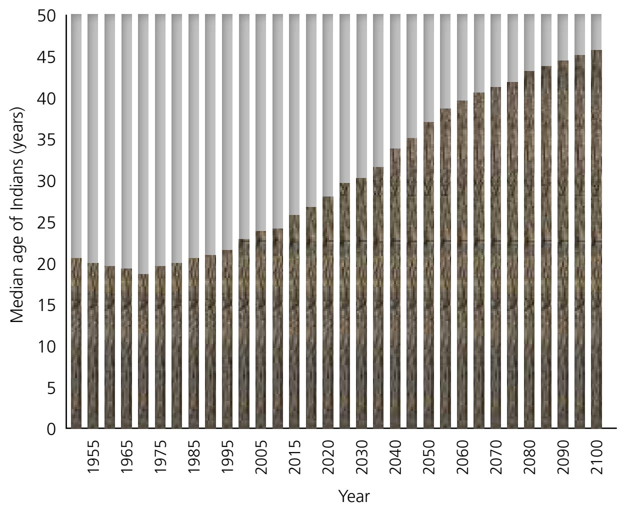
India's Increase in Life Expectancy



India's Projected Population Growth



India's Population Projected Median Age



Source: World Population Prospects, The 2017 Revision

1 "India's Population: Becoming Number One", 10 August 2017, YaleGlobal Online.
2 World Population Prospects, The 2017 Revision, United Nations.
3 "World Population Prospects, Key Findings and Advance Tables", 2017 Revision, United Nations.
4 "As India gets younger, spending on healthcare expected to soar", 19 July 2017, ET Healthworld.

MARKET REVIEW AND OUTLOOK

published in 2017 noted that life expectancy in India is expected to rise from 68.9 years during 2015-2020 to 71.0 years during 2025-2030 to reach 81.5 years in 2095-2100. An increasing share of aged population is likely to lead to increased demand for healthcare services.

Forward projections show the pressure on the Indian healthcare system to grow in order to meet the demands of an expanding population, which is at the same time ageing and increasing in terms of life expectancy, and will continue to rise in the coming years.

Increasing Affluence

As KPMG in one of their Insights[5] article noted, "Emerging economies have fallen out of fashion, as Brazil and Russia struggle with recession and China adjusts to a 'new normal' of slower economic growth. Yet in a global economy fraught with uncertainty, India is still booming". Between now to 2025, India's GDP and its contribution to world trade will almost triple to 6% and it will become the world's third largest economy[4]. Its annual gross income is expected to double between 2009 and 2030[5].

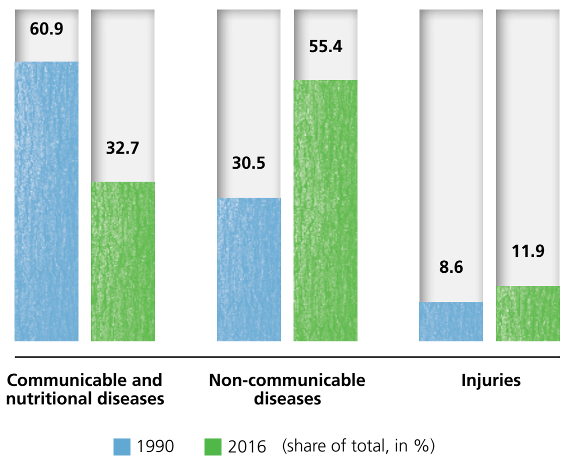
On the back of a growing economy, consumer consumption has also shown an increase in the past decade. Overall consumer spending was US$0.22 trillion in the year 2000 but reached US$1.3 trillion in 2015[4]. It is expected to grow by seven times in the next 15 years to reach US$7.3 trillion in 2030[5]. This growth is expected to be driven to a large extent by India's fast-emerging middle class. By 2025, 70% of households will be classed as middle income, up from 54% in 2016[5].

As patterns in other developing nations have shown, rising income leads to significant changes in spending patterns. As wealth increases, spending tends to shift away from basic necessities such as food and clothing, and towards discretionary items. It is expected that it will be no different in India. Euromonitor's report published on 15 October 2016[6] predicts that health and medical services are expected to be the fastest growing expenditure category in the long term with trends like lifestyle changes and population ageing, as well as the increase in income levels taking place in India.

i) Change in Disease Profile

The proliferation of chronic or non-communicable diseases ("NCDs") in India, in part a consequence of increased affluence and life expectancy, is having an effect on the health care system. An increase in NCDs such as obesity, cardiovascular diseases, hypertension and dementia (also a consequence of increased life expectancy and ageing population) will challenge the healthcare system in terms of increased demand for drugs and treatments.

The share of non-communicable diseases in the total burden of disease increased to 55% in 2016 from 30% in 1990



Source: Ministry of health and family welfare

In a joint study titled "The India State-level Disease Burden Initiative", which was conducted by the Indian Council of Medical Research, Public Health Foundation of India ("PHFI"), and Institute for Health Metrics and Evaluation, they had noted that between 1990 to 2016, there was a reversal in terms of the share of communicable diseases ("CDs") versus NCDs within the country. In 1990, approximately 60% of the share of disease burden within the country was from CDs. Today, 55% of it is coming from NCDs.

For a long time, India's public health care system has been catered towards the treatment of CDs such as tuberculosis, malaria and acute respiratory infections, which have been prevalent in the country since the 1960s. They are not equipped to deal with the rise of NCDs, leaving people to seek treatment for NCDs from the private healthcare operators. Unless the government increases its spending on healthcare, which currently stands at slightly more than 1% of GDP, majority of the capacity for handling patients with NCDs will be from the private healthcare operators. NCDs are chronic and require long tem treatment, which also tends to increase the amount of expenditure required for treatment. It is expected that private healthcare players will be the main providers of treatment for NCDs in India, while the public healthcare system remains as main provider of primary healthcare, thereby offering another segment of growth for private healthcare providers in a high end medical treatment segment.

[5] "India, the last great untapped opportunity", KPMG Insights, 12 January 2017.
[6] "Changing Landscape of India's Income, Expenditure and Population", Euromonitor, 15 October 2016.

MARKET REVIEW AND OUTLOOK

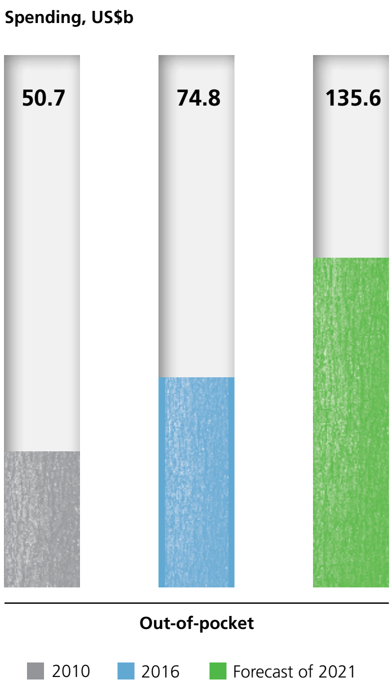
ii) Health Insurance

Until recently, foreign participation in the health insurance sector in India was restricted. In recent years, the Indian government has liberalised the Indian insurance sector, to allow the private insurance market to emerge. This coupled with the overall growing economy in India, the increasing healthcare needs of an ageing population and rising incomes signifies a potential uptake for health insurance in India.

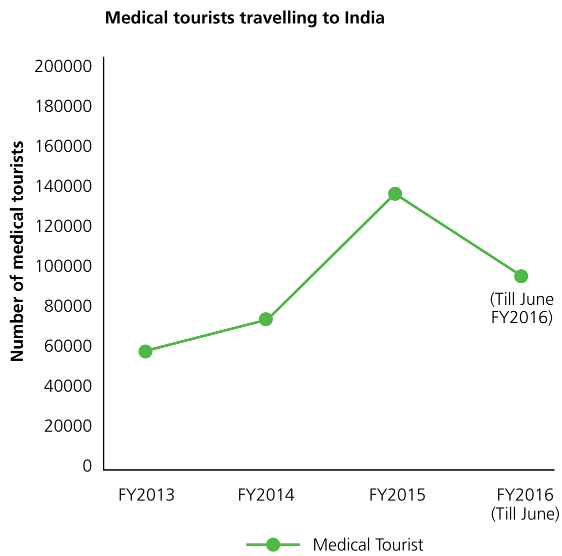
At the moment, the proportion of out of pocket expenditure on healthcare in India stands at around 75%, which is disproportionately high compared to the world average of 18.1%[7]. The high percentage of out of pocket expenditure for healthcare in India is mainly due to the under development of health insurance in India. In 2013, only 11% of the Indian population in India was covered by health insurance[8]. This is changing with increasing penetration of medical insurance in India. During 2016-2017, general and health insurance companies registered a growth of 24.3% in premium collected over the previous year, the highest ever recorded in the preceding five years[9]. However it still remains one of the least insured countries, even among emerging economies. With income levels rising in India and an increase in life expectancy, this is expected to prompt an increase in medical care and insurance coverage for healthcare services.

iii) Medical Tourism

In the last 10 years, India has risen to become a fast growing healthcare destination. The main thrust for such growth is the availability of quality healthcare services at relatively lower cost compared to other countries. The Ministry of Tourism ("MOT") in India has also constituted the National Medical & Wellness and Tourism Board in order to provide a dedicated institutional framework for promoting medical tourism. In addition, the Indian government has introduced an e-Medical visa which has been extended to the nationals of 161 countries, and the duration of such e-Medical visa has also been increased, including allowing for multiple entries. All this has aided the growth of medical tourism in India for the past few years.



Source: Oxford Economics



Source: Ministry of Tourism, India

7 World Health Organisation, 2014 statistics.
8 "Penetration of Health Insurance Sector in Indian market", M Akila, Opinion: International Journal of Management, 1 June 2013.
9 "Annual Report 2016-2017", Insurance Regulatory and Development Authority of India.

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According to figures available with the MOT, from 2013 to 2016, the number of tourists who have visited India under e-Medical visas increased at a CAGR of 20%[10]. In 2013, a total of 56,129 people came to India on medical visas which increased to 75,671 and 134,344 in 2014 and 2015, respectively. Until June 2016, the number stood at 96,856, which represents an annualised growth of about 41%[10].

In recent years, India has seen a growth in medical tourists from neighbouring countries such as Bangladesh, Afghanistan and Pakistan where there is a lack of quality medical facilities and treatments. India has also witnessed growth of medical tourists from Middle Eastern countries such as Oman, Yemen and Iraq, as seen from the increase in e-Medical visas issued to nationalities of such countries.

The cost competitiveness of medical treatments in India has also helped boost the number of foreign patients seeking treatment in India. As can be seen from the chart below, India is the lowest in terms of cost for most medical procedures. This cost advantage is further strengthened by the fact that there are well qualified doctors in India with quality medical facilities.

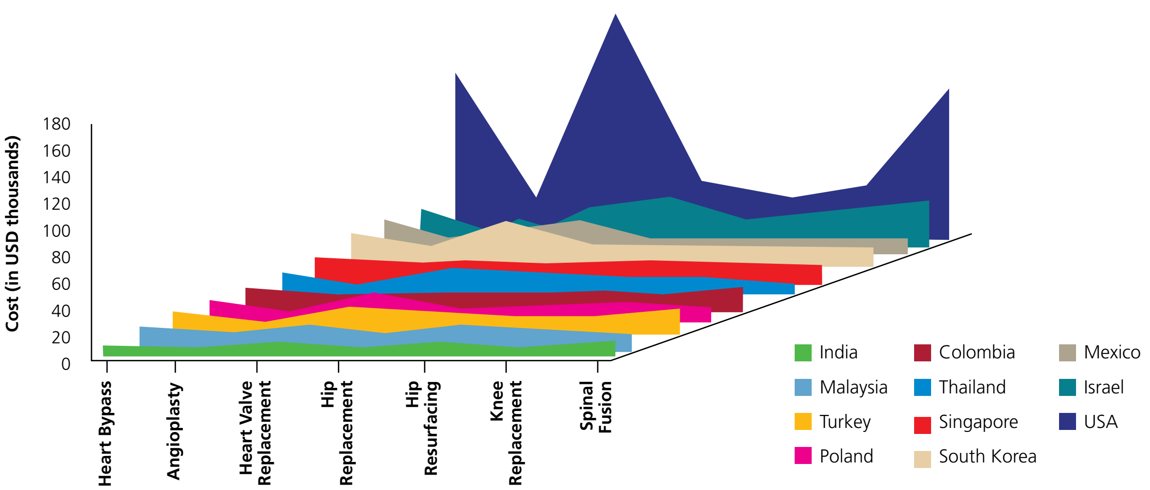
With continuing advancements in the medical procedures, relatively cost effective treatments and well-experienced doctors, medical tourism in India is expected to grow at a healthy CAGR of around 20% over FY2018-2020[10]. It is expected that the large multi-specialty chains and super-specialty private sector hospitals are likely to be the largest beneficiaries of this trend.

Opportunities

According to the National Health Profile data released by the Ministry of Health, India's government currently allocates slightly over 1% of GDP on healthcare. This is low when compared to 2.1% in Singapore[11] and 4.9% in the China[12]. The number of hospital beds in India is also insufficient at 0.5 beds for every 1,000 people in the population[13]. This is compared to countries like China with 3.9 beds per 1,000 population[11] and Singapore with 2.0 beds[14].

The Union Cabinet, Government of India had on the 16 March 2017 approved The National Health Policy - 2017 ("NHP 2017"). This is India's third NHP, the last one being released in 2002. The goal of the NHP 2017 is to achieve the highest possible level of good health and well-being for all Indians through a preventive and promotive healthcare orientation in all developmental policies, and to achieve universal access to good quality health

Cost comparison of medical procedures



Source: Ministry of Tourism, OECD & Industry Sources
Figures as at 2016

10 "Medical Tourism – Does India have an Advantage?" 27 June 2017, CARE Ratings.
11 Government Health Expenditure and Healthcare Financing, 8 May 2018, Ministry of Health (Singapore).
12 World Health Organisation Database. Information as of 2014.
13 OECD Data, 2016.
14 World Bank Data, 2011.

MARKET REVIEW AND OUTLOOK

care services without anyone having to face financial hardship as a consequence. While the NHP 2017 comes with all the right targets, the final outcome remains to be seen, in the absence of defined goals.

However, what is clear is that with the growing and ageing population, the volume of demand for healthcare in India will increase in the coming years. The increase in affluence and increasing penetration of medical insurance in India will help to propel this growth as the population demands better healthcare services. Furthermore, the shift in disease profile from communicable to lifestyle diseases which tend to require longer term and more sophisticated medical treatments will require more hospital beds and healthcare facilities need to be available to cater for such sustained demand.

While growth prospects look rosy for healthcare operators in India, there have recently been a set of new regulations which have been rolled out by various Indian authorities, which may have implications on the private sector healthcare players. These include (but not limited to):

- An increase in the number of designated free/ subsidised beds in the private sector hospitals which are put aside for the economically weaker sections ("EWS").

- A review of the National List of Essential Medicines ("NLEM"), along with price controls for generic drugs which will help to decrease the cost of care for patients seeking care in the private sector.

- Putting into effect a Medical Devices Rule which came into effect in January 2018. Apart from bringing certain critical medical devices like stents, orthopaedic implants and diagnostic equipment under stringent regulation, this rule also bring certain identified devices under price regulations, such as heart valves, syringes and needles. Again, this is an aim to bring down overall health care costs for patients.

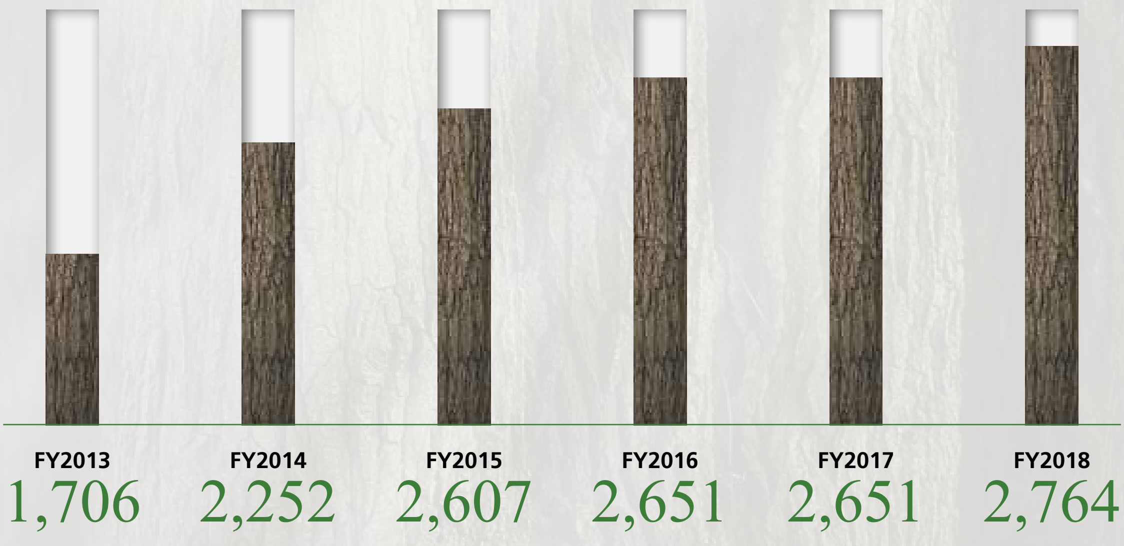
- The National Pharmaceuticals Pricing Authority ("NPPA") had imposed price cuts for cardiac stents and knee implants in 2017. Some of the price cuts had resulted in decrease of approximately 60% on the original prices.

There were also some further regulations introduced which included the Clinical Establishments (Registration and Regulation) Act, 2010, which provide for registration and regulation of all clinical establishments in India, with a view to prescribe minimum standard of facilities and services provided by them. This Act has also been enacted in certain states in India, with pressure on other states to also follow suit. With more regulatory pressure such as the Clinical Establishment Act, they will serve to enhance the standard of healthcare in the Indian healthcare industry, although costs of compliance may also increase for the private sector players. With increasing price controls by the government, it may also discourage private sector players from entering or expanding in the market. The effects of such measures remains to be seen, but in the meantime, the prospects of growth in the Indian healthcare industry continues to be favourable based on the factors discussed above.


Fortis

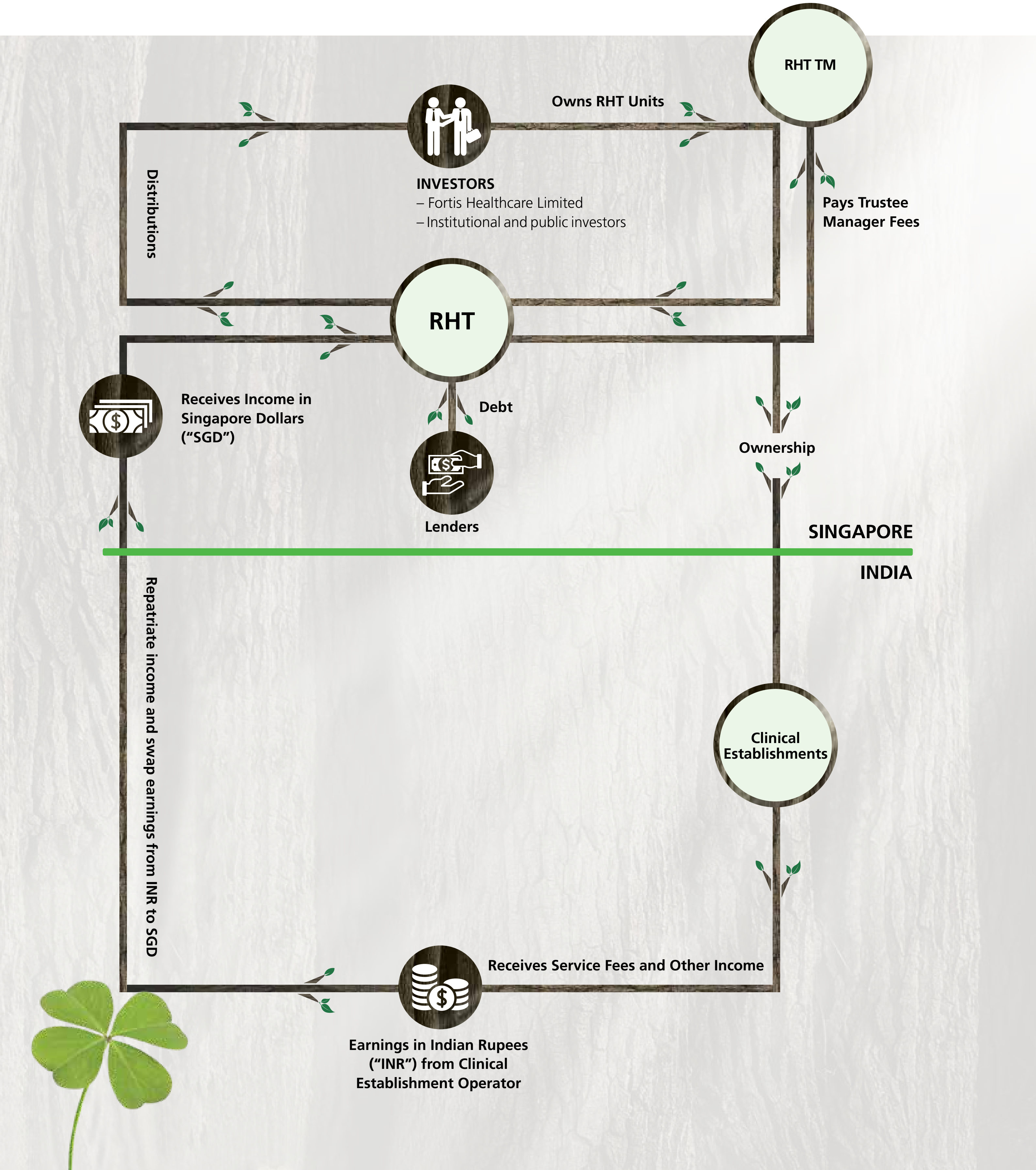
FUNDAMENTALLY COMMITTED TO A STRONG VISION

Our strategy is to develop and seize value creation opportunities underpinned by a growing Indian healthcare sector by cultivating and enhancing a portfolio of quality, wide-reaching, and diverse healthcare real estate.



CONSISTENT GROWTH IN OPERATIONAL BEDS

TRUST STRUCTURE



ORGANISATION CHART

BOARD OF DIRECTORS

MR VIVEK MEHRA
Non-Executive Chairman and Independent Director

MR GURPREET SINGH DHILLON
Chief Executive Officer ("CEO") and Executive Director

MR PAWANPREET SINGH
Chief Financial Officer ("CFO") and Executive Director

DR YOGENDRA NATH MATHUR
Lead Independent Director

MR PETER JOSEPH SEYMOUR ROWE
Chairman of Audit and Risk Management Committee and Independent Director

MR SYDNEY MICHAEL HWANG
Chairman of Nominating Committee and Independent Director

MR ENG MENG LEONG
Chairman of Remuneration Committee and Independent Director

TRUSTEE-MANAGER

MR GURPREET SINGH DHILLON
CEO

MS TAN SUAN HUI
Head of Compliance / Investor Relations

MR PAWANPREET SINGH
CFO

RHT, INDIA

DR VIRENDER SOBTI
Chief Operating Officer

MRS SHALINI TYAGI
Head of Human Resources

MR SIDDHANT JAIN
Head of Accounts / Finance

MR FAIZAL IMTIAZ
Head of Operations / Compliance

MR VISHESH VERMA
Vice President (Investments and Projects)

LETTER TO UNITHOLDERS

Vivek Mehra
Non-Executive Chairman and Independent Director

Gurpreet Dhillon
Chief Executive Officer and Executive Director

OUR EFFORTS HAD CULMINATED IN THE SIGNING OF A MASTER PURCHASE AGREEMENT ("MPA") WITH FORTIS HEALTHCARE LIMITED ("FORTIS") TO DISPOSE OF ALL ASSETS OF RHT, SUBJECT TO UNITHOLDERS' APPROVAL.

Dear Unitholders,

The financial year ended 31 March 2018 ("FY2018") has been without doubt, a challenging year for RHT unitholders (the "Unitholder") and for management. For this, we are very grateful to our Unitholders for your support and putting your confidence in the management to resolve the situation to the best of our efforts.

Our efforts had culminated in the signing of a master purchase agreement ("MPA") with Fortis Healthcare Limited ("Fortis") to dispose of all assets of RHT, subject to Unitholders' approval. Fortis, the operator of RHT's Clinical Establishments, had put forth an offer in November 2017 to acquire all of RHT's assets (the "Proposed Disposal"). Subsequent to the negotiations that followed this offer, the parties agreed to a proposed consideration of INR46 billion (approximately S$ 928 mil[1]) for the Proposed Disposal (the "Consideration"). The Directors views the Proposed Disposal to be favourable and is supportive of it having taken into consideration many factors including the uncertain situation at Fortis, the growth prospects of RHT and the potential returns for Unitholders.

In the beginning of February 2017, Fortis announced certain corporate governance issues surrounding its then Promoters. This was subsequently followed by news that the Promoters' interests in Fortis which were pledged to various financial institutions had been invoked. The invocation of the pledge by the financial institutions resulted in the Promoters holding minimal stake in Fortis, and ceasing to be Promoters.

Due to the various events at Fortis, there were delays in the payment of the Service Fees and other amounts due to RHT. The drop in shareholdings by the Promoters in Fortis also necessitated a consent solicitation exercise ("CSE"), which was carried out to seek consent from the Noteholders to waive a technical breach of the terms of the Notes. Similar consents were also sought and obtained from RHT's lenders.

Amongst the other factors which the Board took into account included the premium of the Consideration above the net asset value of RHT, the Consideration per unit against the last traded prices of RHT on the stock market. The Board also took into consideration the returns which had been generated for Unitholders over the years that RHT had been listed, and the returns from the Proposed Disposal. By putting forth the Proposed Disposal, it will allow Unitholders the opportunity to realise value for their Units now, as opposed to through future potential appreciation in RHT's unit price and distributions, which are uncertain.

At the same time, the Board is cognisant of the fact that it is not easy to find quality healthcare assets for sale in India. Healthcare operators are often reluctant to monetise their assets to RHT and lease it back, for fear of losing control over their assets. This has made it challenging for RHT to undertake acquisitions or diversify its operator over the years.

FY2018 GOT OFF TO A FAIRLY GOOD START, WITH THE TRUSTEE-MANAGER REPLACING S$60 MILLION OF BANKING FACILITIES WITH THAT OF FIXED RATE NOTES AT A COUPON RATE OF 4.5%.

STABLE PERFORMANCE BY RHT

Apart from the events which occurred above, the beginning of FY2018 got off to a fairly good start, with the Trustee-Manager replacing S$60 million of banking facilities with that of fixed rate notes at a coupon rate of 4.5%. This second tranche of notes issued are due in July 2018[2], together with that of an existing first tranche of notes worth S$60 million. Collectively, RHT now has S$120 million 4.5% fixed rate notes due in July 2018[1] (the "Notes"). In an increasing interest rate environment, it was prudent that RHT had replaced the S$60 million floating rate bank loan with that of a fixed rate debt. The Trustee-Manager had also secured loans of S$60 million from United Overseas Bank Limited and Siemens Bank GMBH, Singapore Branch (the "UOB / Siemens Facilities") which was used to refinance an existing loan and for working capital purposes. There was a further S$53 million loan which was obtained by IndusInd Bank Limited for working capital and capex purposes in India. On an overall basis, the gearing level of RHT remained at a conservative ratio of 25.4% at the end of FY2018.

We had in the CSE held to obtain consent for the technical breach, also sought to amend the terms of the Notes to remove any linkage with the ex-Promoters of Fortis, and also sought approval from the Noteholders for the Proposed Disposal, and extend the maturity of the Notes till the Proposed Disposal was completed. We are pleased that Noteholders had given the go ahead for the Proposed Disposal, and also extended the maturity of the Notes such that it will mature in January 2019 or when the Proposed Disposal is completed, whichever is earlier. It was important to us that we had successfully obtained one of the conditions required for the Proposed Disposal to go through, and also eliminated a need to refinance S$120 million of Notes midway through the Proposed Disposal.

1 Based on SGD 1 = INR46.5 as at 26 June 2018
2 Approval was obtained from Noteholders through a consent solicitation exercise ("CSE") to extend the maturity of the Notes to January 2019 or when the Proposed Disposal is completed, whichever is earlier.

LETTER TO UNITHOLDERS

In FY2018, we saw the resignation of Mr Ravi Mehrotra from the Board of RHT Health Trust Manager Pte. Ltd. ("RHT TM" or the "Trustee-Manager") on 30 September 2017. Mr Mehrotra who was the Chairman of the Trustee-Manager from May 2013 to September 2017, had been with the Trustee-Manager since 7 September 2012. Mr Mehrotra was first appointed the Chief Executive Officer ("CEO") of RHT TM in 2012. Subsequently in May 2013, he moved on to the Chairman position and handed the reins over to our current CEO, Mr Gurpreet Dhillon, as part of RHT's long term succession planning. During his time as the CEO, Mr Mehrotra was instrumental in helping RHT Health Trust ("RHT" or the "Trust") list on the Singapore Exchange Securities Trading Ltd. We are very grateful to Mr Mehrotra for leading RHT and his invaluable guidance all these years, and wish him all the best in his personal ventures.

Mr Vivek Mehra came on Board on the 1 October 2017, and was appointed as Non-Executive Chairman and Independent Director. Mr Vivek Mehra is a Chartered Accountant and a veteran in structuring cross border transactions and mergers and acquisitions, having spent over 38 years of his career involved in this area. A larger part of his career was as partner with PriceWaterhouseCoopers Private Limited ("PwC"). We have provided more details on his profile on page 21 of this Annual Report.

The business and operations of RHT were stable. On a full year basis, RHT's Total Revenue was up by 5.0% over the previous financial year ended 31 March 2017 ("FY2017"). This increase year on year was contributed by a higher Base Fee, which grows at 3% annually. In the last quarter of FY2018, we had also accrued the interest charges payable by Fortis to RHT, for its late payment of the Service Fees during FY2018. This interest charge is provided under the Hospital and Medical Services Agreement ("HMSA") between the relevant RHT entities and the relevant Fortis entities. The increase in Total Revenue was offset by a drop in the Variable Fee due to lower occupancy levels at its Clinical Establishments in the last quarter of FY2018.

The Net Service Fee and Hospital Income was up by 5.5% for the year in line with the growth of the Total Revenue. We are also pleased to report that the Adjusted[3] Net Service Fee margin was fairly constant in 4QFY2018 as it was in 4QFY2017.

Total Distributable Income was also lower by 8.3%[4] in FY2018 as a result of an increase in borrowings and an increase in interest rates which led to higher interest expenses. There was also an increase in trust related expenses due to refinancing activities as well as the CSE conducted with the Noteholders. These were costs that were regulatory driven and due to events which were not within the control of the management. However, we are optimistic that such costs may reduce going forward if the situation at Fortis stabilizes.

The payment of Distributions to Unitholders have been on a fairly ad-hoc basis this financial year, due to the uncertainty in when RHT would receive its dues from Fortis. The Board had to ascertain that there would be sufficient funds to maintain the operations of RHT before they could declare the payment of distributions.

On the 20 June 2018, we announced that Fortis has kept to the payment schedule which they have provided to us. As such, all outstanding due for FY2018 have now been fully paid. To date, we have declared and paid out the entire Distributable Income for FY2018 to Unitholders.

[3] Adjusted to include that of Fortis Hospotel Limited ("FHTL") in order to make FY2018 comparable with FY2017.
[4] For comparison purposes, aassuming that the disposal of FHTL had taken place at the beginning of FY2017.

POST THE PROPOSED DISPOSAL

In the event where Unitholders approve the Proposed Disposal at the coming EGM, all of the assets of RHT will be sold to Fortis. The Consideration will be distributed to Unitholders. We will be retaining 5% of the Consideration as we are proposing to utilise the 12 months period allowed under the SGX-ST listing rules, to look for new assets.

We intend to reassess the mandate of RHT post the Proposed Disposal, such as allowing management to look outside of healthcare related infrastructure assets. As we had mentioned, finding quality healthcare operators in India to work with is not an easy task. It is a similar story when it comes to sourcing for high grade healthcare assets, as evidenced by the difficulty management had in finding potential assets for acquisition at the right price over the last few years. The intention at this point in time would be to stay within India. We believe that management is able to provide investors with an appealing investment through leveraging on our expertise in India to find investments that can generate attractive returns. We will put forth a more detailed proposal to Unitholders once the current transaction is completed and we can put our entire effort and focus on this next venture. In the meantime, our efforts are concentrated on putting through the Proposed Disposal for Unitholders' vote at the earliest time possible.

ACKNOWLEDGEMENTS

It has been a challenging year, and we have to thank our fellow Directors, management and employees for having worked tirelessly together to bring RHT through to this point.

We also need to extend our thanks to the various professionals, lawyers, bankers and auditors, who have journeyed along with us, and assisted and advised the Board and management on the challenging issues which had arose during the year. However, most importantly, we are grateful that in these uncertain times, our Unitholders continued to have faith in the Board and management. For Unitholders who have been with us since the inception of RHT, we would like to extend a special thank you to you for such unwavering support and confidence in us.

Vivek Mehra
Non-Executive Chairman and Independent Director

Gurpreet Dhillon
Chief Executive Officer and Executive Director

BOARD OF DIRECTORS

Mr Pawanpreet Singh | Mr Eng Meng Leong | Mr Vivek Mehra | Mr Gurpreet Singh Dhillon | Mr Peter Joseph Seymour Rowe | Dr Yogendra Nath Mathur | Mr Sydney Michael Hwang

MR RAVI MEHROTRA

Former Executive Chairman and Executive Director

Mr Ravi Mehrotra was the former Executive Chairman and Executive Director of RHT Health Trust Manager Pte. Ltd. ("RHT TM" or the "Trustee-Manager"). He held the role from 7 September 2012 to 30 September 2017.

Mr Mehrotra has more than 30 years of experience in the financial services sector both in India and internationally. He has extensive experience in funds management, particularly in the areas of investment, corporate banking and equities. Prior to his appointment at RHT TM, Mr Mehrotra was the Managing Director and Global Head of Retail & Intermediary Channels at PineBridge Investments (previously AIG Investments) as well as Global Head of Retail & Intermediary Channels at AIG Investments. As Managing Director and Regional Head, he was responsible for overseeing asset management companies in China, India, the Philippines and Taiwan. In addition, he was previously the President and Chief Investment Officer (Equities) at Franklin Templeton Asset Management (India) as well as the Senior Vice President and Chief Investment Officer at Kothari Pioneer Asset Management. At the Bank of America in India, Mr Mehrotra was the Vice President in the Investment Banking and Treasury Group.

Mr Mehrotra graduated from the University of Mumbai with a Bachelor of Commerce. He also received a Post Graduate Diploma in Business Management from the Xavier Labour Relations Institute of Jamshedpur in India.

Mr Mehrotra stepped down from the Board of RHT TM on 30 September 2017 to pursue his personal interests.

MR VIVEK MEHRA

Non-Executive Chairman and Independent Director

Mr Vivek Mehra joined the board of the Trustee-Manager as Non-Executive Chairman and Independent Director on 1October 2017.

Mr Mehra is a well-respected senior Chartered Accountant with over 38 years of professional consulting experience in tax and regulatory aspects of mergers and acquisitions ("M&A"), focusing on cross border investment and transaction structuring.

During his time in PriceWaterhouseCoopers ("PwC") in India, he founded and headed the Regulatory and M&A tax practices. He was also elected to the Governance Oversight Board of PwC for two terms.

Mr Mehra also sits on the Board of some prominent Indian companies such as Jubilant Life Sciences Ltd., Bharat Hotels Limited, HT Media Limited and DLF Ltd. In the past, he has been Director on Union Bank of India and Punjab & Sind Bank.

Mr Mehra graduated with a Bachelor of Commerce (Honours) Degree from Sri Ram College of Commerce, Delhi University. He is currently a fellow member of the Institute of Chartered Accountants of India and was on the Federation of Indian Chambers of Commerce and Industry ("FICCI") Steering Committee as well as the National Executive Committee.

MR GURPREET SINGH DHILLON

Chief Executive Officer and Executive Director

Mr Gurpreet Dhillon is the Chief Executive Officer and Executive Director of RHT TM where he oversees all key operations and business development plans of RHT. Mr Dhillon currently serves as a Director on the Board of Fortis Global Healthcare Infrastructure Pte. Ltd. and RHT Health Trust Services Pte. Ltd., both of which are wholly-owned subsidiaries of RHT.

Mr Dhillon is experienced in the fields of asset management and investments. He played key advisory roles in real estate acquisitions across India and the United Kingdom during his career with a leading India financial services company, before he joined RHT TM in 2011. Mr Dhillon joined the Trustee-Manager as an Executive Director, before becoming the Chief Operating Officer in January 2013 and subsequently being appointed as the Chief Executive Officer.

Mr Dhillon graduated from the University of Essex with a Bachelor of Laws degree.

MR PAWANPREET SINGH

Chief Financial Officer and Executive Director

Mr Pawanpreet Singh has been the Chief Financial Officer ("CFO") of RHT TM since 2011. He was also appointed as an Executive Director in January 2013. Mr Pawanpreet Singh has more than 25 years of experience in accounting and finance.

Prior to his appointment as CFO of RHT TM, Mr Singh spent majority of his career working in the healthcare sector in India. Between 2005 and 2011, Mr Singh held the position of Corporate Controller of Finance in Fortis Healthcare Limited ("FHL"), where he played a key role in its Initial Public Offering ("IPO"), rights and issuance of convertible bonds. He was also the CFO of SRL Limited where he played an active role in its business development plans.

Mr Singh holds a Bachelor of Commerce (Honours) degree from Punjab University, Chandigarh. He also holds a Post Graduate Diploma in Real Estate Investment Finance from Oxford Brookes University. Mr Singh is currently a member of the Institute of Chartered Accountants of India as well as the Institute of Costs & Works Accountants of India.

DR YOGENDRA NATH MATHUR
Lead Independent Director

Dr Yogendra Nath Mathur joined the Board of the Trustee-Manager as Lead Independent Director on 7 September 2012.

Prior to his appointment, Dr Mathur spent a large part of his career with the United Nations Children's Fund ("UNICEF"), where he held key positions. He was a member of the Country Management Team of UNICEF, which is the management team that oversees and guides the work that UNICEF carries out in India. Dr Mathur also sat on the Central Review Board of UNICEF, which oversees the recruitment of professionals in the organisation. During his time at UNICEF, Dr Mathur was actively involved in social development and welfare initiatives, particularly for women and children in Gujarat as well as the establishment of an immunisation programme and disease surveillance system in Madhya Pradesh. Before joining UNICEF in 1989, Dr Mathur was employed by the Indian Council of Medical Research, New Delhi, India.

Dr Mathur holds a Bachelor of Medicine and a Bachelor of Surgery from Nagpur University. In addition, he received a Doctorate of Medicine (Preventive and Social Medicine) from the All-India Institute of Medical Sciences, New Delhi. Dr Mathur is currently the Joint Secretary of the Radha Soami Satsang Beas Society.

MR PETER JOSEPH SEYMOUR ROWE
Independent Director

Mr Peter Rowe is an Independent Director on the Board of the Trustee-Manager and is also the Chairman of the Audit and Risk Management Committee.

Mr Rowe brings with him over 40 years of experience in the financial services industry, particularly in the areas of funds management and compliance. He is currently a consultant at Herbert Smith Freehills where he was previously made Partner and was also appointed as the Head of the Financial Services Group. Apart from the Board of RHT TM, Mr Rowe sits on the Board of other real estate management related companies in Australia, including his appointments as an Independent Director of AMP Capital Funds Management Limited and AMP Investment Services Pty Limited as well as Chairman of UBS Grocon Real Estate Investment Management Pty Ltd.

Mr Rowe received a Diploma in Law from the Solicitors Admission Board of New South Wales, Australia.

MR ENG MENG LEONG
Independent Director

Mr Eng Meng Leong is an Independent Director and serves on the Board of RHT TM as Chairman of the Remuneration Committee. Mr Eng brings with him expertise, spanning over 25 years, in the fields of taxation in Singapore and internationally. Mr Eng previously served on the Board of Croesus Retail Asset Management Pte. Ltd., which was the Trustee-Manager of a former listed business trust in Singapore.

Prior to his appointment at RHT TM in 2013, Mr Eng was the Director of Tax Services and Head of Financial Services in KPMG Tax Services Pte. Ltd. ("KPMG Tax"). During his stint with KPMG Tax, he played a key role in taxation works in relation to Mergers & Acquisitions, IPOs, compliance and corporate finance matters.

Mr Eng is currently a member of the Institute of Certified Public Accountants of Singapore and an accredited Tax Advisor of the Singapore Institute of Accredited Tax Professionals. He was also admitted as a member of the Institute of Chartered Accountants of England and Wales in 1982.

MR SYDNEY MICHAEL HWANG
Independent Director

Mr Michael Hwang is an Independent Director and Chairman of the Nominating Committee. Mr Hwang practices as an independent barrister, international arbitrator and is the Chief Justice of the Dubai International Financial Centre ("DIFC") Courts.

Mr Hwang was formerly a Judicial Commissioner of the Supreme Court of Singapore and was also one of the first 12 Senior Counsels appointed in Singapore. His previous appointments include Partner and Head of Litigation and Arbitration at Allen & Gledhill, Commissioner of the United Nations Compensation Commission, President of the Law Society of Singapore and non-resident Chief Justice of the DIFC Courts.

Mr Hwang currently also sits on the Boards of various companies such as Singapore Dance Theatre Limited and YTL Starhill Global REIT Management Limited.

Mr Hwang holds an undergraduate and post graduate law degree from Oxford University and an Honorary Doctor of Laws degree from the University of Sydney. He has served as Singapore's Non-Resident Ambassador to Switzerland and is currently Non-Resident Ambassador to Argentina.

MANAGEMENT TEAM

SENIOR MANAGEMENT OF THE TRUSTEE-MANAGER, SINGAPORE

MR GURPRRET SINGH DHILLON
Chief Executive Officer

MR PAWANPREET SINGH
Chief Financial Officer

Please refer to the biography under Board of Directors on Page 20 of this Annual Report.

MS TAN SUAN HUI
Head of Compliance and Investor Relations

Ms Tan Suan Hui joined the Trustee-Manager in June 2011, as Head of Compliance and Investor Relations.

Prior to her current appointment at RHT TM, Ms Tan held the position of Vice President, Listings at the Singapore Exchange Limited ("SGX-ST"). She brings with her over 10 years of experience, particularly in the area of capital markets and related regulations. During her time at the Listings function in SGX-ST, she was involved in assessing and advising corporates on a potential listing on the SGX-ST. She was also involved in new product developments such as the launch of the FTSE ST Indices as well as the Global Depository Receipts. Prior to the Listings function, Ms Tan was with the Issuer Regulation function in SGX-ST which was responsible for the review of listing applications as well as corporate actions by listed entities.

Ms Tan holds a Bachelor of Business Administration (Honours) from the National University of Singapore.

RHT SENIOR MANAGEMENT TEAM, INDIA

DR VIRENDER SOBTI
Chief Operating Officer

Dr Virender Sobti has over 15 years of experience in hospital management and is the Chief Operating Officer ("COO") of RHT. Based in India, he oversees the operations of the Clinical Establishments under the RHT portfolio.

Before joining RHT, Dr Sobti was the Vice President of Operations and Business Strategy at the Metro Group of Hospitals in 2012. He was the COO and Medical Superintendent at Paras Hospitals Gurgaon and Paras Spring Meadows Hospital New Delhi from 2007 to 2012. Dr Sobti was based in Mata Chanan Devi Hospital as its Medical Superintendent where he was responsible in the areas of strategic planning, operational management as well as human resources and was also responsible for profitability of these institutions.

During his career, Dr Sobti played an integral role in the implementation of the National Accreditation Board for Hospitals ("NABH") certification.

Dr Sobti holds a Diploma in Hospital Management from The National Institute of Health and Family Welfare as well as a Bachelor of Medicine, Bachelor of Surgery ("MBBS") degree from the Post Graduate Institute of Medical Services Rothak, Haryana.

MR SIDDHANT JAIN
Head of Accounts and Finance

Based in India, Mr Jain holds the position of Head of Accounts and Finance for RHT India's operations where he oversees the finance function in India. He brings to the organisation over 25 years of experience in the finance industry. Prior to his current appointment, Mr Jain was the Senior Vice President (Finance) at Paul Merchants Limited and also held the position of Vice President (Finance) at Metso Minerals India Pvt. Ltd.

Mr Jain graduated from Delhi University, Kirori Mal College, in 1988 with a Bachelor of Commerce (Honours). He is currently a member of the Institute of Chartered Accountants of India.

MANAGEMENT TEAM

RHT SENIOR MANAGEMENT TEAM, INDIA

MR FAIZAL IMTIAZ

Head of Operations and Compliance

Mr Faizal Imtiaz brings with him a wealth of experience in operations, compliance and risk management, spanning over 13 years. As Head of Operations and Compliance, he is responsible for operations and compliance related activities of RHT in India. Prior to his current appointment, Mr Imtiaz was the Assistant Vice President of the Operations and Compliance department at Religare Securities Australia Pte Limited.

Mr Imtiaz holds a Post Graduate Diploma in Planning and Management from the Indian Institute of Planning and Management as well as a Master of Business Administration (Finance and Marketing) Degree from the International Management Institute, Belgium.

MR VISHESH VERMA

Vice President, Investment and Projects

As Vice President of Investment and Projects, Mr Vishesh Verma is responsible for sourcing investment opportunities and expansion of the RHT portfolio. Based in India, he brings with him over 10 years of experience in advisory, transactions and investment banking, particularly in the commercial real estate, healthcare and education sector.

Prior to his current appointment, Mr Verma was Associate Director and Pan-India Vertical Head for Social Real Estate (Healthcare, Education and Senior Living) at Jones Lang LaSalle ("JLL") Property Consultants (India) Pvt Ltd. During his stint with JLL, he took on key roles in the areas of asset valuation, business feasibilities, transaction management and investment advisory in national and international assignments.

Mr Verma holds a Bachelor of Commerce (Honours) degree from Delhi University and obtained a Master in Business Administration, with a specialisation in Finance from Amity Business School, Noida.

MRS SHALINI TYAGI

Head of Human Resources

Mrs Shalini Tyagi has more than 18 years of experience in Human Resources and Industrial Relations. Prior to her career at RHT, Mrs Tyagi led the Human Resources division at Jessaram Hospital, a hospital operated by Fortis Healthcare Limited. She was the Head of Human Resource, Compliance and Administration Manager at Orient Craft Ltd as well as Senior Executive at Phoenix Lamps Limited where she was responsible for recruitment, training and development, managing Industrial Relations and other welfare activities. Mrs Tyagi also accumulated experience in industrial relations from her stint at Oriental Fashions as a Personnel Manager.

Mrs Tyagi received a Bachelor of Arts degree and also a Master of Social Work degree, with a specialisation in Industrial Relations, Human Resources and Labour Laws, from Kurukshetra University.

THE YEAR IN PERSPECTIVE

For the financial period 1 April 2017 to 31 March 2018*

2018

FEBRUARY 2018

The Trustee-Manager announced that the Trustee-Manager and RHT's Singapore incorporated wholly-owned subsidiaries, Fortis Global Healthcare Infrastructure Pte. Ltd. ("FGHIPL") and RHT Health Trust Services Pte. Ltd. ("RHSPL"), entered into a master purchase agreement (the "MPA") with Fortis in relation to the Proposed Disposal.

FEBRUARY 2018

For the third quarter of FY2018, total revenue increased 3.1% against the corresponding quarter in the previous financial year ("3QFY2017") due to the increase in the Base Fee. A DPU of 1.09 cents was recorded for 3QFY2018. This was lower compared to 3QFY2017 largely due to increased financing related expenses and higher taxes at the associate level.

NOVEMBER 2017

The Trustee-Manager announced that it had entered into a term sheet (the "Term Sheet") with Fortis in relation to the proposed disposal (the "Proposed Disposal") of the entire portfolio of RHT.

NOVEMBER 2017

For the second quarter and first half of FY2018, total revenue increased 4.9% against the corresponding quarter in FY2017 ("2QFY2017") on the back of an increase in the Base Fee. Distributable Income attributable for the DPU was 1.14 cents. The lower DPU compared to the corresponding quarter can be attributed to increased costs in 2QFY2018 from refinancing related activities and increased interest costs.

SEPTEMBER 2017

The Trustee-Manager announced the appointment of Mr Vivek Mehra as Non-executive Chairman and Independent Director of RHT, succeeding Mr Ravi Mehrotra.

AUGUST 2017

For the first quarter of FY2018, total revenue increased by 6.8% compared to the immediate preceding quarter ("4QFY2017") due to an increase in the Base Fee and Variable Fee. Distribution per Unit ("DPU") increased 8.9% against 4QFY2017 due to a stronger Indian Rupee against the Singapore Dollar.

JULY 2017

The Trustee-Manager commenced a consent solicitation process to seek approval from the Noteholders of the Series 001 Notes. The Extraordinary Resolution put to vote for Noteholders' approval were duly passed.

JULY 2017

RHT hosted the Annual General Meeting ("AGM") at Suntec Singapore Convention & Exhibition Centre. All Ordinary Resolutions put to vote for Unitholders' approval were duly passed.

MAY 2017

RHT issued an additional S$60 million 4.50 per cent. fixed rate notes (the "Series 001 Notes") to its existing S$60 million 4.50 per cent. fixed rate notes due 2019[1].

2017

* All S$ references on this page are based on the exchange rate as at date of respective announcements.

1 Approval was obtained from Noteholders through a Consent Solicitation Exercise ("CSE") to extend the maturity of the Notes to January 2019 or when the Proposed Disposal is completed, whichever is earlier.

FUNDAMENTALLY DRIVEN TO GROW AND SERVE

RHT's proactive asset management and strategic capacity expansion are not just a reflection of our commitment to drive steady returns but also our dedication to deliver high-quality, specialised medical services to more patients.

DEVELOPMENT PROJECT PIPELINE[1]

Ludhiana Greenfield Clinical Establishment
70
Beds
Mother & Child Programme

BG Road Brownfield Clinical Establishment
200
Beds
Oncology, Operating Theatre

Expansion of Mohali Clinical Establishment
480
Beds

CAPACITY ENHANCEMENT INITIATIVES[1]

Jaipur Clinical Establishment
59
Beds
Mother & Child and Orthopaedic Programme

Mulund Clinical Establishment
39
Beds
Mother & Child Programme

Nagarbhavi Operating Hospital
45
Beds
Addition of 2 operating theatres and a cath lab

Amritsar Clinical Establishment
102
Beds
Addition of Oncology Block

Noida Clinical Establishment
27
Beds
Addition of Gastroenterology unit

1 The ongoing and planned future asset enhancement initiatives have been placed on hold due to the Proposed Disposal that was announced on 13 February 2018.

GEOGRAPHICALLY DIVERSIFIED ASSET PORTFOLIO

1 AMRITSAR
158 Current Operational Bed Capacity
166 Current Installed Bed Capacity
102 Potential Additional Bed Capacity

2 MOHALI
348 Current Operational Bed Capacity
355 Current Installed Bed Capacity
480 Potential Additional Bed Capacity

3 LUDHIANA
70 Potential Additional Bed Capacity

4 JAIPUR
271 Current Operational Bed Capacity
320 Current Installed Bed Capacity

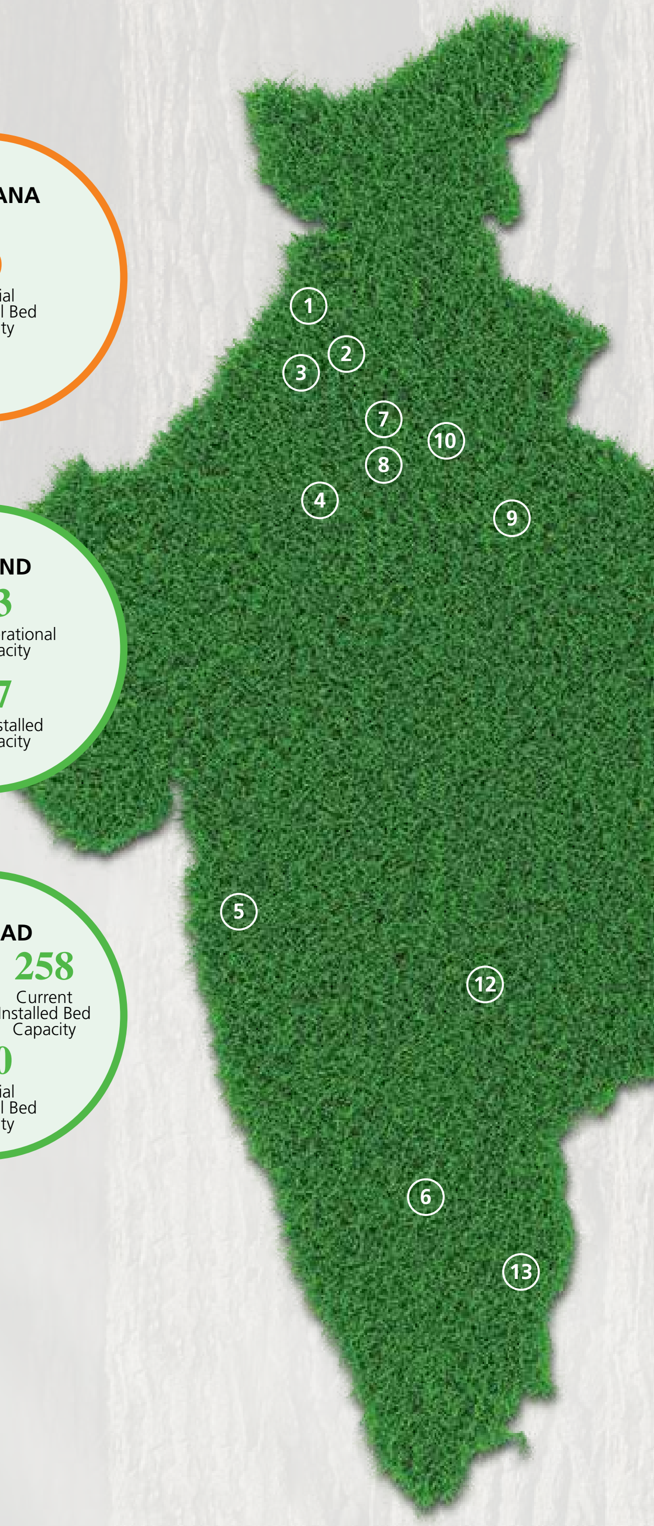
5 KALYAN
62 Current Operational Bed Capacity
62 Current Installed Bed Capacity

5 MULUND
303 Current Operational Bed Capacity
567 Current Installed Bed Capacity

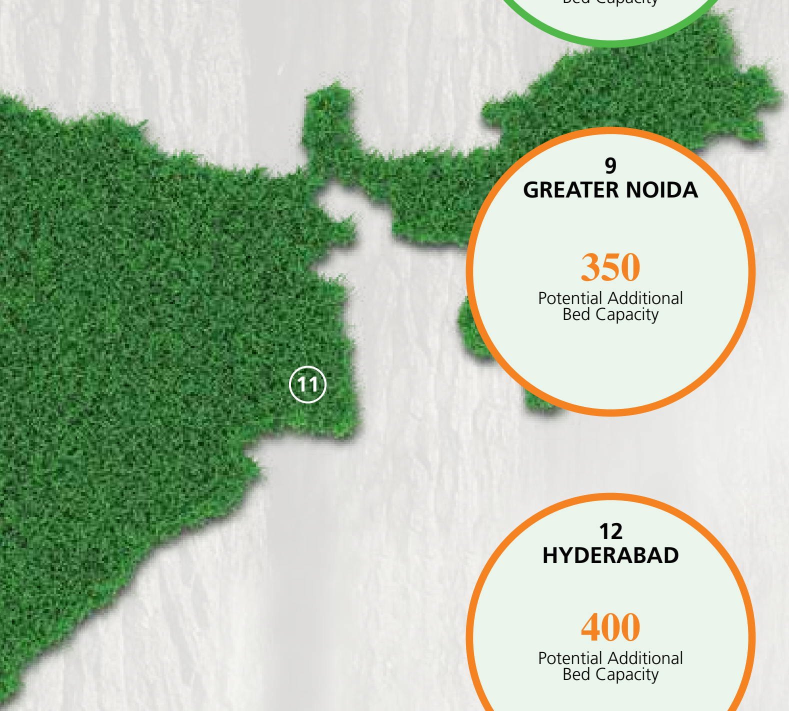
6 RAJAJINAGAR
48 Current Operational Bed Capacity
52 Current Installed Bed Capacity

6 NAGARBHAVI
45 Current Operational Bed Capacity
62 Current Installed Bed Capacity
45 Potential Additional Bed Capacity

6 BG ROAD
258 Current Operational Bed Capacity
258 Current Installed Bed Capacity
200 Potential Additional Bed Capacity



- RHT Clinical Establishments
- Greenfield Clinical Establishments
- Operating Hospitals



7 SHALIMAR BAGH

229 Current Operational Bed Capacity

350 Current Installed Bed Capacity

8 GURGAON

290 Current Operational Bed Capacity

450 Current Installed Bed Capacity

550 Potential Additional Bed Capacity

9 NOIDA

191 Current Operational Bed Capacity

200 Current Installed Bed Capacity

27 Potential Additional Bed Capacity

9 GREATER NOIDA

350 Potential Additional Bed Capacity

10 FARIDABAD

210 Current Operational Bed Capacity

210 Current Installed Bed Capacity

11 ANANDPUR

200 Current Operational Bed Capacity

373 Current Installed Bed Capacity

12 HYDERABAD

400 Potential Additional Bed Capacity

13 CHENNAI

45 Potential Additional Bed Capacity

13 MALAR

151 Current Operational Bed Capacity

178 Current Installed Bed Capacity

PORTFOLIO SUMMARY
12 CLINICAL ESTABLISHMENTS

AMRITSAR

Description
Amritsar Clinical Establishment is a multi-specialty hospital, located in the north eastern part of Amritsar. The hospital commenced operations in 2003 and its key specialties are cardiac sciences, neurosciences, urology and nephrology, medical and surgical gastroenterology, medical and surgical oncology, orthopaedics and joint replacement.

Amritsar is an important city in Punjab with good connectivity to other parts of the state and India. It is also a major commercial and cultural centre. It has a bed to population ratio of 1.3 beds per 1,000 population, considering its total primary and secondary catchment population. As of 2011, Amritsar requires an additional 3,527 beds over and above the existing supply of 6,989 beds to cater to its direct primary and secondary catchment population of 9.2 million.

Awards & Accolades
- NABH Accredited.

Address
Amritsar

Nature of Interest
Freehold

Hospital Services Company
International Hospital Limited ("IHL")

Interest of RHT in Hospital Services Company
100.0%

Name of Fortis Hospital
Fortis Escorts Hospital, Amritsar

Care Type
Secondary and Tertiary

Approximate Land Size (acres)
4.60

Approximate Built-up Area (sq ft)
145,948

Operational Beds as at 31 March 2018
158

Installed Bed Capacity as at 31 March 2018
166

Occupancy for FY2018
90% (FY2017: 88%)

Appraised Value by the Independent Valuer as at 31 March 2018 (INR m)
1,740 (S$35.02m)*
(FY2017: 1,550 (S$33.38m)#)

Service income (S$ m)
3.96[1] (FY2017: 3.78)[2]

* Based on exchange rate of S$1 = INR 49.68 as at 31 March 2018.
# Based on exchange rate of S$1 = INR 46.43 as at 31 March 2017.
[1] Based on an average exchange rate of S$1 = INR 47.72 as at 31 March 2018.
[2] Based on an average exchange rate of S$1 = INR 48.39 as at 31 March 2017.

ANANDPUR

Description
Anandpur Clinical Establishment is a super-specialty tertiary hospital, located on the Eastern Metropolitan Bypass Road, approximately 9.0 km from the city centre. The key specialties of the hospital are cardiology and cardiac surgery, urology and nephrology, neurosciences, orthopaedics, renal sciences, emergency care and critical care.

Kolkata is the capital of the state of West Bengal. Located on the east bank of the Hooghly River, it is the principal commercial, cultural, and educational centre of East India, while the Port of Kolkata is India's oldest operating port as well as its sole major riverine port. Kolkata is the third most populous metropolitan area in India. As of 2011, the city had 4.5 million residents. The urban agglomeration, which comprises the city and its suburbs, was home to approximately 14.1 million residents.

Awards & Accolades
- No.2 Best Hospital in multi-specialty category in Kolkata in a survey conducted by AC Nielson for The Week Magazine.
- Received the prestigious National Energy Conservation Award from the President of India.
- NABH Accredited.

Address
Kolkata

Nature of Interest
99-years leasehold commencing August 2005 with an option to renew for another 99 years

Hospital Services Company
International Hospital Limited ("IHL")

Interest of RHT in Hospital Services Company
100.0%

Name of Fortis Hospital
Fortis Hospital, Anandpur, Kolkata

Care Type
Tertiary

Approximate Land Size (acres)
1.49

Approximate Built-up Area (sq ft)
295,039

Operational Beds as at 31 March 2018
200

Installed Bed Capacity as at 31 March 2018
373

Occupancy for FY2018
88% (FY2017: 88%)

Appraised Value by the Independent Valuer as at 31 March 2018 (INR m)
2,590 (S$52.13m)*
(FY2017: 2,550 (S$54.92m)#)

Service income (S$ m)
6.19[1] (FY2017: 6.07)[2]

* Based on exchange rate of S$1 = INR 49.68 as at 31 March 2018.

\# Based on exchange rate of S$1 = INR 46.43 as at 31 March 2017.

[1] Based on an average exchange rate of S$1 = INR 47.72 as at 31 March 2018.

[2] Based on an average exchange rate of S$1 = INR 48.39 as at 31 March 2017.

PORTFOLIO SUMMARY
12 CLINICAL ESTABLISHMENTS

BG ROAD

Description
BG Road Clinical Establishment is a super-specialty hospital and is located on Bannerghatta Road, opposite the Indian Institute of Management, Bengaluru. The hospital commenced operations in 2006 and its key specialties are cardiac care, neurosciences, orthopaedics, renal care and gynaecology.

Bengaluru is the capital of the Indian state of Karnataka, known as the Garden City, and is India's fifth most populous urban agglomeration. It is also known as the Silicon Valley of India because of its position as the nation's leading IT exporter. It has a bed to population ratio of 1.4 beds per 1,000 population for its primary and secondary catchment population. As of 2011, Bengaluru requires an additional 12,891 beds over and above the existing supply of 30,869 beds to cater to its direct primary and secondary catchment population of 21.9 million.

Awards & Accolades
- Awarded as the "Best Medical Tourism Hospital" at the Karnataka Tourism Awards 2016.
- Awarded "Best Patient Safety Initiative", "Best CSR Practices in Healthcare" and "Best Use of Social Medial and Digital Marketing" at Times Television Network - National Marketing Excellence Awards 2017.
- JCI Accredited.

Address
Bangalore

Nature of Interest
Freehold

Hospital Services Company
International Hospital Limited ("IHL")

Interest of RHT in Hospital Services Company
100.0%

Name of Fortis Hospital
Fortis Hospital, Bannerghatta Road, Bengaluru

Care Type
Quaternary

Approximate Land Size (acres)
2.93

Approximate Built-up Area (sq ft)
357,432

Operational Beds as at 31 March 2018
258

Installed Bed Capacity as at 31 March 2018
258

Occupancy for FY2018
74% (FY2017: 73%)

Appraised Value by the Independent Valuer as at 31 March 2018 (INR m)
4,540 (S$91.38m)*
(FY2017: 4,500 (S$96.92m)#)

Service income (S$ m)
10.81[1] (FY2017: 10.35)[2]

* Based on exchange rate of S$1 = INR 49.68 as at 31 March 2018.
\# Based on exchange rate of S$1 = INR 46.43 as at 31 March 2017.
[1] Based on an average exchange rate of S$1 = INR 47.72 as at 31 March 2018.
[2] Based on an average exchange rate of S$1 = INR 48.39 as at 31 March 2017.

FARIDABAD

Description
Faridabad Clinical Establishment is a multi-specialty secondary hospital, located on Neelam Bata Road in the New Industrial Township in Faridabad. The hospital was established in 1982 and its key specialties are cardiac sciences, neurosciences, orthopaedics, gynaecology, emergency services and gastroenterology.

Faridabad comes under the Gurgaon Division of Haryana and is about 25.0 km from Delhi. It is an important city and a major industrial and commercial centre in Haryana. It has a bed to population ratio of 1.11 beds per 1,000 population for its primary and secondary catchment population. Faridabad requires an additional 3,213 beds over and above the existing supply of 4,033 beds to cater to its direct primary and secondary catchment population of 3.6 million.

Awards & Accolades
- NABH Accredited.
- Recognised as the "Best Heart Hospital" at the double helical State Health Awards 2017.

Address
Faridabad

Nature of Interest
Freehold

Hospital Services Company
International Hospital Limited ("IHL")

Interest of RHT in Hospital Services Company
100.0%

Name of Fortis Hospital
Fortis Escorts Hospital, Faridabad

Care Type
Secondary

Approximate Land Size (acres)
5.07

Approximate Built-up Area (sq ft)
177,330

Operational Beds as at 31 March 2018
210

Installed Bed Capacity as at 31 March 2018
210

Occupancy for FY2018
78% (FY2017: 84%)

Appraised Value by the Independent Valuer as at 31 March 2018 (INR m)
1,320 (S$26.57m)*
(FY2017: 1,200 (S$25.84m)#)

Service income (S$ m)
4.95[1] (FY2017: 4.90)[2]

* Based on exchange rate of S$1 = INR 49.68 as at 31 March 2018.
# Based on exchange rate of S$1 = INR 46.43 as at 31 March 2017.
1 Based on an average exchange rate of S$1 = INR 47.72 as at 31 March 2018.
2 Based on an average exchange rate of S$1 = INR 48.39 as at 31 March 2017.

PORTFOLIO SUMMARY 12 CLINICAL ESTABLISHMENTS

GURGAON

Description
Gurgaon Clinical Establishment is a multi-specialty tertiary hospital, located in Sector 44, Gurgaon. The key specialties of the hospital are trauma, paediatrics, oncology, cardiac sciences, gynaecology and orthopaedics.

Gurgaon is the sixth largest city in the state of Haryana and one of the major cities of the National Capital Region ("NCR"). It is the main industrial and financial centre of Haryana, and is slated to be among the top 12 mega cities in India by 2021. It has the third highest per capita income in India and with over 40 malls, it is considered the Mall Capital of India. It has a bed to population ratio of 1.66 beds per 1,000 population for its primary and secondary catchment population. As of 2011, it requires an additional 1,010 beds over and above the existing supply of 5,034 beds to cater to its direct primary and secondary catchment population of 3.0 million.

Awards & Accolades
- 2nd globally on '30 Most Technologically Advanced Hospitals in the World' by 'topmastersinhealthcare.com'.
- Won two awards under "Process Innovation" and "Safety" categories of Frost and Sullivan's Project Evaluation & Recognition Programme 2015.

Address
Gurgaon

Nature of Interest
Freehold

Hospital Services Company
Fortis Hospotel Limited ("FHTL")

Interest of RHT in Hospital Services Company
49.0%

Name of Fortis Hospital
Fortis Escorts Hospital, Gurgaon

Care Type
Tertiary

Approximate Land Size (acres)
10.70

Approximate Built-up Area (sq ft)
711,922

Operational Beds as at 31 March 2018
290

Installed Bed Capacity as at 31 March 2018
450

Occupancy for FY2018
64% (FY2017: 67%)

Appraised Value by the Independent Valuer as at 31 March 2018 (INR m)^
10,829 (S$217.97m)*
(FY2017: 10,045 (S$216.34m)#)

Service income (S$ m)@
16.86[1] (FY2017: 24.66)[2]

^ The valuation has been adjusted for RHT's 49.0% economic interest.

* Based on exchange rate of S$1 = INR 49.68 as at 31 March 2018.

Based on exchange rate of S$1 = INR 46.43 as at 31 March 2017.

@ For FY2017, includes Gurgaon Clinical Establishment's service income up till 12 October 2016 and 49.0% share of result from 13 October 2016 to 31 March 2017.

1 Based on an average exchange rate of S$1 = INR 47.72 as at 31 March 2018.

2 Based on an average exchange rate of S$1 = INR 48.39 as at 31 March 2017.

JAIPUR

Description
Jaipur Clinical Establishment is a multi-specialty tertiary hospital, located on the main road of Jawahar Lal Nehru Marg in Malviya Nagar, Jaipur. The hospital commenced operations in 2007 and its key specialties are cardiac sciences, orthopaedics, neurosciences, renal sciences, gynaecology and gastrointestinal diseases.

Jaipur is the capital and largest city of the state of Rajasthan. The city has a population of 3.1 million and is known as the Pink City of India. Jaipur is a centre for both traditional and modern industries.

Awards & Accolades
- Won top honours at the Quality Council of India-D.L. Shah Awards for the fifth time consecutively in 2017.
- Won the Quality Council of India ("QCI") D.L. Shah Award for the fourth time in a row under Lean Six Sigma project titled "Dock to Stock Cycle Reduction Time in Critical Care Kaizen".

Address
Jaipur

Nature of Interest
99-years leasehold commencing
24 November 1999

Hospital Services Company
Escorts Heart and Super Specialty Hospital Limited ("EHSSHL")

Interest of RHT in Hospital Services Company
100.0%

Name of Fortis Hospital
Fortis Escorts Hospital, Jaipur

Care Type
Tertiary

Approximate Land Size (acres)
6.68

Approximate Built-up Area (sq ft)
343,648

Operational Beds as at 31 March 2018
271

Installed Bed Capacity as at 31 March 2018
320

Occupancy for FY2018
59% (FY2017: 67%)

Appraised Value by the Independent Valuer as at 31 March 2018 (INR m)
5,250 (S$105.67m)*
(FY2017: 4,960 (S$106.82m)#)

Service income (S$ m)
10.89[1] (FY2017: 10.80)[2]

* Based on exchange rate of S$1 = INR 49.68 as at 31 March 2018.
# Based on exchange rate of S$1 = INR 46.43 as at 31 March 2017.
1 Based on an average exchange rate of S$1 = INR 47.72 as at 31 March 2018.
2 Based on an average exchange rate of S$1 = INR 48.39 as at 31 March 2017.

PORTFOLIO SUMMARY 12 CLINICAL ESTABLISHMENTS

KALYAN

Description
Kalyan Clinical Establishment is a multi-specialty tertiary hospital, located off Agra Road in Kalyan, Mumbai. The hospital commenced operations in 2007 and its key specialties are cardiac care, orthopaedics, neurology and renal sciences.

Mumbai is the capital of Maharashtra. It is the most populous city in India, and the fifth most populous city in the world. Along with the neighbouring urban areas, including the cities of Navi Mumbai and Thane, it is one of the most populous urban regions in the world. Mumbai is the commercial and entertainment capital of India. As of 2008, Mumbai's Gross Domestic Product ("GDP") was USD204.1 billion and its per capita income in 2009 was USD2,840, almost three times the national average. Mumbai has a bed to population ratio of 1.3 beds per 1,000 population for its primary and secondary catchment area population. As of 2011, Mumbai requires an additional 21,686 beds above the existing supply of 41,455 beds to cater to its direct primary and secondary catchment population of 31.6 million.

Awards & Accolades
- NABH Accredited.

Address
Thane

Nature of Interest
Freehold

Hospital Services Company
International Hospital Limited ("IHL")

Interest of RHT in Hospital Services Company
100.0%

Name of Fortis Hospital
Fortis Kalyan Hospital, Mumbai

Care Type
Tertiary

Approximate Land Size (acres)
0.45

Approximate Built-up Area (sq ft)
25,881

Operational Beds as at 31 March 2018
62

Installed Bed Capacity as at 31 March 2018
62

Occupancy for FY2018
65% (FY2017: 88%)

Appraised Value by the Independent Valuer as at 31 March 2018 (INR m)
230 (S$4.63m)*
(FY2017: 220 (S$4.74m)[#])

Service income (S$ m)
1.10[1] (FY2017: 1.12)[2]

* Based on exchange rate of S$1 = INR 49.68 as at 31 March 2018.
[#] Based on exchange rate of S$1 = INR 46.43 as at 31 March 2017.
[1] Based on an average exchange rate of S$1 = INR 47.72 as at 31 March 2018.
[2] Based on an average exchange rate of S$1 = INR 48.39 as at 31 March 2017.

MALAR

Description
Malar Clinical Establishment is a multi-specialty secondary and tertiary hospital, located on Gandhi Nagar First Main Road, Adyar, Chennai. The hospital was established in 1992 and its key specialties are cardiac sciences, neurosciences, orthopaedics, renal sciences and gynaecology.

Chennai is the fourth most populous metropolitan city and the sixth most populous city in India. The urban agglomeration of metropolitan Chennai has an estimated population of over 8.2 million.

Chennai's economy has a broad industrial base in the automobile, computer, technology, hardware manufacturing, and healthcare industries. Chennai zone contributes 39.0% of the state's Gross Domestic Product ("GDP"). It has a bed to population ratio of 1.6 beds per 1,000 population for its primary and secondary catchment area population. As of 2011, Chennai requires an additional 7,413 beds over and above the existing supply of 31,659 beds to cater to its direct primary and secondary catchment population of 19.5 million.

Awards & Accolades
- Won the top honours at the CII 18th National Awards for Excellence in Energy Management in the Building Category.

Address
Chennai

Nature of Interest
Freehold

Hospital Services Company
Fortis Health Management Limited ("FHML")

Interest of RHT in Hospital Services Company
100.0%

Name of Fortis Hospital
Fortis Malar Hospital

Care Type
Secondary and Tertiary

Approximate Land Size (acres)
0.68

Approximate Built-up Area (sq ft)
107,922

Operational Beds as at 31 March 2018
151

Installed Bed Capacity as at 31 March 2018
178

Occupancy for FY2018
58% (FY2017: 61%)

Appraised Value by the Independent Valuer as at 31 March 2018 (INR m)
1,490 (S$29.99m)*
(FY2017: 1,240 (S$26.71m)#)

Service income (S$ m)
4.45[1] (FY2017: 4.14)[2]

* Based on exchange rate of S$1 = INR 49.68 as at 31 March 2018.
\# Based on exchange rate of S$1 = INR 46.43 as at 31 March 2017.
[1] Based on an average exchange rate of S$1 = INR 47.72 as at 31 March 2018.
[2] Based on an average exchange rate of S$1 = INR 48.39 as at 31 March 2017.

PORTFOLIO SUMMARY
12 CLINICAL ESTABLISHMENTS

MOHALI

Description
The Mohali Clinical Establishment is located in Sector 62 of Mohali, a city close to Chandigarh in northwest India. It is a multispecialty hospital which provides emergency trauma care services, and serves as a "hub" for a number of smaller, secondary hospitals in the surrounding areas. The hospital commenced operations in 2001 and its key specialties are cardiac sciences, orthopaedics and joint replacement, neurosciences, renal care, medical and surgical gastroenterology and medical and surgical oncology. The hospital includes a super-specialty cardiac centre equipped to provide advanced cardiac treatments for all forms of heart disease, a cancer institute and a general multi-specialty hospital.

Chandigarh has a bed to population ratio of 1.5 beds per 1,000 population for its primary and secondary catchment area population. As of 2011, Chandigarh requires an additional 546 beds above the existing supply of 5,875 beds to cater to its direct primary and secondary catchment population of 3.2 million.

The Group, through its subsidiary, successfully bidded for a freehold piece of land designated for hospital use offered by the Greater Mohali Area Development Authority ("GMADA") (the "Land") through a public auction held on 18 August 2015. The acquisition of the Land was completed on 10 February 2016. The Land is an extension of the Mohali Clinical Establishment.

Awards & Accolades
- Recognised as Best Hospital in Paediatric Cardiac Sciences at the 3rd Advantage Healthcare India 2017.
- Won top honours at the CII 18th National Awards for Excellence in Energy Management in building category.
- JCI Accredited.

Address
Mohali

Nature of Interest
Freehold

Hospital Services Company
Escorts Heart and Super Specialty Hospital Limited ("EHSSHL")

Interest of RHT in Hospital Services Company
100.0%

Name of Fortis Hospital
Fortis Hospital, Mohali

Care Type
Tertiary

Approximate Land Size (acres)
13.72

Approximate Built-up Area (sq ft)
465,024

Operational Beds as at 31 March 2018
348

Installed Bed Capacity as at 31 March 2018
355

Occupancy for FY2018
72% (FY2017: 80%)

Appraised Value by the Independent Valuer as at 31 March 2018 (INR m)
2,540 (S$51.13m)*
(FY2017: 3,130 (S$67.41m)#)

Service income (S$ m)
10.02[1] (FY2017: 10.13)[2]

Mohali Land:

Nature of Interest
Freehold

Hospital Services Company
International Hospital Limited ("IHL")

Potential Bed Capacity as at 31 March 2018
480

Planned Built-up Area (sq ft)
575,000

Appraised Value by the Independent Valuer as at 31 March 2018 (INR m)
1,368 (S$27.54m)*
(FY2017: 1,316 (S$28.34m)#)

* Based on exchange rate of S$1 = INR 49.68 as at 31 March 2018.
# Based on exchange rate of S$1 = INR 46.43 as at 31 March 2017.
[1] Based on an average exchange rate of S$1 = INR 47.72 as at 31 March 2018.
[2] Based on an average exchange rate of S$1 = INR 48.39 as at 31 March 2017.

MULUND

Description
Mulund Clinical Establishment is a multi-specialty quaternary hospital located on the Goregaon Mulund Link Road in the north eastern part of Mumbai. The hospital was established in 2002 and its key specialties are cardiac sciences, oncology, neurosciences, orthopaedics and gynaecology.

Mumbai is the capital of Maharashtra. It is the most populous city in India, and the fifth most populous city in the world. Along with the neighbouring urban areas, including the cities of Navi Mumbai and Thane, it is one of the most populous urban regions in the world. Mumbai is the commercial and entertainment capital of India. As of 2008, Mumbai's Gross Domestic Product ("GDP") was USD204.1 billion and its per capita income in 2009 was USD2,840, almost three times the national average. Mumbai has a bed to population ratio of 1.3 beds per 1,000 population for its primary and secondary catchment area population. As of 2011, it requires an additional 21,686 beds above the existing supply of 41,455 beds to cater to its direct primary and secondary catchment population of 31.6 million.

Awards & Accolades
- Awarded the "Best Hospital Unit in Cardiac Care" and the "Best Medical Tourism Facility" at the CIMS Healthcare Excellence Awards 2016.
- Project 'One Fortis: Training in Action' won at the Asian Hospital Management Awards 2017.
- Awarded top honours at the CII 18th National Awards for Excellence in Energy Management in building category.
- JCI Accredited.

Address
Mumbai

Nature of Interest
Right to operate and manage the land and building for 20 years with effect from 17 December 2009, with an option to renew for another 20 years.

Hospital Services Company
International Hospital Limited ("IHL")

Interest of RHT in Hospital Services Company
100.0%

Name of Fortis Hospital
Fortis Mulund Hospital, Mumbai

Care Type
Quaternary

Approximate Land Size (acres)
8.15

Approximate Built-up Area (sq ft)
348,105

Operational Beds as at 31 March 2018
303

Installed Bed Capacity as at 31 March 2018
567

Occupancy for FY2018
63% (FY2017: 80%)

Appraised Value by the Independent Valuer as at 31 March 2018 (INR m)
7,170 (S$144.32m)*
(FY2017: 6,830 (S$147.10m)#)

Service income (S$ m)
14.90[1] (FY2017: 14.91)[2]

* Based on exchange rate of S$1 = INR 49.68 as at 31 March 2018.
\# Based on exchange rate of S$1 = INR 46.43 as at 31 March 2017.
1 Based on an average exchange rate of S$1 = INR 47.72 as at 31 March 2018.
2 Based on an average exchange rate of S$1 = INR 48.39 as at 31 March 2017.

PORTFOLIO SUMMARY
12 CLINICAL ESTABLISHMENTS

NOIDA

Description
Noida Clinical Establishment is a multi-specialty quaternary hospital located in Sector 62, Noida. The hospital was established in 2004 and its key specialties are cardiac sciences, gynaecology, neurosciences, orthopaedics, renal sciences, gastroenterology and oncology services.

The New Okhla Industrial Development Authority ("NOIDA") city was created under the Uttar Pradesh ("UP") Industrial Area Development Act. It is located in Gautam Budh Nagar district of UP state and is only 14.0 km away from Connaught Place, Delhi. It is well connected via rail and road to key cities in UP and India. Noida has a bed to population ratio of 0.97 beds per 1,000 population for its primary and secondary catchment population. As of 2011, Noida requires an additional 3,458 beds over and above the existing supply of 3,268 beds to cater to its direct primary and secondary catchment population of 3.4 million.

Awards & Accolades
- Won 'Comprehensive Neurosciences Service Provider of the Year' award at Frost and Sullivan's 7th Annual India Healthcare Excellence Awards 2015.
- National Energy Conservation Award.

Address
Noida

Nature of Interest
90 years leasehold commencing 2 January 1996

Hospital Services Company
International Hospital Limited ("IHL")

Interest of RHT in Hospital Services Company
100.0%

Name of Fortis Hospital
Fortis Hospital, Noida

Care Type
Quaternary

Approximate Land Size (acres)
5.54

Approximate Built-up Area (sq ft)
271,568

Operational Beds as at 31 March 2018
191

Installed Bed Capacity as at 31 March 2018
200

Occupancy for FY2018
80% (FY2017: 84%)

Appraised Value by the Independent Valuer as at 31 March 2018 (INR m)
6,460 (S$130.03m)*
(FY2017: 6,260 (S$134.82m)#)

Service income (S$ m)
13.48[1] (FY2017: 13.39)[2]

* Based on exchange rate of S$1 = INR 49.68 as at 31 March 2018.
# Based on exchange rate of S$1 = INR 46.43 as at 31 March 2017.
[1] Based on an average exchange rate of S$1 = INR 47.72 as at 31 March 2018.
[2] Based on an average exchange rate of S$1 = INR 48.39 as at 31 March 2017.

SHALIMAR BAGH

Description
Shalimar Bagh Clinical Establishment is a multi-specialty hospital. It is located in the northern part of Delhi. The hospital was established in 2010 and its key specialties are cardiac sciences, neurosciences, renal sciences, orthopaedics, obstetrics and gynaecology.

National Capital Territory of Delhi ("NCT") is the largest metropolis by area and the second-largest metropolis by population in India. It comprises nine districts and three statutory towns and the capital of India, New Delhi, falls under the administration of the statutory town, New Delhi Municipal Committee ("NDMC"). NCT has a bed to population ratio of 1.7 beds per 1,000 population for its primary catchment. As of 2011, NCT requires an additional 6,839 beds over and above the existing supply of 39,595 beds to cater to its direct primary and secondary catchment population of 23.2 million.

Awards & Accolades
- NABH Accredited.

Address
New Delhi

Nature of Interest
Perpetual leasehold commencing December 2003

Hospital Services Company
Fortis Hospotel Limited ("FHTL")

Interest of RHT in Hospital Services Company
49.0%

Name of Fortis Hospital
Fortis Hospital, Shalimar Bagh

Care Type
Tertiary

Approximate Land Size (acres)
7.34

Approximate Built-up Area (sq ft)
388,641

Operational Beds as at 31 March 2018
229

Installed Bed Capacity as at 31 March 2018
350

Occupancy for FY2018
74% (FY2017: 75%)

Appraised Value by the Independent Valuer as at 31 March 2018 (INR m)^
4,684 (S$94.29m)*
(FY2017: 4,435 (S$95.52m)#)

Service income (S$ m)@
10.13[1] (FY2017: 14.54)[2]

^ The valuation has been adjusted for RHT's 49.0% economic interest.

* Based on exchange rate of S$1 = INR 49.68 as at 31 March 2018.

Based on exchange rate of S$1 = INR 46.43 as at 31 March 2017.

@ For FY2017, includes Shalimar Bagh Clinical Establishment's service income up till 12 October 2016 and 49.0% share of result from 13 October 2016 to 31 March 2017.

1 Based on an average exchange rate of S$1 = INR 47.72 as at 31 March 2018.

2 Based on an average exchange rate of S$1 = INR 48.39 as at 31 March 2017.

PORTFOLIO SUMMARY
2 OPERATING HOSPITALS

NAGARBHAVI

Description
Nagarbhavi Clinical Establishment has received the NABH accreditation and offers a range of specialised secondary healthcare, including non-invasive cardiac sciences, neurosciences, orthopaedics, renal sciences and gastroenterology.

Awards & Accolades
- NABH Accredited.

Address
Bengaluru

Nature of Interest
Fifteen years lease commencing 15 March 2012

Hospital Services Company
Fortis Health Management Limited ("FHML")

Interest of RHT in Hospital Services Company
100.0%

Name of Fortis Hospital
Fortis Hospital, Nagarbhavi, Bengaluru

Care Type
Secondary

Approximate Land Size (acres)
0.49

Approximate Built-up Area (sq ft)
63,645

Operational Beds as at 31 March 2018
45

Installed Bed Capacity as at 31 March 2018
62

Occupancy for FY2018
72% (FY2017: 74%)

Appraised Value by the Independent Valuer as at 31 March 2018 (INR m)
750 (S$15.10m)*
(FY2017: 920 (S$19.81m)#)

* Based on exchange rate of S$1 = INR 49.68 as at 31 March 2018.
# Based on exchange rate of S$1 = INR 46.43 as at 31 March 2017.

RAJAJINAGAR

Description

The Rajajinagar Operating Hospital commenced operations in 2007. It is a multi-specialty hospital in Bengaluru, where it provides a range of specialised secondary healthcare, including non-invasive cardiac sciences, neurosciences, orthopaedics, renal sciences and gastroenterology.

Address
Bengaluru

Nature of Interest
Nine years eleven months lease commencing 1 April 2016 (Old Block)

Nine years eleven months lease commencing 1 September 2012 (New Block)

Hospital Services Company
International Hospital Limited ("IHL")

Interest of RHT in Hospital Services Company
100.0%

Name of Fortis Hospital
Fortis Hospital, Rajajinagar, Bengaluru

Care Type
Secondary

Approximate Land Size (acres)
0.25

Approximate Built-up Area (sq ft)
20,011

Operational Beds as at 31 March 2018
48

Installed Bed Capacity as at 31 March 2018
52

Occupancy for FY2018
67% (FY2017: 56%)

Appraised Value by the Independent Valuer as at 31 March 2018 (INR m)
340 (S$6.84m)*
(FY2017: 400 (S$8.61m)#)

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* Based on exchange rate of S$1 = INR 49.68 as at 31 March 2018.

Based on exchange rate of S$1 = INR 46.43 as at 31 March 2017.

PORTFOLIO SUMMARY
4 GREENFIELD CLINICAL ESTABLISHMENTS

LUDHIANA

The proposed hospital at the Ludhiana Greenfield Clinical Establishment will be located on Mall Road, one of the prime commercial roads in Ludhiana. The project has been placed on hold due to the Proposed Disposal that was announced on 13 February 2018.

Address
Ludhiana

Nature of Interest
Freehold

Hospital Services Company
Hospitalia Eastern Private Limited ("HEPL")

Interest of RHT in Hospital Services Company
100.0%

Proposed Care Type
Quaternary

Approximate Land Size (acres)
0.48

Planned Built-up Area (sq ft)
122,913

Potential Bed Capacity as at 31 March 2018
70

Appraised Value by the Independent Valuer as at 31 March 2018 (INR m)
1,380 (S$27.78m)*
(FY2017: 1,250 (S$26.92m) #)

CHENNAI

The Chennai Greenfield Clinical Establishment will be located on First Main Road, Gandhi Nagar, and will be an expansion to the Chennai, Malar Clinical Establishment. This is still in the development phase and pending approval from the local state authorities to proceed with the expansion.

Address
Chennai

Nature of Interest
Freehold

Hospital Services Company
HEPL

Interest of RHT in Hospital Services Company
100.0%

Proposed Care Type
Quaternary

Approximate Land Size (acres)
0.30

Planned Built-up Area (sq ft)
38,072

Potential Bed Capacity as at 31 March 2018
45

Appraised Value by the Independent Valuer as at 31 March 2018 (INR m)
271 (S$5.45m)*
(FY2017: 266 (S$5.73m)#)

HYDERABAD

The Hyderabad Greenfield Clinical Establishment is located on the Kukatpally-Madhapur main road. The Hyderabad Greenfield Establishment is currently at a preliminary development stage. We are awaiting permission from the Hyderabad Metropolitan Development Authority for the proposed development.

Address
Hyderabad

Nature of Interest
33-year leasehold

Hospital Services Company
HEPL

Interest of RHT in Hospital Services Company
100.0%

Proposed Care Type
Tertiary

Approximate Land Size (acres)
4.00

Planned Built-up Area (sq ft)
400,000

Potential Bed Capacity as at 31 March 2018
400

Appraised Value by the Independent Valuer as at 31 March 2018 (INR m)
399 (S$8.03m)*
(FY2017: 345 (S$7.43m)#)

GREATER NOIDA

The Greater Noida Greenfield Clinical Establishment is located on Plot No. 2C, Sector Knowledge Park III, Greater Noida Industrial Development Area, Greater Noida. The Greater Noida Greenfield Clinical Establishment is currently at the preliminary planning stage.

Address
Plot No. 2C, Sector Knowledge Park III,
Greater Noida Industrial Development Area,
Greater Noida

Nature of Interest
90-year leasehold commencing 24 December 2004

Hospital Services Company
International Hospital Limited ("IHL")

Interest of RHT in Hospital Services Company
100.0%

Proposed Care Type
Tertiary

Approximate Land Size (acres)
4.89

Planned Built-up Area (sq ft)
350,000

Potential Bed Capacity as at 31 March 2018
350

Appraised Value by the Independent Valuer as at 31 March 2018 (INR m)
622 (S$12.53m)*
(FY2017: 622 (S$13.40m)#)

* Based on exchange rate of S$1 = INR 49.68 as at 31 March 2018.
# Based on exchange rate of S$1 = INR 46.43 as at 31 March 2017.

SUSTAINABILITY REPORT

For the financial year ended 31 March 2018

CONTENTS

SUSTAINABILITY REPORT

For the financial year ended 31 March 2018

BOARD STATEMENT

Dear Stakeholders,

We are pleased to publish the first Sustainability Report for RHT Health Trust ("RHT"), covering the sustainability practices and performance of the material aspects from 1 April 2017 to 31 March 2018 ("FY2018").

The Board is supportive of the new sustainability reporting requirements under the Singapore Exchange Limited ("SGX-ST") Listing Rules 711A and 711B. This Sustainability Report is aligned with the SGX sustainability guideline and prepared with reference to the Global Reporting Initiative ("GRI") Standards (2016).

RHT's Board of Directors are responsible for overseeing the management of sustainability performance and is supported by a sustainability governance team. The Board has approved RHT's material Environmental, Social and Governance ("ESG") factors and the targets for each factor for the forthcoming year.

As a responsible corporate citizen, we believe sustainability can impact the long-term value of our business. Taking a phased strategy, the first year Sustainability Report covers the performance of RHT's material ESG factors and the key commitments on managing sustainability matters. Moving on, RHT will put more effort to enhance the sustainability performance of our business operations, and gradually embed sustainability into the corporate strategy.

Aiming to create a better work place for our employees, to become a trustworthy partner to our hospital operators, and a responsible neighbour of the community, RHT continues to monitor and assure our operations in a sustainable manner, in order to pursue business opportunities while managing the sustainability risks.

This Sustainability Report is a key milestone for our sustainability journey. We are looking forward to building a sustainable business with our stakeholders and creating positive impacts for the communities we serve.

SUSTAINABILITY REPORT

For the financial year ended 31 March 2018

WHO WE ARE
[GRI 102-1] [GRI 102-2] [GRI 102-16] [GRI 102-18]

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

The investment mandate of RHT is principally to invest 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.

RHT has a portfolio of strategically located Clinical Establishments and Operating Hospitals across India, currently comprising of 12 Clinical Establishments, 4 Greenfield Clinical Establishments and 2 Operating Hospitals. The gross value of these assets is approximately S$1,086 million as at 31 March 2018.

RHT is looking at strategies that provide sustainable and steady returns to our Unitholders. In the ever expanding global healthcare system, RHT continues to tap on the potential in the Indian healthcare industry, which is set to grow to US$280 billion in 2020.

RHT cares about the community and environment. RHT is committed to sustainability that are shaped through the Group's core values of creating a sustainable business growth together with its stakeholders.

SUSTAINABILITY REPORT

For the financial year ended 31 March 2018

ABOUT THIS REPORT
[GRI 102-50]

As RHT's inaugural Sustainability Report, this report demonstrates its commitment to build a sustainable business with its stakeholders. This report covers RHT's material Environmental, Social and Governance ("ESG") issues from 1 April 2017 to 31 March 2018.

The Sustainability Report was approved by the Board of Directors on 25 June 2018.

Reporting Scope
[GRI 102-46]

RHT has a portfolio of 12 Clinical Establishments, 4 Greenfield Clinical Establishments and 2 Operating Hospitals across India. The scope of reporting was validated based on the materiality of the entities, feasibility of assessment and availability of data.

The first Sustainability Report scopes in the following 10 Clinical Establishments and 2 Operating Hospitals which are fully owned by RHT:

Clinical Establishments	Operating Hospitals
Amritsar	Nagarbhavi
Anandpur	Rajajinagar
BG Road	
Faridabad	
Jaipur	
Kalyan	
Malar	
Mohali	
Mulund	
Noida	

RHT has not sought external independent assurance for this reporting period on sustainability. Assurance may be considered in the future reporting period.

Reporting Standard
[GRI 102-54]

RHT's sustainability reporting process is guided by the principles and requirements from the SGX listing rules 711A and 711B. This report was prepared in accordance with the Global Reporting Initiative ("GRI") Standards (2016) – "core" option. The GRI Index and the relevant references are presented on pages 62 to 64 of the Annual Report.

Feedback
[GRI 102-53]

RHT seeks to enhance the accuracy, completeness and coverage of its sustainability practices and resulting Sustainability Report, and welcome suggestions for improvements.

For feedback or specific enquiries on the Sustainability Report, please kindly contact Ms. Tan Suan Hui (Head of Compliance and Investor Relations) at suanhui.tan@rhealthtrust.com for further clarification.

SUSTAINABILITY REPORT

For the financial year ended 31 March 2018

MANAGING SUSTAINABILITY

Sustainability Governance

[GRI 102-20] [GRI 102-32]

RHT's sustainability governance drives the sustainability agenda and allocates the right resources to support and achieve the key initiatives within the Group. RHT's Board of Directors are responsible for overseeing the management of sustainability performance within the Group and the development of the Sustainability Report while the Audit and Risk Management Committee ("ARMC") convenes at least once a year to review the Group's ESG performance and initiatives.

The Board of Directors are supported in its duties by the Sustainability Steering Committee ("SSC"), which is made up of senior management. The SSC monitors the sustainability performance and discusses sustainability matters with the CEO during the management meetings.

A Sustainability Working Committee ("SWC") has also been established to provide a platform to share knowledge, network, communicate and advocate sustainability matters. The SWC manages the sustainability performance against Key Performance Indicators ("KPI"), executes action plans, and communicates with stakeholders on a regular basis. A dedicated personnel from management is appointed as the Sustainability Officer, to chair the SWC and liaise with the SSC on material sustainability aspects.

Stakeholder Engagement

[GRI 102-40] [GRI 102-43]

Stakeholders are people which are likely to be affected by business decisions made by RHT (either negatively or positively), or those which can affect RHT's business. RHT makes business decisions based on ethics, long-term implications and takes into consideration concerns of our stakeholders. This includes appropriate and adequate risk management controls and action plans to ensure stakeholders' interest is taken into consideration. RHT has identified its key stakeholders based on the level of influence each stakeholder has on RHT's business decisions and RHT's level of dependence on them.

SUSTAINABILITY REPORT

For the financial year ended 31 March 2018

MANAGING SUSTAINABILITY

RHT's key stakeholders includes investors and Unitholders, the Board, clinical customers, clinical physicians, employees and regulators. The following methods are taken to engage our key stakeholders:

Stakeholders	Engagement Methods
Investors and unitholders	• Disclosure of necessary financial results, announcements, press releases and presentation slides via SGXNET and RHT's website. • Email alert subscriptions via RHT's website. • Non-deal roadshows, face-to-face meetings and conference calls. • Annual General Meetings and Extraordinary General Meetings. • Investor conference call after the release of financial results.
Clinical Customers	• Company website which includes details required by clinical customers such as doctor availability, scope of services provided, appointment bookings and healthcare package details. • Feedback and satisfaction survey from inpatients and outpatients are collected and discussed with the relevant departments on a daily basis. Corrective and preventive actions are taken as required. • Social media platforms such as Google reviews, Facebook and media campaigns.
Clinical Physicians	• Collection of feedback during regular discussions with clinical physicians at the respective committee meetings. • Various communication channels and newsletters such as Fortis Magazine. • In-house trainings and sponsorship for clinical physicians to attend workshops.
The Board	• Board meetings. • Active communication between senior management and the Board.
Employees	• Ongoing dialogue regarding any feedback or concerns. • Induction and on-boarding programmes. • Performance management and career development planning. • Employee bonding events.
Regulators	• Periodic audits conducted by various government authorities and accreditation bodies. • Compliance with mandatory reporting requirements. • Briefings and consultations on new legislations. • Attend meetings and conferences organised by government authorities, accreditation bodies and healthcare associations.

SUSTAINABILITY REPORT

For the financial year ended 31 March 2018

MANAGING SUSTAINABILITY

Materiality Assessment
[GRI 102-47]

To determine and prioritise the ESG factors that are material to the organisation, RHT conducted a materiality assessment workshop. An independent sustainability consultant was engaged to facilitate this process. The assessment covered RHT's key operational functions, and was conducted in accordance with the GRI Materiality Principle taking into consideration the global and local emerging sustainability trends and the material topics commonly reported by RHT's peers. Insights gained from day to day interactions with stakeholders were also considered in the assessment process.

Management identified seven factors which are material to RHT. The performance with regards to these factors is discussed in this Sustainability Report. Please also refer to the Annual Report for more information about the material factors – Economic Performance (see pages 2 to 5) and Corporate Governance (see pages 65 to 90) for the financial year ended 31 March 2018.

The seven material factors listed below form the core of RHT's Sustainability Report.

Category	No.	Material Factors	Disclosure
Economic	**1**	Economic Performance	• Direct economic value generated and distributed
	2	Anti-Corruption	• Communication and training about anti-corruption policies and procedures
Environment	**3**	Environmental Compliance	• Non-compliance with environmental laws and regulations
	4	Energy	• Energy consumption within the organisation
Social	**5**	Employment	• Benefits provided to full-time employees by significant locations of operation
	6	Training and Education	• Average hours of training per year per employee by gender, and by employee category
Governance	**7**	Corporate Governance	• Sufficient levels of rules, systems, practices and processes by which a company is directed and controlled

SUSTAINABILITY REPORT
For the financial year ended 31 March 2018

ECONOMIC

ECONOMIC PERFORMANCE
[GRI 201-1]

FY2018 Highlights

Performance Measurement		Value (SGD $)	
		FY2017	FY2018
Revenue Growth	Average Revenue per Occupancy Bed [1] (S$)	14.03	14.62
	Occupancy [1]	77%	71%
Operating Cost	Employee Wages and Benefits (S$'000)	2,941	3,062
	Weighted Average Cost of Borrowing	6.0%	6.4%
	Other Operating Cost (S$'000)	47,789	49,530
Payment to the Government	Tax (S$'000)	11,321	10,550
	Penalty	-	-
Distribution to the Community	Corporate Social Responsibility ("CSR") Cost to Revenue [2]	0.13%	0.06%
Distributable Income to Unitholders	Distribution per Unit (S$ cents)	5.95	4.51
Economic Value Retained	"Direct Economic Value Generated" less "Economic Value Distributed" (S$'000)	2,525	1,922

The healthcare sector has grown to be one of India's largest sectors, both in terms of revenue and employment. The growth in demand calls for a corresponding increase in the number of hospital beds that are required in the country. However, India continues to face a widening demand supply gap of beds and medically-trained staff alongside growing incidences of age and lifestyle related chronic diseases due to a growing middle class and affluence. RHT's capital structure allows the group to tap on opportunities within the private healthcare market in India that provide attractive returns.

Profitability and value creation are key to RHT's sustainable development. RHT considers the risks and opportunities related to its business to achieve economic and financial value and at the same time, meet the needs of the investors, employees and the regulators. RHT also takes the environmental impacts into consideration, such as conservation of natural resources. The value generated by these various resources can be identified in terms of financial, employment and social value creation. By measuring these impacts, RHT identifies indicators that show how it creates not just financial value but also social and environmental value. Long-term profitability is crucial for bringing about long-term value creation and returns for RHT's stakeholders. RHT will continue to differentiate itself through the ongoing commitment to excellence and stakeholder value creation.

[1] These numbers are presented on the basis of 100.0% economic interest in Fortis Hospotel Limited ("FHTL").

[2] CSR costs are taken up in FHTL, an associate of RHT. The Group retains 49.0% of economic interest in FHTL. 49% of CSR costs in FHTL was compared against the consolidated total revenue of RHT and 49% of FHTL's revenue.

SUSTAINABILITY REPORT

For the financial year ended 31 March 2018

ECONOMIC

ECONOMIC PERFORMANCE
[GRI 201-1]

In managing economic performance, RHT implements the following policies and procedures at the Group level:

- **Remuneration Policy**
  RHT's remuneration packages are aligned with market benchmarks and are based on employee performance as well as roles and responsibilities. RHT also reviews the remuneration package received by each employee annually as part of the annual performance review.

- **Capital Management Policy**
  The Trustee-Manager employs an appropriate mix of debt and equity to finance the acquisition and enhancement initiatives of medical and healthcare assets under RHT's portfolio. As at 31 March 2018, RHT has a gearing ratio of approximately 25.4%, within the gearing limit of 60% as set out in RHT's Trust Deed.

- **Distribution Policy**
  RHT's current policy is to distribute at least 90% of its Distributable Income on a semi-annual basis, for every six-month period ending 30 September and 31 March. For the year ended 31 March 2018, the Trustee-Manager distributed 95% of its Distributable Income. The 5% which was retained will be used to fund existing asset enhancement initiatives and operational requirements.

- **Corporate Giving Policy**
  RHT's India subsidiaries aim to spend 2% of its three-year average net profit towards improving the quality of life of the citizens of India. These activities include promoting preventive healthcare and sanitation, education, gender equality etc.

For FY2018, the Group achieved, in Indian Rupee terms, a 4.0% increase in revenue while the net service fee and hospital income increased by 4.0% for the year ended 31 March 2018.

RHT believes that the earnings retained for investments in the resources and businesses for growth should benefit all the stakeholders overtime. Value generated is distributed to RHT's stakeholders in terms of tangible financial value and other intangible benefits:

Stakeholders	Benefits Distributed to the Stakeholders
Unitholders	RHT pays semi-annual distributions to its Unitholders.
Employees	Discretionary bonus paid to employees through variable cash bonus.
Community	RHT recognises the need to give back to and support the communities that it operates in. Through staff volunteering during working hours, RHT hopes to support the prosperity of a myriad of communities and charity initiatives.

Please find more details about the Group and individual Clinical Establishment performance in the Financial Highlights (page 2), Performance Highlights (page 3) and Portfolio Summary (page 30 to 43) section of the Annual Report.

SUSTAINABILITY REPORT

For the financial year ended 31 March 2018

ECONOMIC

ANTI CORRUPTION
[GRI 205-2]

FY2018 Highlights

KPI	FY2017	FY2018	Target
Average hours of anti-corruption training per employee	N/A*	1	1 hour of anti-corruption training per employee
Governance body members that underwent anti-corruption training (%)	N/A*	60%	Anti-corruption training attended by all governance body members
Employees that underwent anti-corruption training (%)	N/A*	50%	Anti-corruption training attended by all employees
Number of incidents of corruption	0	0	Zero incidents of corruption

* Anti-corruption training commenced with effect from February 2018.

Corruption and fraud cases can have significant legal, reputational and financial implications on RHT as well as a negative impact on its stakeholders and business operations. RHT is dedicated towards the reduction of corruption related risks. Training is provided to employees such that they are aware of its code of conduct and anti-corruption policies and procedures. Anti-corruption training for governance body members and employees commenced with effect from February 2018. RHT is still in the process of rolling out anti-corruption training to all governance body members and employees.

The Trustee-Manager has put in place processes to uphold high standards of integrity in its business operations and conduct. Relevant policies are listed below:

- **Code of Conduct**
  RHT's code of conduct is set out in its Employee Handbook and employees are required to familiarise themselves and comply as part of upholding RHT's business values.

- **Gifts and Entertainment Policy**
  The Trustee-Manager has an established policy for receiving and providing gifts and entertainment. Confirmation on gifts and entertainment are obtained from employees at RHT's India Corporate Office every month.

- **Whistleblowing Policy**
  The Whistleblowing Policy provides for both the employees and the public an avenue to raise concerns to both the Head of Compliance of the Trustee-Manager and/or the Chairman of the ARMC. Investigations will commence upon receiving a whistleblowing report and follow up actions will be taken if required.

- **Anti-corruption Handbook**
  RHT has an established an Anti-corruption Handbook comprising of policies and procedures as well as training modules with respect to anti-corruption. Training is provided to employees such that they are aware of RHT's anti-corruption policies and procedures.

Communication and training about code of conduct and anti-corruption policies and procedures are conducted for all employees annually. RHT aims for zero incidents of corruption and anti-corruption training attended by all of RHT's employees and governance body members.

SUSTAINABILITY REPORT

For the financial year ended 31 March 2018

ENVIRONMENTAL

ENVIRONMENTAL COMPLIANCE
[GRI 307-1]

FY2018 Highlights

KPI	FY2017	FY2018	Target
Number of fines or sanctions for non-compliance with applicable environmental laws and regulations	0	0	Zero fines or sanctions for non-compliance with applicable environmental laws and regulations

RHT is dedicated towards complying with all applicable environmental legislations and regulations, which includes the following:

- Air (Prevention & Control of Pollution) Act, 1981
- The Environment (Protection) Act, 1986
- The Bio-medical Waste (Management and Handling) Rules, 1998
- The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008
- The Water (Prevention and Control of Pollution) Act, 1974

RHT recognises that it is important to create a positive influence on the environmental habits of our customers, suppliers and partners. In this regard, one of our priorities is to achieve more sustainable outcomes by finding solutions to environmental challenges.

- **Pre-investment Environmental Risk Assessment**
  RHT's business scope includes the construction and/or expansion of new and existing Clinical Establishments. However, before undertaking such activities, management looks into the environmental impact of such activities and the ways the natural surroundings can be protected while starting the business.

  RHT has a formal process of integrating ESG factors while considering new acquisitions. As part of the acquisition process, a Due Diligence Checklist is used. It covers a complete assessment of all licenses and approvals which must be obtained for the target hospital.

- **Asset Environmental Performance Monitoring**
  Where possible, RHT incorporates environmentally friendly building practices into its new development projects. The Platinum LEED Certification is a set of rating systems for the design, construction and maintenance of green buildings, homes and neighbourhoods that aim to help building owners and operators be environmentally responsible and use resources efficiently. To date, one of RHT's Clinical Establishments has achieved the Platinum LEED Certification. The design of the Ludhiana Clinical Establishment encourages the optimised usage of both natural and material resources to better manage the available space and increase productivity. Effort was also made to source building materials locally where possible, prefabricated materials and products were also used to minimise noise and environmental pollution for the neighbourhood.

- **Biomedical Waste Treatment**
  Policies and procedures for the disposal of biomedical waste and sewage treatment plant processes are in place to ensure that business operations are compliant with environmental laws and regulations regarding biomedical waste disposal and the treatment and transport of biomedical waste. Staff training for these areas are also provided to raise awareness.

SUSTAINABILITY REPORT

For the financial year ended 31 March 2018

ENVIRONMENTAL

ENVIRONMENTAL COMPLIANCE
[GRI 307-1]

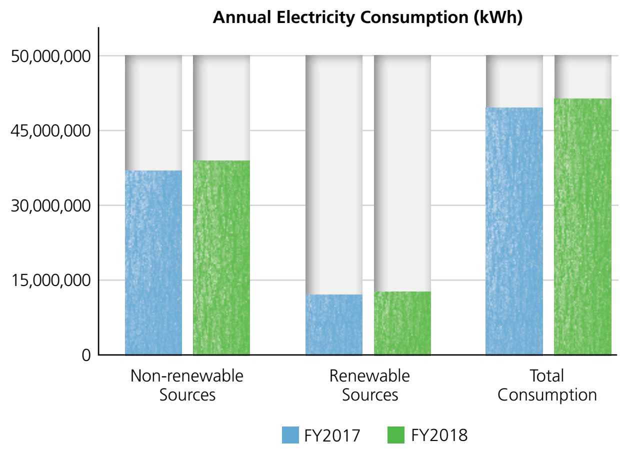
There were no instances of recommendations for improvement received from the Central Pollution Control Board ("CPCB") for FY2018.

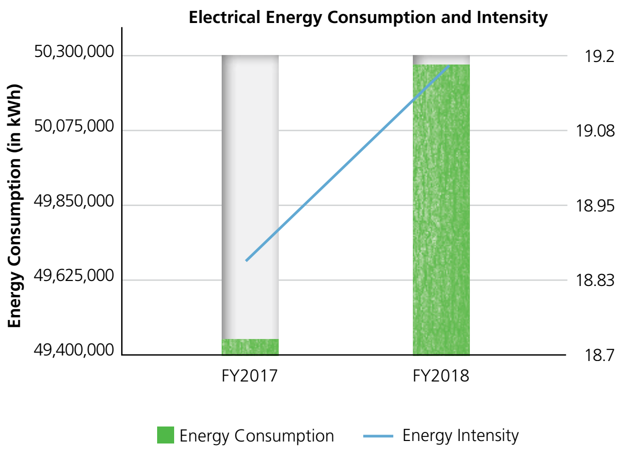
In FY2018, RHT complied with all applicable legislation regarding recycling, waste disposal and the treatment and transport of hazardous waste. All medical waste is treated as hazardous waste and onsite collection is separated from other waste categories. Only licensed transportation companies transport the hazardous waste to waste incineration stations.

RHT strives to continue managing the business operations such that we comply with environmental regulations and laws as well as the internal policies and procedures, in order to minimise and prevent pollution.

ENERGY
[GRI 302-1]

FY2018 Highlights





SUSTAINABILITY REPORT

For the financial year ended 31 March 2018

ENVIRONMENTAL

ENERGY
[GRI 302-1]

Generating electricity from renewable energy offers multiple health benefits. Wind and solar systems have minimal or no associated air pollution emissions nor impact water resources and its supply.

RHT's Clinical Establishments take an active stance in doing its part for the environment. RHT's energy consumption is important to its operations as it impacts its business and environment directly. As such, RHT places emphasis on monitoring and managing energy consumption in order to reduce its operational cost and minimise its environmental footprint. Various measures and procedures are taken by the individual Clinical Establishments to reduce energy consumption:

- **Usage of Renewable Energy**
  The BG Road and Mulund Clinical Establishments are currently the first of RHT's Clinical Establishments to use wind energy. Approximately 15% of the energy utilised at these Clinical Establishments are powered by wind energy generated by a provider in India. RHT's Faridabad Clinical Establishment uses electricity generated from its solar power plant which was installed in 2016.

- **Usage of Electricity Saving Equipment**
  RHT's corporate office, Clinical Establishments and Operating Hospitals make use of electricity saving equipment such as LED lighting, motion sensor lighting as well as energy efficient IT and office equipment.

- **Building Management System**
  RHT's Clinical Establishments and Operating Hospitals are installed with a Building Management System which controls the power system, lighting, ventilation, security system and fire system in the building. This helps to reduce the environmental impact and save energy costs.

SUSTAINABILITY REPORT

For the financial year ended 31 March 2018

ENVIRONMENTAL

ENERGY
[GRI 302-1]

RHT's efforts in sustainability has been recognised through several awards and certificates:

- **Platinum LEED Certification**
  Platinum LEED certification is a set of rating systems for the design, construction, operation and maintenance of green buildings, homes and neighbourhoods that aims to help building owners and operators be environmentally responsible and use resources efficiently.

  To date, one of RHT's Clinical Establishments, Ludhiana, has achieved the Platinum LEED Certification. Refer to page 55 of the Annual Report for more details.

- **National Energy Conservation Award**
  The National Energy Conservation Award ("NECA") aims to promote the efficient utilisation and conservation of energy levels among companies in India. Awards are given out to companies which have achieved such goals and the adoption of clean and innovative technologies by the Ministry of Power, India.

  To date, six of our Clinical Establishments have received this NECA award in recognition for its effort in energy conservation. In particular, the Noida Clinical Establishment has won the NECA award numerous times, reflecting success in their strive to conserve energy and natural resources. This has led to cost savings over the years.

Year	Clinical Establishment
2016	Noida
2015	Noida and Mohali
2014	Nagarbhavi and BG Road
2013	Anandpur
2012	Mulund
2011	Noida

- **CII National Award for Excellence in Energy Management**
  Each year, the Confederation of India recognises energy efficient companies which undertake energy conservation initiatives and reduce carbon emission.

Year	Clinical Establishment	Award
2013 and 2015	Mohali	CII Energy Management Award
2017	Mohali	CII Excellent Energy Efficient Unit Award
2014	Anandpur	CII Energy Efficient Unit Award
2017	Malar	CIII Energy Saving Award

- **Uttar Pradesh State Energy Conservation Award**
  The Uttar Pradesh State Energy Conservation Award is awarded by the Department of Additional Sources of Energy, Government of Uttar Pradesh. It is given to building establishments who have made systematic and serious attempts for efficient utilisation and conservation of energy.

  Our Noida Clinical Establishment has been recognised for its efforts and was given the award in 2017.

The major source of energy consumed from RHT is by purchased grid electricity. In FY2018, the total electrical energy consumption amounted to 50,280,175 kilowatt hours ("kWh"), representing a slight 1.7% year-on-year increase from 49,447,869 kWh in FY2017. Overall building energy intensity also increased slightly from 18.86 kilowatt hours per square feet ("kWh/sq ft") in FY2017 to 19.17 kWh/sq ft in FY2018. In FY2018, 24.4% of clean energy was used as a percentage of total energy consumed.

For FY2018, RHT intends to increase its percentage of clean energy by 10% year-on-year.

SUSTAINABILITY REPORT

For the financial year ended 31 March 2018

SOCIAL

EMPLOYMENT
[GRI 401-2]

FY2018 Highlights

Country	Employee Provident Fund Contribution	Employer Provident Fund Contribution	Total Contribution
India	12.00%	13.15%	25.15%

RHT recognises the importance of ensuring that the well-being of its employees is considered as they form the backbone of the organisation. Apart from offering competitive remuneration, RHT also offers attractive employee benefits which has positive impacts on employee morale and retention. High retention creates a positive working environment and culture, increases employee commitment towards the organisation and in turn, results in a win-win combination for both parties.

RHT offers comprehensive benefits to its employees. Information of such benefits and entitlements are communicated to employees as part of their induction process. These benefits and entitlements are also included in the Employee Handbook and easily accessible by employees on the RHT intranet.

Key benefits and entitlements includes:

- **Health and Insurance Coverage**
  All full-time employees are eligible for health and insurance coverage under their Group life insurance plan and Group personal accident insurance.

- **Pro-family Benefits**
  In India, maternity leave is offered to all eligible full-time and part time employees as part of statutory requirements. However, RHT goes over and above the statutory requirement and offers paternity leave to all eligible full-time employees. Adoption leave and compassionate leave are also offered to all eligible full-time employees in India.

- **Statutory Contributions**
  In India, RHT and its employees make monthly contributions to the Employee's Provident Fund account in accordance with the prevailing statutory requirements.

In FY2018, RHT paid a total of S$206,892 in employee benefits. RHT assists employees to make monthly contributions which are deducted from their monthly gross salaries and deposits the contribution into their Employee Provident Fund accounts.

For FY2018, RHT aims to make timely and accurate Employee Provident Fund contributions for all eligible employees.

TRAINING AND EDUCATION
[GRI 404-1]

FY2018 Highlights

Employee Profile		Average Hours of Training per Year		Target
		FY2017	FY2018	
By Gender	Male	19	19	More than 8 hours of training attended by each employee per financial year
	Female	23	27	
By Category	Senior Management	48	51	
	Middle Management	69	60	
	Executive	51	49	

SUSTAINABILITY REPORT

For the financial year ended 31 March 2018

SOCIAL

TRAINING AND EDUCATION
[GRI 404-1]

RHT views human capital as one of the Company's most valuable resources. We believe that investing in the learning and development of our employees will improve productivity. Employee training and development would in turn provide RHT with a competitive edge for future growth and success.

RHT has various policies and procedures related to training and education in place:

- **Annual Training Plan**
  RHT believes in providing all employees with equal opportunities for learning and development based on their strengths and needs, to enable them to achieve their full potential. The learning and development needs of its employees are addressed through an annual training plan, which sets out the employee's training focus for the year. RHT monitors and tracks the trainings attended by each employee on an ongoing basis and maintain a minimum target for training participation for each employee.

- **Performance and Career Development Reviews**
  All employees receive mid-year and annual performance and career development reviews with their direct supervisors whereby formal feedback on their performance and areas of improvement are identified and discussed. During this process, training needs of employees are also identified and resources are provided to employees to fulfil their training needs.

- **Job Rotations**
  RHT places importance in the professional development of its employees. RHT offers job rotations to employees to allow them to gain exposure to different business areas and accelerate professional development.

- **On-boarding Programme for New Hires**
  In FY2018, all new hires underwent an on-boarding programme which aims to help new hires understand RHT's mission and values. This enables them to integrate into RHT's organisational culture seamlessly.

Besides, RHT provides internship opportunities to students who wish to gain experience, develop skills and competencies required when entering the workforce. In FY2018, an intern was assigned to various departments at RHT.

RHT provides various internal training programmes to our employees. These include:

Type	Programmes Available
Programmes for upgrading employee skills	• Service Excellence training programmes such as: 1. Patient First – Basic communication skills on AIDET. 2. LEAP – 2nd level of communication on how to handle irate customers. 3. E-mail etiquettes 4. Grooming standards. After the classroom session, on-the-job observations are conducted to check on the implementation and training effectiveness. • Leadership training programmes • Training session for employees of the marketing department

In FY2018, full-time employees clocked a total of 20 hours of internal trainings. Each employee achieved an average of 22 hours of training, which is above the national average of 8 hours per year. Job rotation opportunities were also provided to 4 employees in FY2018. RHT intends to increase the number of training hours of middle management and executives aiming to over perform the national average of 8 hours per year.

SUSTAINABILITY REPORT

For the financial year ended 31 March 2018

GOVERNANCE

CORPORATE GOVERNANCE
[GRI 102-4] [GRI 102-18] [GRI 102-15]

FY2018 Highlights

Number of Fines or Sanctions for Non-compliance in FY2018		Target
Non-compliance with regulations/voluntary codes*	0	Zero incidents of non-compliance with laws and regulations

* MAS/ SGX requirements, Code of Corporate Governance and Companies Act.

In FY2018, there were no incidents and/or fines as a result of non-compliance with regulations and voluntary codes.

The Trustee-Manager recognises the role that a strong corporate governance culture plays in creating long-term value for Unitholders, safeguarding the interests of Unitholders, as well as contributing to the success of RHT as a whole.

The Trustee-Manager uses the Code of Corporate Governance 2012 ("CG Code 2012") as its benchmark for best corporate governance practices. In addition, the Trustee-Manager also incorporates the specific provisions under the Business Trusts Regulations in its corporate governance framework. The Trustee-Manager also tracks and voluntarily complies with the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore ("CIS Code") as well as various laws and regulations applicable to Capital Market Services License ("CMS License") Holders. The Trustee-Manager has established the following Policies and Procedures with the CG Code 2012 in mind:

- Compliance Manual
- Interest Party Transaction ("IPT") Policy
- Whistleblowing Policy
- Gifts and Entertainment Policy
- Code of Conduct
- Anti-corruption Handbook
- Enterprise Risk Management Framework
- Dealing in Units

Please refer to the "Corporate Governance" Section on page 65 to 90 of the Annual Report for more details on the above mentioned policies and procedures.

Moving forward, RHT continually strives to maintain high levels of corporate governance and improve accountability and transparency with its stakeholders through timely communication, financial reporting and its Corporate Governance Report. RHT also aims to increase Corporate Governance related training hours for relevant employees.

SUSTAINABILITY REPORT
For the financial year ended 31 March 2018

GRI INDEX

GRI Standards (2016)		Notes/Page number(s)
General Disclosures		
Organisational Profile		
102-1	Name of the organisation	Corporate Profile (Page 1)
102-2	Activities, brands, products, and services	• Corporate Profile (Page 1) • Trust Structure (Page 14) • Geographically Diversified Asset Portfolio (Page 28-29) • Portfolio Summary (Page 30-44)
102-3	Location of headquarters	Corporate Information (Page 169)
102-4	Location of operations	• Geographically Diversified Asset Portfolio (Page 28-29) • Portfolio Summary (Page 30-44)
102-5	Ownership and legal form	Trust Structure (Page 14)
102-6	Markets served	• Market Review and Outlook (Page 7-11) • Geographically Diversified Asset Portfolio (Page 28-29) • Portfolio Summary (Page 30-44)
102-7	Scale of the organisation	• Financial Highlights (Page 2) • Performance Highlights (Page 3-4) • Financial and Operational Review (Page 5)
102-8	Information on employees and other workers	• Senior Management of the Trustee-Manager, Singapore (Page 23) • RHT Senior Management Team, India (Page 24)
102-9	Supply chain	Trust Structure (Page 14)
102-10	Significant changes to organisation and its supply chain	The Year in Perspective (Page 25)
102-11	Precautionary principle or approach	• Corporate Governance Report – Risk Management and Internal Controls (Page 75-76)
102-12	External initiatives	Economic – Economic Performance (Page 52-53)
102-13	Membership of associations	REIT Association of Singapore ("REITAS")
Strategy		
102-14	Statement from senior decision-maker	Board Statement (Page 46)
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behaviour	• Corporate Governance Report – Audit Committee (Page 72-74) • Corporate Governance Report – Dealing in Units (Page 77) • Corporate Governance Report – Statement of Policies and Practices (Page 77-78)

SUSTAINABILITY REPORT
For the financial year ended 31 March 2018

GRI Standards (2016)		Notes/Page number(s)
General Disclosures		
Governance		
102-18	Governance structure	• Board of Directors (Page 20-22) • Senior Management of the Trustee-Manager, Singapore (Page 23) • RHT Senior Management Team, India (Page 24) • Corporate Governance Report – Board Committees and Members (Page 83)
Stakeholder Engagement		
102-40	List of stakeholder groups	Managing Sustainability – Stakeholder Engagement (Page 49-50)
102-41	Collective bargaining agreements	Not applicable
102-42	Identifying and selecting stakeholders	Managing Sustainability – Stakeholder Engagement (Page 49-50)
102-43	Approach to stakeholder engagement	
102-44	Key topics and concerns raised	
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Notes to the Financial Statements – Note 17 (Page 132-135)
102-46	Defining report content and topic Boundaries	About this Report (Page 48)
102-47	List of material topics	Managing Sustainability – Materiality Assessment (Page 51)
102-48	Restatements of information	Not applicable
102-49	Changes in reporting	Not applicable
102-50	Reporting period	About this Report (Page 48)
102-51	Date of most recent report	Not applicable
102-52	Reporting cycle	Annually
102-53	Contact point for questions regarding the report	About this Report (Page 48)
102-54	Claims of reporting in accordance with GRI Standards	
102-55	GRI content index	GRI Index (Page 62-64)
102-56	External assurance	RHT has not sought external assurance for this reporting period and may consider it for future periods

SUSTAINABILITY REPORT

For the financial year ended 31 March 2018

GRI Standards (2016)		Notes/Page number(s)
Management Approach		
103-1	Explanation of the material topic and its boundary	• Economic – Economic Performance (Page 52-53) • Economic – Anti-corruption (Page 54) • Environmental – Environmental Compliance (Page 55-56) • Environmental – Energy (Page 56-58) • Social – Employment (Page 59) • Social – Training and Education (Page 60) • Governance – Corporate Governance (Page 61)
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
Material Topics		
Economic Performance		
201-1	Direct economic value generated and distributed	Economic – Economic Performance (Page 52-53)
Anti-corruption		
205-2	Communication and training about anti-corruption	Economic – Anti-corruption (Page 54)
Environmental Compliance		
307-1	Non-compliance with environmental laws and regulations	Environmental – Environmental Compliance (Page 55-56)
Energy		
302-1	Energy consumption within the organisation	Environmental – Energy (Page 56-58)
Employment		
401-1	New employee hires and employee turnover	Social – Employment (Page 59)
Training and Education		
404-2	Average hours of training per year per employee by gender and by employee category	Social – Training and Education (Page 60)
Corporate Governance		
GRI 102-18, GRI 102-15	Sufficient Levels of Rules, systems, practices and processes by which company is directed and controlled	Governance – Corporate Governance (Page 61)

CORPORATE GOVERNANCE REPORT

RHT Health Trust ("RHT" or the "Trust") is constituted as a business trust under the Business Trusts Act (Chapter 31A) ("BTA") and is externally managed by RHT Health Trust Manager Pte. Ltd. ("RHT TM" or the "Trustee-Manager"). The Trustee-Manager recognises the importance of upholding high corporate governance standards which serves to safeguard the interests of Unitholders and contribute to the success of RHT. Under the BTA, the Trustee-Manager must act in the best interests of Unitholders as a whole.

The Trustee-Manager uses the Code of Corporate Governance 2012 ("CG Code 2012") as its benchmark for best corporate governance practices and has established policies and practices with the CG Code 2012 in mind. The Trustee-Manager has also incorporated specific provisions under the Business Trusts Regulations ("BTR") in its corporate governance framework.

The Trustee-Manager also proactively tracks and voluntarily complies with the provisions and requirements under the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore ("CIS Code"). This includes the Property Funds Appendix in Appendix 6 of the CIS Code, as well as the various laws and regulations which are applicable to Capital Market Services Licence ("CMS Licence") holders.

In this Corporate Governance Report ("CG Report"), we have described the main corporate governance policies and practices which the Trustee-Manager has established, with reference to the CG Code 2012. Any deviations from the CG Code 2012 are explained in this CG Report.

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The Board of RHT TM (the "Board") plays a pivotal role in providing entrepreneurial leadership, setting the strategic direction for RHT, overseeing that necessary financial and human resources are in place, reviewing management performance, and guiding the management of RHT TM in achieving efficient management of the Trust. Along with monitoring the achievement of these goals, the Board is also responsible for making sure that the management has an internal and risk management controls framework in place. This helps RHT to achieve its goals while taking into account the interest of its Unitholders.

A total of three Committees have been set up with their own terms of reference to assist the Board in the discharge of its duties. These three Committees are:

(1) the Audit & Risk Management Committee ("ARMC");
(2) the Nominating Committee ("NC"); and
(3) the Remuneration Committee ("RC").

The ARMC assists the Board by reviewing significant financial reporting issues and considers the report of the external auditor. The ARMC also oversees the risk management framework and policies of RHT and has oversight of the internal audit function. The NC supports the Board by evaluating and providing recommendations on the composition of the Board in terms of size, independence and skill requirements. The RC will in turn evaluate and recommend an appropriate remuneration framework to the Board. The terms of reference for each Committee, as well as the members of each Committee (together with their role in the Committee and whether they are independent or executive) are described in the Appendix to this CG Report.

The Board of Directors meet at least four times a year to review and approve the financial results of RHT as well as to receive key reports from both the external professionals such as the internal auditors, and senior management. The Board also reviews and approves, amongst others, RHT's strategic direction, its annual budget, capital structuring, risk reports and key policies. As and when warranted by circumstances, Board meetings are also held outside of the quarterly meetings to discuss the strategies, policies or key activities of RHT such as acquisitions and disposals. Under the Constitution of the Trustee-Manager, Board meetings are permitted to be held via telephone conference or by means of similar communication equipment whereby all persons participating in the meeting are able to hear and/or see each other.

CORPORATE GOVERNANCE REPORT

The names of our current Directors and details of their membership on Board Committees, number of Board and Committee meetings held for FY2018, as well as their attendance at these meetings are disclosed in the table below:

Name	Board		Audit & Risk Management Committee		Nominating Committee		Remuneration Committee	
	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended
Mr Ravi Mehrotra [(1)]	8	4 [(1)]	-	-	1	1	-	-
Mr Gurpreet Singh Dhillon	8	8	-	-	-	-	-	-
Mr Pawanpreet Singh	8	8	-	-	-	-	-	-
Dr Yogendra Nath Mathur	8	8	6	6	1	1	-	-
Mr Sydney Michael Hwang	8	5	-	-	1	1	2	2
Mr Peter Joseph Seymour Rowe	8	8	6	6	-	-	2	2
Mr Eng Meng Leong	8	8	6	6	-	-	2	2
Mr Vivek Mehra [(2)]	8	4 [(2)]	-	-	1	- [(3)]	-	-

(1) Mr Ravi Mehrotra resigned as Executive Director on 30 September 2017 and ceased to be the Executive Chairman of the Board and member of the NC on the same day. He was present at all Board meetings up till his resignation.

(2) Mr Vivek Mehra was appointed Independent Director, Non-executive Chairman of the Board and member of the NC on 1 October 2017. He was present at all Board meetings subsequent to his appointment.

(3) The NC meeting was held prior to Mr Vivek Mehra's appointment to the Board.

The Trustee-Manager has formalised the following matters which are specifically reserved for decision and approval by the Board:

(1) RHT's long term objectives, strategy and budget including internal limits on authority in relation to investments, acquisitions and disposals as well as capital expenditures.

(2) Changes to RHT's structure and capital, including new unit issuances and new material debt facilities.

(3) Financial reporting and internal risk controls, including significant changes in accounting policies, review of interested party transactions, conflict of interest situations and corporate governance arrangements.

(4) Communication with regulators or Unitholders involving matters which has been deliberated or approved by the Board.

Apart from the matters reserved specifically for the Board's decision and approval, the Board has delegated the supervision of the day to day operations as well as the decision making over certain operational matters to the management of RHT TM in order to facilitate operational efficiency.

Newly appointed Directors to the Board of RHT TM are issued an appointment letter which spells out their duties and obligations as a Director, whereby they are required to objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of RHT and RHT TM. A briefing is also conducted by senior management to provide an overview of the business of RHT as well as the key policies and Board processes. Material documents pertaining to RHT are also made available to the new Directors. First time Directors who are appointed to the Board will also be provided external training by professional providers, such as the Singapore Institute of Directors, on what they need to know as a Director of a listed company in Singapore. The Independent Directors seek to conduct a site visit to India every year where the assets of RHT are located. During the site visit, the Independent Directors also meet with the India based senior management of RHT and external professionals such as internal auditors and external auditors.

The Trustee-Manager monitors new laws, regulations and rules that are implemented, for implications on RHT and RHT TM. Where relevant, Directors are updated about the changes to existing or new rules and regulations. There have been briefings conducted during Board meetings whereby either senior management or external professionals update the Directors on new developments or where the Board deems that expert advice is required in order to formulate key decisions. In FY2018, management briefed the Board on the implementation of the Goods and Services Tax ("GST") in India, proposed changes to the Code of Corporate Governance and Quarterly Reporting Framework, as well as the launch of the Governance Index for Trusts ("GIFT"). KPMG Services Pte. Ltd. ("KPMG") also briefed the Board on the new Singapore Exchange Limited ("SGX") rule which requires all listed companies in Singapore to prepare an annual Sustainability Report. Where required, the Trustee-Manager also arranges and funds the training for Directors so that they are kept abreast of any regulatory changes. Our Directors also received copies of the recent guidebooks purchased by RHT TM which were released in Singapore for the ARMC, NC and RC.

CORPORATE GOVERNANCE REPORT

The Board has engaged KPMG to assist the Trustee-Manager with developing RHT's inaugural Sustainability Report, which can be found on pages 45 to 64 of the Annual Report. The Board has ultimate responsibility and oversight for the Sustainability Report. Management has established a Sustainability Working Committee and a Sustainability Steering Committee, for reporting of sustainability issues to the Board on at least a quarterly basis.

BOARD'S COMPOSITION AND GUIDANCE

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

There are seven Directors on the Board of RHT TM, of which a majority or five of the Directors, including the Chairman of the Board, are independent and Non-executive Directors. The remaining two Directors are Executive and Non-independent Directors.

The BTR provides that:

(1) At least a majority of the Directors shall be independent from management and business relationships[1] with the Trustee-Manager;

(2) At least one-third of the Directors shall be independent from management and business relationships with the Trustee-Manager and from every substantial shareholder of the Trustee-Manager; and

(3) At least a majority of the Directors shall be independent from any single substantial shareholder[2] of the Trustee-Manager.

The NC determines the independence of each Director annually, or as and when required. The NC has carried out its assessment for FY2018, and with the concurrence of the Board, considered and found Mr Vivek Mehra, Mr Sydney Michael Hwang, Mr Eng Meng Leong, Dr Yogendra Nath Mathur and Mr Peter Joseph Seymour Rowe to be independent from:

(1) the management and business relationships with the Trustee-Manager;

(2) the management and business relationships with Stellant Capital Advisory Services Private Limited ("Stellant") (the substantial shareholder of the Trustee-Manager) and its related corporations; and

(3) Fortis Healthcare Limited ("FHL") (the substantial shareholder of RHT) and their related corporations.

Mr Ravi Mehrotra, our former Executive Chairman, Mr Gurpreet Singh Dhillon, our Chief Executive Officer ("CEO") and Mr Pawanpreet Singh, our Chief Financial Officer ("CFO") are not considered to be independent under the CG Code 2012 and/or the BTR Section 3 and 4.

The Board does not currently comprise of any Director who has served on the Board for more than nine years from the date of his first appointment. Refer to page 83 of the CG Report for details on the appointment dates of the Board of Directors.

The current Board comprises of seven Directors with extensive experience in various fields ranging from legal, investments, tax and accounting to healthcare. Although none of the current Board of Directors are female, RHT TM does not discriminate against gender diversity within the Board. However, RHT TM does not actively set targets on the proportion of male to female Board members. Instead, Board of Directors are appointed based on best fit and qualification for the role.

The NC has evaluated the size and composition of the Board and is of the view that the size of the Board is appropriate in relation to the scale of RHT's operations, and that the Board possesses the requisite experience for managing a healthcare infrastructure related trust such as RHT.

[1] Independent from management and business relationships with the Trustee-Manager as defined under Section 3 of the BTR.
[2] Independent from substantial shareholder of the Trustee-Manager as defined under Regulation 4 of the BTR.

CORPORATE GOVERNANCE REPORT

Although all Directors have an equal responsibility in overseeing the performance of RHT, Non-executive Directors in particular are responsible for ensuring that conflicts of interest, if any, are appropriately managed and ensure that decisions are taken in the interest of the Trust. Non-executive Directors also participate in annual strategy discussions, review the performance of management in achieving agreed goals and objectives and monitor the reporting of performance. The Non-executive Directors have met at least once during FY2018 without management present.

CHAIRMAN AND EXECUTIVE OFFICER

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a concentration of power.

The positions of the Chairman of the Board and the CEO are held by two separate persons for accountability and effective segregation of duties. The Board of RHT TM is led by our Non-executive Chairman, Mr Vivek Mehra, while Mr Gurpreet Singh Dhillon is our CEO. Mr Vivek Mehra and Mr Gurpreet Singh Dhillon are not immediate family members. The division of responsibilities between the Chairman and CEO are clearly established, set out in writing and approved by the Board.

As Chairman of the Board, Mr Mehra leads the Board in carrying its role effectively and engages the Directors in discussing and debating on issues while working towards important decisions. He sets the agenda for the Board meetings and makes sure that adequate time is available for discussion of all agenda items. The Chairman also oversees that Directors receive complete, adequate and timely information. Board papers are disseminated to the Board approximately five business days before each Board meeting. The Chairman is responsible for promoting effective communication with Unitholders. Refer to Principle 15 on page 76 to 77 of the CG Report for details on measures taken by the Trustee-Manager to promote effective communication with Unitholders.

The Chairman also encourages constructive relations within the Board and between the Board and management. As our Non-executive Directors have diverse backgrounds and experience, the Board and management benefit from their views on matters being tabled before the Board. Mr Mehra facilitates the effective contribution of Non-executive Directors and strives for high standards of corporate governance to be maintained within RHT.

The CEO is responsible for managing the daily operations of the Trust and the Trustee-Manager in accordance with the business plans and strategies which have been set out by the Board.

There is clear segregation of roles within the Board. The ARMC, NC and RC each have their own terms of reference and responsibilities. Each of the three Committees are headed by a different Independent Director, and no individual Director on the Board has a considerable concentration of power. The NC has also obtained approval from the Board to have the Chairman of each committee reviewed once every three years. This is also recommended under Clause 1.10 of the Board Risk Committee Guide ("BRCG") issued on 31 March 2016. Clause 1.10 recommends reviewing the tenure and renewal of Board Committee members so as to introduce new perspectives and allow for transfer of accumulated knowledge.

Dr Yogendra Nath Mathur is our lead Independent Director. He serves as a conduit between Unitholders and the Board, or between the Independent Directors and the Board, whenever there are concerns from either party.

The Independent Directors have private sessions and feedback sessions with the Chairman without the presence of management.

BOARD MEMBERSHIP

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of Directors to the Board.

The Board approved the establishment of an NC comprising of a majority of Independent Directors, including the lead Independent Director. The role of the NC under its terms of reference as approved by the Board includes making recommendations on:

(i) the review of Board succession plans for Directors, in particular the Chairman and CEO;
(ii) the development of a process for evaluation of the performance of the Board, its Board Committees and Directors;
(iii) the review of training and professional development programmes for the Board; and
(iv) the appointment and re-appointment of Directors.

CORPORATE GOVERNANCE REPORT

During the search for a new Director, the Board shortlists suitable candidates based on criteria which takes into consideration the roles and expertise that is required of the new Director and the needs of the Board. The potential candidates may originate from various sources such as recommendations from management and Directors, the Singapore Institute of Directors or utilising external search consultants. The shortlisted candidates are presented to the NC for consideration, with the final candidate as selected by the NC presented to the Board for approval.

Under the appointment letters signed with the Independent Directors that are appointed to the Board of RHT TM, the Directors are required to put themselves up for re-nomination and re-election once every three years. The re-nominated Directors are evaluated by the NC, approved by the Board, presented to Unitholders during the Annual General Meeting ("AGM") and approved by Stellant (the substantial shareholder of RHT TM).

The NC is also tasked with ascertaining if each Director, having multiple directorships, is able and has been adequately carrying out his duties as a Director. This review is performed by the NC annually and takes into consideration the Director's number of listed company Board representations and other principal commitments. The NC is of the view that the number of directorships held by a Director does not determine the performance of the Director. A Director's performance is assessed based on a number of factors including their time commitment towards Board meetings and discussions, their ability to draw on their experience to contribute to the strategy and decision making required of the Board. As such, the NC proposed with the concurrence of the Board, that there will be no fixed limit on the number of directorships which a Director may hold but rather to assess the performance of each Director as a whole.

RHT TM does not currently permit the appointment of alternate Directors and has not adopted any polices and guidelines for the appointment of alternate Directors.

Information on the academic and professional qualifications of the Directors can be found on pages 21 to 22 of the Annual Report. The shareholdings of the Directors in RHT Group and its related corporations, Board Committees served on, date of first appointment, directorships and chairmanships both present and past held over the preceding three years in other listed companies, and other principal commitments are disclosed on pages 83, 88, 90 and 92 of the Annual Report.

BOARD PERFORMANCE

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each Director to the effectiveness of the Board.

A formal assessment is conducted annually to determine the effectiveness of the Board, the Board Committees and on each Director. The assessment is conducted using an evaluation form which is constantly updated for relevance. The Board is of the opinion that the current evaluation form is relevant and covers the necessary aspects of measuring the performance of the Board. The evaluation form seeks feedback from each Director on a confidential basis, on their views relating to:

(1) Board composition and size;
(2) Board and Committee process;
(3) Board's effectiveness and training;
(4) Board Committees;
(5) Board Committee process;
(6) Provision of information to the Board;
7) Standards of conduct;
(8) Assessment of the financial performance of RHT; and
(9) Board compensation.

For the annual assessment conducted in respect of the financial year ended 31 March 2018 ("FY2018"), the Company Secretary was responsible for sending the evaluation form to the Directors and collating the responses received. The results of the evaluation survey were then presented to the NC for its assessment and recommendation. In formulating the feedback form, attention was given to make sure that feedback was sought from the Directors on the core areas, whilst also enabling each Director to freely express their opinions on other matters in a confidential manner. The results of the evaluation, and the NC's recommendations, were presented to the Board for their concurrence.

CORPORATE GOVERNANCE REPORT

ACCESS TO INFORMATION

Principle 6: In order to fulfil their responsibilities, Directors should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis so as to enable them to make informal decisions to discharge their duties and responsibilities.

The calendar for Board and Committee meetings are arranged one year in advance to allow for better planning. Management provides the Board with monthly reports and/or calls, in addition to Board papers on matters which are being tabled during the Committee or Board meetings. Board papers are to be sent to the Board approximately five business days before the meeting takes place. Directors are also entitled to request for separate and independent access to management, the Company Secretary or external professionals. The Chairman of the ARMC meets separately with management as well as the internal and external auditors on a regular basis. These meetings take place on a quarterly basis with management and the internal auditors, and on a half yearly basis with the external auditors. As stipulated in the Director's appointment letter, they are also entitled to seek independent professional advice relating to their roles and responsibilities as a Director of RHT TM, at RHT TM's expense.

Management provides the Board with a call and/or report each month on the operating environment and financials of RHT. Matters such as the financial results, the report from the independent auditors, management's internal risk assessment report as well as business and operational updates for the quarter are presented for the Board's review during the quarterly Board meetings. In FY2018, management presented RHT's strategy in the event of the Proposed Disposal and vice versa, to the Board for review and approval. Management also provided the Board with regular updates on the outstanding amounts due from Fortis as well as RHT's cash flow requirements to continue operations. On an on-going basis, where there are material variances against the forecasted and actual financial figures, explanations would be provided.

The Company Secretary attends all Board and Board Committee meetings and is responsible for keeping accurate minutes on the proceedings. Their advice on matters relating to corporate governance may also be sought during these meetings. The Head of Compliance in RHT TM works together with the Company Secretary to facilitate good and timely information flow to the Board of Directors. Where there should be any proposed change to the Company Secretary, Board approval will be obtained.

REMUNERATION MATTERS

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing remuneration packages of individual Directors. No Director should be involved in fixing his own remuneration.

Principle 8: The level and structure of remuneration should be aligned with the long term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the Directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to Directors and key personnel, and performance.

The Board approved the establishment of the RC with its own terms of reference. The members of the RC and the terms of reference of the RC are set out in the Appendix of this CG Report. The RC comprises of wholly independent Non-executive Directors who are responsible for reviewing the remuneration policy and framework of the Directors and the key management.

During the RC meeting held in February 2018, the RC reviewed the compensation structure for the Directors, as well as the compensation structure and package for key management of RHT TM. Under RHT TM's compensation structure for its Directors, Executive Directors are not paid Director fees while Non-executive Directors are paid a fixed base fee as well as a variable fee for every additional role taken on by each Director. This serves to compensate the Directors according to the amount of responsibility, time and effort required for the role. In general, the Chairman of the Board and Board Committees are paid higher variable fees compared to members of the Committees. The remuneration framework for the Non-executive Directors is shown in the following table:

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Type of Director	Base Fee	Variable Fee	
Executive Director	Nil	Nil	
Non-executive Director	Base Fee per annum	**Chairman**	**Member of Committee**
		50% of Base Fee as Chairman of Board or ARMC	12.5% of Base Fee
		25% of Base Fee as Chairman of RC or NC	

Non-executive Director fees are benchmarked against the market and industry levels such that the fees are sufficient to motivate and attract Directors, without being too generous to potentially compromise the independence of the Directors. The remuneration that is paid to the Directors of RHT TM are determined and paid from RHT TM (in its personal capacity) as approved by its shareholder, Stellant, and not out of RHT Trust property. Director fees paid to each of the following Non-executive Directors for FY2018 did not exceed S$250,000:

(1) Mr Vivek Mehra;
(2) Mr Eng Meng Leong;
(3) Mr Sydney Michael Hwang;
(4) Dr Yogendra Mathur Nath; and
(5) Mr Peter Joseph Seymour Rowe.

A review of the remuneration framework and the amounts paid to key management of RHT and RHT TM is conducted once a year. In FY2018, the remuneration plan was also introduced to place a greater emphasis on staff retention, in view of the ongoing Proposed Disposal. The Trustee-Manager has in place a performance based remuneration framework for its key management. There are currently no short-term and long-term incentive schemes in place. At present, the key management of RHT TM, including the CEO, are paid a fixed yearly salary with a performance related bonus that is linked to the performance of RHT TM. The performance of RHT TM is in turn linked to the performance of RHT. The main regular source of revenue earned by RHT TM is from the fees paid by RHT to RHT TM. The fees payable by RHT to RHT TM are based on (i) the value of the assets under management at RHT and (ii) the amount of Distributable Income generated at RHT. A greater growth in the value of RHT's assets and the amount of Distributable Income available for Unitholders of RHT results in higher revenue for RHT TM. This serves to align management's interests with that of the Trust.

The Trustee-Manager has also elected for the variable bonus to constitute a higher proportion of the total salary payable to key employees, in order to strengthen the link between the individual's performance and their remuneration.

Expert advice is sought from an appointed remuneration consultant, Aon Hewitt, in order to assist the RC in their assessment on the appropriate compensation level for key management. A report is commissioned yearly to provide information on the remuneration paid by comparable peers in the industry. Aon Hewitt is an independent third party with no existing relationships with RHT and RHT TM. The Trustee-Manager does not engage any remuneration consultant with regard to the remuneration of its Directors.

Similar to the Directors, key management and employees of RHT TM are paid by the Trustee-Manager and not out of RHT's Trust property.

None of the Directors or employees of RHT TM are paid in the form of shares or interests in the Trustee-Manager's controlling shareholder or its related entities. There is currently no share incentive or employee share option scheme in place for management. There is also no scheme to encourage Non-executive Directors to hold shares in RHT.

The following table shows the remuneration in bands of S$250,000, of the former Executive Chairman, CEO, CFO as well as key management of the Trustee-Manager. The key management of the Trustee-Manager is determined based on the importance of their roles in the Trustee-Manager.

Executive Directors	Remuneration Band	Fixed Salary	Bonus
Ravi Mehrotra [(1)]	S$0- 250,000 [(2)]	100%	Nil
Gurpreet Singh Dhillon	S$750,001-1,000,000	66%	34%
Pawanpreet Singh	S$500,001- 750,000	53%	47%

(1) Mr Ravi Mehrotra resigned as Executive Director on 30 September 2017 and ceased to be the Executive Chairman of the Board and member of the NC on the same day.
(2) For the period 1 April 2017 to 30 September 2017.

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Key Management	Remuneration Band	Fixed Salary	Bonus
Tan Suan Hui	S$ 250,001 – 500,000	53%	47%

Dr Ramnik Ahuja who is employed as Vice President of Research and Strategy, is the spouse of Mr Pawanpreet Singh, the CFO and Executive Director of RHT TM. Her annual remuneration fell within the band of S$50,000-100,000 in FY2018. Other than Dr Ramnik Ahuja, there are no other employees who are immediate family members of any Director or the CEO.

The Trustee-Manager is of the view that the disclosure of the specific remuneration of individual management personnel and key employees may lead to retention or recruitment difficulties in light of the relatively small number of trusts currently operating in Singapore. As compared to the number of listed companies in Singapore, listed trusts are relatively fewer in number and competition for talent in the trusts space may increase the risk of losing or retaining staff if such information were to be disclosed. For the same reasons, the Board has decided not to disclose the total aggregate remuneration of the Directors and key management personnel. However, their remuneration have been disclosed in bands, such that the minimum and maximum range is apparent. Furthermore, the remuneration paid to the management of RHT TM is from RHT TM, and not out RHT's Trust property. The fees paid by RHT to RHT TM are disclosed on page 78 of this CG report.

The CG Code 2012 encourages the disclosure of the top five key management personnel (who are not Directors or the CEO) on a named basis in bands of S$250,000 as well as the aggregate remuneration paid to key management personnel. Due to the small size of the team at the Trustee-Manager, we have chosen to only disclose the remuneration of key personnel who has the authority and responsibility to assist the CEO in the strategic activities of the Trustee-Manager.

Currently, none of the Directors or key management has a contract with RHT TM that contain provisions on termination, retirement and post-employment benefits. There are also no contractual provisions to allow RHT TM to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to RHT.

ACCOUNTABILITY AND AUDIT

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board is committed towards providing Unitholders of RHT with a balanced and understandable assessment of RHT's performance, position and prospects. The financial results of RHT and any other material price sensitive information are disseminated via SGXNET, published on RHT's website and also presented during investor meetings and quarterly conference calls with investors.

As mentioned under Principle 6 on Access to Information, the Board is provided with a monthly report which summarises the key financial performance of RHT against forecasted figures, as well as the business environment and pertinent operations of RHT. Where there are material variances from month to month, reasons for the variances are provided to the Board. The Board has also approved an internal Compliance Manual which compiles the relevant rules and regulations applicable to both RHT and RHT TM. This Compliance Manual serves to assist management in meeting the regulatory requirements.

AUDIT COMMITTEE

Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The members of the ARMC of RHT TM are appointed from among the Directors of the Board and comprise of three Non-executive Independent Directors. They are:

(1) Mr Peter Joseph Seymour Rowe, Chairman;
(2) Dr Yogendra Nath Mathur; and
(3) Mr Eng Meng Leong

Both Mr Peter Joseph Seymour Rowe and Mr Eng Meng Leong have appropriate qualifications to carry out their responsibilities and

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have relevant accounting and related financial management expertise and experience. Mr Rowe has over 40 years of experience in the financial services industry, particularly in the areas of funds management and compliance. He has been the Chairman and Audit Committee member of other real estate management related companies in Australia. Mr Eng is currently a member of the Institute of Certified Public Accountants of Singapore and is an accredited Tax Advisor of the Singapore Institute of Accredited Tax Professionals. He has over 25 years of experience in the fields of taxation in Singapore and internationally. Dr Mathur, a qualified doctor, has experience and expertise in the healthcare sector. He spent a large portion of his career with the United Nations Children's Fund ("UNIFEF"), where he held key positions and memberships in several government bodies.

The background and qualifications of the ARMC members are set out on pages 21 and 22 of the Annual Report. The terms of reference of the ARMC are set out in the Appendix on pages 84 to 86 of this CG Report. The ARMC is given the authority to investigate any matter within its terms of reference, whenever it deems necessary. Where required, the ARMC is given full access to and cooperation by management, full discretion to invite any Director or Executive Officer to attend ARMC meetings, and reasonable resources to enable it to discharge its duties effectively.

The ARMC met six times in FY2018. During the year, the ARMC reviewed the quarterly and full year results of FY2018, including the adequacy of disclosures as well as the key changes in accounting policies applied. Management is kept abreast of changes in the accounting standards by both the external auditors and other sources. Every year, management reviews the changes in the accounting standards applicable to RHT and briefs the ARMC and Board about these changes.

On a quarterly basis, the ARMC also reviews the reports from the internal auditors with respect to their internal audit findings, as well as the report from the Internal Risk Committee of RHT TM on changes in key risks and policies affecting RHT. Management also provides the ARMC with quarterly reports on the actions taken to resolve previous internal audit findings. In addition, management prepares a liquidity report on RHT for the ARMC's information and review. Key policies are reviewed by management on a regular basis to ensure that they are up to date and approved by the ARMC before it is presented to the Board.

All Interested Party Transactions ("IPT") are tabled during the ARMC meeting. This is in accordance with our IPT policy, which sets out the procedure whereby such transactions are identified, reported and recorded in the IPT register. The terms of the transactions, including information to support that the transactions are conducted on normal commercial terms, are also recorded in the IPT register.

Details of the IPT entered into during the course of the current financial year ending 31 March 2018 between the RHT Group and interested persons (including Fortis, Religare Enterprises Limited and their respective subsidiaries and associates) which fall under the Listing Manual of the SGX-ST are set out below:

No.	Interested Person	Nature of Transaction	Value of Transaction (S$) [(1)]	Percentage of NTA [(2)]
1.	RWL Healthworld Limited [(3)]	Revenue share from pharmaceutical operations	2,242,862	0.36%
2.	SRL Diagnostics Limited	Revenue share from pathology operations	581,333	0.09%
3.	Fortis Health Management Ltd	Intercompany borrowing	64,242	0.01%
4.	RHT Health Trust Manager Pte. Ltd.	Bridging loan from RHT Health Trust	1,001,402	0.16%
			3,889,838	**0.62%**

(1) Values are converted at the end of each month as per the prevailing exchange rate at that month end.

(2) Based on the latest audited net tangible assets of RHT as of 31 March 2018 of S$623,105,000.

(3) RWL Healthworld Limited ("RWL") is no longer a related party of Fortis Healthcare Limited and is no longer considered an interested person with effect from 1 March 2018 in view that the owners of RWL are no longer substantial shareholders of Fortis Healthcare Limited.

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The transactions with RWL Healthworld Limited and SRL Diagnostics Limited involve the leasing out of space at various RHT Clinical Establishments to the aforementioned companies which are owned by Fortis Healthcare Limited and RHC Holding Private Limited respectively. The transactions with Fortis Health Management Ltd and RHT Health Trust Manager Pte. Ltd. relate to one-off borrowings[3].

The ARMC also reviews the audit plans submitted by the internal and external auditor respectively for the forthcoming year. In FY2018, both the external and internal auditors met at least once during the year with the ARMC respectively without the presence of management. In the same financial year, the Chairman of the ARMC also met separately with the internal auditors every quarter and separately with the external auditor twice. It is also the practice of the ARMC Chairman to meet with the CFO of the Trustee-Manager prior to the quarterly ARMC meetings to review the financial reports.

The role of the ARMC includes reviewing the independence of the external auditors. For FY2018, the ARMC noted that S$152,000 was paid to the external auditors as audit fees and S$39,000 was paid for non-audit services. A discussion was held with the external auditors in relation to the type of non-audit services provided, and the ARMC was satisfied with the independence of the external auditors. No ARMC member is a former Partner or Director with the external audit firm. There are also no business or family relationships between the external auditors and management.

The Trustee-Manager has complied with Rule 712 and 715 of the SGX-ST Listing Manual. All of RHT's foreign incorporated subsidiaries are audited by Deloitte Haskins & Sells LLP ("DHS"). The ARMC has assessed DHS and the Audit Partner's track record and capabilities in carrying out work for similar companies in India. They have also discussed with DHS, the manner in which the audit is proposed to be carried out. The ARMC is of the view that DHS is a suitable audit firm to meet the RHT Group's audit obligations.

RHT TM has established a Whistleblowing Policy to provide a channel for whistleblowers to report any actual or suspected wrongdoings, as well as to provide assurance that the whistleblower will be protected from reprisals or victimisation for whistleblowing. The Whistleblowing Policy is approved and overseen by the ARMC, and it provides an opportunity for employees and the public to raise concerns to the Head of Compliance of RHT TM and/or the Chairman of the ARMC. Investigations will commence upon the receipt of a whistleblowing report and follow up actions would be taken if necessary.

INTERNAL AUDIT

Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Trustee-Manager is committed to having an internal audit function at all times. KPMG has been appointed to perform the internal audit function for RHT. KPMG is guided by the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors and the engagement team is staffed with personnel who possess the relevant qualifications and experience.

The selection and appointment of the internal audit firm for RHT was determined by the ARMC, and the internal audit plan for each financial year is approved by the ARMC. The scope of the internal audit is intended to cover key aspects of RHT and RHT TM's internal controls in the areas of finance, operations, compliance and information technology. During the course of their work, the internal auditors are given full access to any documents, records or personnel, and they report directly to the ARMC Chairman.

As mentioned under the section "Audit Committee", the Chairman of the ARMC meets the internal auditors every quarter. These meetings take place without the presence of management to allow the discussions to be as open and candid as possible. The ARMC has reviewed the internal audit plan for FY2018, the resources allocated to carrying out the plan, as well as the work done by the internal auditors over FY2018, and they are satisfied with the adequacy and effectiveness of the current internal auditor.

[3] The loan from RHT to RHT TM was a bridging loan while RHT TM was awaiting funds to be disbursed while refinancing a facility. The loan was repaid when the funds were received from the new facility and interest was accrued to RHT for the loan at market rate.

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

Having an effective and sound system of risk management and internal controls in place enables the Trustee-Manager to achieve its strategic objectives, whilst safeguarding the business and assets of RHT. An effective risk management system allows both management and the Board to remain updated on the key risks and challenges faced by RHT. It also serves to guide the Trustee-Manager in decision making and effective allocation of resources.

In view of the above goal of having a sound system of risk management and internal controls, the Trustee-Manager has established an Internal Risk Committee ("IRC") comprising of senior management, to undertake the role of managing the system of risk management and internal controls. Under the Trustee-Manager's risk management system, the IRC is responsible for the identification of risks. Key risks are rated and the controls for mitigating the risks are evaluated. A risk register is maintained to track the rating of each key risk after the implementation of controls. Each IRC member is responsible for risks in their respective areas such as finance, operations, compliance, investments and information technology.

The IRC meets every quarter, or as and when required, to evaluate how the risks faced by RHT might have evolved following changes in both the operating environment and internal operations of RHT. Key risk indicators are used as a means for early identification of escalating risks or indications of changes in areas that affect RHT. The key risk indicators assists management and the Board in pre-empting issues that may be developing (whether internally or externally) and which may potentially have an adverse impact on RHT. Key risk indicators also provide management and the Board with information to consider when executing strategies for RHT.

The IRC also debates on whether new processes need to be implemented or existing processes revised in order to manage any new risks. During some of the IRC meetings, relevant staff might be invited to join the meetings or discussions in order to brief the IRC of changes that might have occurred in their respective areas, and to give their views on how these new risks might have arisen. The involvement of various staff within RHT in risk management discussions help to promote a culture where risk awareness and governance is integral to the daily operations of RHT.

The IRC also meet with the internal auditors, to compare each other's assessment of the key risks and the adequacy of the internal controls. This helps to make sure that all gaps are filled wherever possible and no key risk is inadvertently left out. RHT also conducts half yearly Control Self-assessment ("CSA") exercises to increase staff awareness within RHT in relation to key policies and processes, as well as to allow themselves to undertake a check on whether they have been complying with these policies and processes.

The discussions of the quarterly IRC are put up to the ARMC at each quarter's meeting, where the ARMC will assess the effectiveness and adequacy of the system of risk management and internal controls within RHT TM. This is complemented by a quarterly report provided by the internal auditor to the ARMC on their findings, together with a quarterly report from management on the steps taken to address issues which were previously highlighted by the internal auditors. Apart from the quarterly reports by the internal auditor, the internal auditor also provides the ARMC with an annual review of the adequacy and effectiveness of RHT's internal controls, including financial, operational, compliance and information technology controls. The internal auditor will also highlight areas of enhancements, if any, to the ARMC.

Both the ARMC and the Board also receive a quarterly letter of assurance from the CEO and CFO in relation to the respective quarter and/or full year results (whichever is applicable). The letter provides assurance in terms of the proper maintenance of the financial records of RHT, that the financial statements give a true and fair view of RHT's operations and finances, and the effectiveness of RHT's risk management and internal control systems.

After assessing the internal risk management framework that is in place, the quarterly reports from the IRC and internal auditor, as well as the annual assessment undertaken by both the internal auditor and external auditor, the ARMC and Board are in a position to comment on the adequacy of the internal controls of RHT.

For FY2018, based on the ARMC's review of the internal risk management framework and internal controls which the management of RHT TM has implemented, the creation of an IRC to continuously monitor the risks affecting RHT and evaluate the efficacy of internal processes, as well as the reports from the internal auditor and external auditor, the Board with the concurrence of the

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ARMC, is of the opinion, that RHT has in place reasonable, adequate and effective risk management and internal controls including financial, operational, compliance and information technology controls.

However, the Board notes that the risk management framework put in place by the Trustee-Manager does not provide absolute assurance that RHT will not be affected by any unforeseen events as well as poor judgements in decision making, human errors, fraud and other irregularities.

Material Contracts
There were material contracts between RHT Group and Fortis Healthcare Limited ("FHL") as at the end of FY2018. Most of these contracts were entered into at the time of the listing of RHT on the SGX-ST. These material contracts are summarised within the section "Exempted Agreements" in the RHT Initial Public Offering ("IPO") prospectus which can be found on RHT's website, www.rhealthtrust.com. These exempted agreements were deemed to have been specifically approved by Unitholders upon their subscription for the units of RHT at the time of the IPO of RHT. There was another Hospital and Medical Services Agreement entered into in FY2015, between RHT Group and FHL, during the acquisition of the Mohali Clinical Establishment.

UNITHOLDERS RIGHTS AND RESPONSIBILITIES

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights and continually review and update such governance arrangements.

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

RHT has in place an Investor Relations Policy which aims to provide current and potential Unitholders with accurate and timely information in accordance with best practices and rules, so as to enable them to make well-informed investment decisions. The Investor Relations Policy has been approved by the Board and is published on RHT's website.

The Trustee-Manager ensures that material information is disseminated to Unitholders on an accurate and timely basis, with full and complete information to enable Unitholders to make form their investment decisions. Our announcements are disseminated via the SGXNET and the RHT website. Where necessary, the announcements may also be placed in the local newspapers. There is no selective disclosure of information.

The Trustee-Manager holds analyst briefings as well as investor conference calls every quarter after the release of financial results, or when there are announcements on material corporate actions. The analyst briefings facilitate research coverage on RHT through independent analysis from the analysts. The investor calls provide investors with a great opportunity for to hear from management and to have their queries answered.

Management participates actively in investor conferences which are held in different locations throughout the year, and embark on dedicated non-deal roadshows. Reaching out to investors through such platforms enables management to obtain direct feedback from investors or analysts. The Board is in turn briefed each quarter by management on the investor conferences and investor meetings which were held, in order for them to understand the views of our investors.

Whenever a Unitholders' meeting is to be held, the notice of meeting will be disseminated to each Unitholder together with the circular and/or report, as well as published in the local newspapers and via SGXNET. Unitholders who are unable to attend the meeting are allowed to appoint up to two proxies to vote on his behalf at the meeting. RHT TM is not implementing absentia voting methods as we are of the opinion that the current provision for proxy voting is sufficient. Where there are separate issues to be put forth for Unitholders' approval at the general meetings, such resolutions are separate and not bundled together, unless the resolutions are interdependent and form one significant proposal.

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We held one AGM in FY2018, where all Board of Directors were present. The external auditors were also present at the AGM to address Unitholders' queries regarding the conduct of audit, preparation and content of the auditors' report. Our Company Secretary prepared the minutes of the AGM, which included relevant comments or questions from Unitholders, and the minutes are available for Unitholders upon request. Voting during the AGM was conducted by way of an electronic poll in order to promote greater transparency and allow exact and definitive results at the general meeting. Unitholders are briefed on rules of the AGM by the Chairman and are informed of the voting procedures by the electronic polling vendor. Unitholders are also given an opportunity to put forth any queries they may have before each resolution is put to vote. The detailed results of the AGM, which included the number of votes cast for and against each resolution, were disclosed via the SGXNET.

DEALING IN UNITS

It is RHT TM's internal policy that (i) an officer of the Trustee-Manager should not deal in RHT's units on short term considerations; and (ii) the Trustee-Manager and its officers should not deal in RHT's units during the period commencing two weeks before the announcement of RHT's quarterly financial results, and one month commencing before the announcement of RHT's fourth quarter and full year results. Reminders are sent to the Board of Directors as well as the staff of RHT TM when such blackout periods for trading in RHT's units commence.

At any point in time, when any of the Directors or officers are in possession of confidential and price sensitive information, they are also reminded not to trade in the units of RHT, and to be mindful of the laws relating to insider trading at all times.

STATEMENT OF POLICIES AND PRACTICES

RHT TM, as Trustee-Manager of RHT, and the Board of Directors are responsible for safeguarding the interests of the Unitholders of RHT as a whole and managing the business of RHT. RHT TM is also required to act in the best interests of all the Unitholders of RHT as a whole, and give priority to the interests of all Unitholders of RHT over its own interests in the event of a conflict between the interests of all Unitholders as a whole and its own interests. The Trustee-Manager has implemented policies and practices in the management and governance of RHT, in order to ensure that RHT is managed in the interests of its Unitholders. The policies and practices include ensuring that:

(1) The Trust Property is properly accounted for and such property is kept distinct from the property of the Trustee-Manager held in its own capacity

The Trustee-Manager has separate bank accounts for RHT and RHT TM and also separate accounting teams to handle the accounts of RHT and RHT TM. The Trustee-Manager also prepares separate budgets for RHT and RHT TM which are approved by the Board. Any material variances are explained to the Board. The financial accounts are audited by the external auditor and approved by the Board of RHT TM.

(2) Adherence to business scope

RHT's investment mandate is to invest 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. The Head of Compliance within the Trustee-Manager checks that the business scope of RHT is aligned with the requirements of the Trust Deed. Any intentions for deviation will be brought to the attention of the Board of Directors. In addition, whilst the Trustee-Manager currently has no intention of owning, fully operating and managing hospitals other than the Operating Hospitals of Rajajinagar and Nagarbhavi (held since IPO), if RHT should in the future wish to own, fully operate and manage hospitals other than Operating Hospitals, the approval of Unitholders will be sought.

(3) Conflicts of interest

The Promoters of the controlling shareholder of RHT TM are the same as that of FHL, which is the Sponsor of RHT[4]. As such, there may be potential conflicts of interest between RHT TM, RHT and the Sponsor. The Trustee-Manager has the following processes in place to mitigate such potential conflicts of interest:

[4] Up till February 2018. Subsequent to February 2018, the Promoters are no longer the controlling shareholder of FHL, and in turn, RHT TM.

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- The Board of RHT TM comprises of seven Directors, of whom five of the Directors are independent from management and business relationships with the Trustee-Manager and from the Sponsor. Where any Director has an interest in any transaction involving the Sponsor and/or its subsidiaries, that Director will abstain from voting on the transaction. The same resolution is also required to be approved by all the Independent Directors. In particular, the CEO and CFO, both of whom are Executive Directors of RHT TM, do not have any positions within the Sponsor or its related entities.

- As mentioned in "Adherence to business scope", should RHT contemplate entering into the operation and management of hospitals, which is the core business of the Sponsor, the approval of Unitholders will be sought.

- Similarly, should any Director have interest in any transaction or entity with competing interests to RHT, they would also abstain from voting on such matters. The CEO and CFO are both dedicated to RHT TM on a full time basis and they do not have any positions in an entity with competing interests to RHT.

(4) Procedures for interested party transactions

The Trustee-Manager has instituted internal controls to ensure that interested party transactions which fall below the threshold that require Unitholders approval as provided under the Listing Manual of the SGX-ST, are undertaken on normal commercial terms and are not prejudicial to the interests of the Unitholders of RHT. It is also included in the scope of the work of the internal auditor, to check on the adherence to such internal controls for interested party transactions. Further information on the processes which are in place for interested party transactions are included under the section on "Audit Committee".

(5) Expense and cost allocation to RHT

- Fees payable to RHT TM out of Trust property are provided in the Trust Deed constituting RHT (as amended, dated 25 September 2012), as well as disclosed in the RHT IPO prospectus issued on 15 October 2012, and approved by Unitholders via subscription in the units of RHT at the time of the IPO. Should there be any change to the structure of the fees payable to the Trustee-Manager, the approval of Unitholders will be sought at a general meeting. The fees payable to RHT TM are put up to the Board for approval every half yearly. Where there are issuance of units in RHT to be made as payment of fees, the timelines for the issuance of such units strictly follow the internal timelines approved by the Board. The fees that have been paid to the Trustee-Manager out of the Trust property in FY2018 is as follows:

	Amount S$('000)
Management Fee	5,261
Trustee Fee	271
Total Fee	**5,532**

- Fees and expenses charged to RHT are appropriate and in accordance with the Trust Deed. The Trust Deed specifies what kind of expenses can be charged to RHT, which RHT TM adheres to. Further information on the computation methodology for fees payable to RHT TM are provided on pages 79 to 82 of this CG Report.

(6) Compliance with Business Trust Act and listing rules

The Trustee-Manager has an internal Compliance Manual which summarises all the applicable rules and regulations as well as key internal policies and processes which RHT and RHT TM need to comply with. The Compliance Manual is updated as and when there are changes in the rules and regulations, and it helps management to check that applicable rules and regulations are complied with. The Trustee-Manager has also appointed an external legal firm on a retainer basis to advise on matters related to its compliance with the Business Trusts Act and SGX listing rules.

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FEES PAYABLE TO THE TRUSTEE-MANAGER

Under the revised Code of Collective Investment Scheme (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") which took effect on 1 January 2016, where fees are payable out of the deposited property of a property fund, the methodology and justifications for each type of fees payable should be disclosed. While RHT is constituted as a Business Trust and is not required to comply with the CIS Code, management has elected to disclose the fee computation methodology in this CG report for greater transparency. All the fees below are payable to the Trustee-Manager in the form of cash and/or Units (as the Trustee-Manager may elect) at the prevailing market price.

No.	Fee Payable by RHT	Rationale for Fee
(1)	**Management Fee** **Base Fee** The base fee ("Base Fee") is 0.4% per annum of the value of the Trust Property[5], and paid quarterly in arrears. **Performance Fee** The performance fee ("Performance Fee") is 4.5% of the Distributable Income of RHT (as defined in the Trust Deed)[6], and paid quarterly in arrears. The Base Fee and Performance Fee are payable to the Trustee-Manager in the form of cash and/or Units (as the Trustee-Manager may elect) at the prevailing market price.	The Trustee-Manager receives a Management Fee (comprising of the Base Fee and Performance Fee) from RHT for managing all aspects of RHT, including but not limited to, managing and enhancing the assets, financing needs, investor relations and ensuring regulatory compliance. The Base Fee increases in line with any increase in value of RHT's assets, reflecting the increase in work load and scope with a greater volume of assets being managed. In addition, it serves to incentivise the Trustee-Manager to increase the value of the assets through asset enhancement initiatives or other means. The Performance Fee is pegged to the amount of Distributable Income generated at RHT for Unitholders. The ability of RHT TM to generate higher revenue and manage expenses for RHT, the higher the Distributable Income available for Unitholders of RHT. This has the effect of directly aligning the interests of the Trustee-Manager with that of the Unitholders of RHT.
(2)	**Trustee Fee** The trustee fee ("Trustee Fee") is 0.03% per annum of the value of the Trust Property, subject to a minimum of S$15,000 per month, and paid quarterly in arrears.	As RHT TM performs dual functions of both a manager and a trustee for RHT, it also charges a Trustee Fee. This Trustee Fee is pegged to the value of the assets to reflect the increase in volume and scope of work with an increase in asset value.

5 "Trust Property" has the meaning ascribed to it in the Business Trusts Act.

6 "Distributable Income" means the distributable amount determined by the Trustee-Manager in accordance with the terms of the Trust Deed to be distributable for the relevant distribution period (pro-rated if applicable based on the number of months the relevant financial quarter bears to such distribution period).

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Any other substantial fee or charge (i.e. 0.1% or more of RHT's asset value)

No.	Fee Payable by RHT	Rationale for Fee
(3)	**Acquisition Fee** The acquisition fee ("Acquisition Fee") will be: • 0.5% of the acquisition price of the investment (pro-rated if applicable to the proportion of RHT's interest in the investment acquired) where the Sponsor Group or the Religare Group (as the case may be) has direct or indirect interests of more than 50.0% in any investment acquired directly or indirectly by RHT; and • 1.0% of the acquisition price of any investment acquired directly or indirectly by RHT (pro-rated if applicable to the proportion of RHT's interest in the investment acquired), in all other cases. Notwithstanding the above, in the event that any investment is held by the Religare Group as a nominee or in a fiduciary capacity or otherwise pursuant to any contractual obligation entered into in its ordinary course of business, the Acquisition Fee payable on the acquisition of such investment by RHT (if applicable) shall be 1.0% of the acquisition price of any investment acquired directly or indirectly by RHT (pro-rated if applicable to the proportion of RHT's interest in the investment acquired). No Acquisition Fee is payable to the Trustee-Manager in connection with the acquisition of the portfolio acquired at the time of the initial public offering (the "Initial Portfolio"), the acquisition of the Sponsor's 51.0% interest in FHTL pursuant to the FHTL Call Option[7] and the Compulsorily Convertible Preference Shares ("CCPS") Subscription. Any payment to third party agents or brokers in connection with the acquisition of any asset of RHT shall be paid by the Trustee-Manager to such persons out of the Trust Property of RHT, and not out of the Acquisition Fee received or to be received by the Trustee-Manager.	In connection with the Performance Fee, the Acquisition Fee serves to encourage the Trustee-Manager to look for yield accretive quality assets to add to the portfolio of RHT. When undertaking an acquisition, a fair amount of time and expenses are incurred due to the lengthy process involved when carrying out due diligence and the number of external professionals involved. The Acquisition Fee also serves to compensate the Trustee-Manager for the additional time and expenses outside of that incurred for day to day operating expenses. The lower divestment fees payable to investments acquired from the Sponsor Group or promoter linked companies reflect the reduced effort required in sourcing for the acquisition.

[7] To govern the relationship of the Sponsor and Fortis Health Management Limited ("FHML") as shareholders of FHTL, the Sponsor, FHML and FHTL entered into a Shareholders' Agreement dated 17 September 2012 (the "FHTL Shareholders' Agreement"). Under the FHTL Shareholders' Agreement, FHML, a wholly owned subsidiary of RHT, has a call option on the remaining 51.0% of the issued equity shares in FHTL, which are held by the Sponsor ("FHTL Call Option"). The FHTL Call Option is exercisable if at any time the Sponsor becomes entitled to transfer such 51.0% shareholding interest after having obtained all necessary regulatory consents and approvals.

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No.	Fee Payable by RHT	Rationale for Fee
(4)	**Divestment Fee** The divestment fee ("Divestment Fee") will be 0.5% of the sale price of any investment sold, transferred or otherwise disposed of by RHT, whether directly or indirectly (prorated if applicable to the proportion of RHT's interest in the investment sold, transferred or disposed). No Divestment Fee is payable to the Trustee-Manager for the divestment by RHT to the Sponsor or its nominees of (i) the securities in FHTL pursuant to the FHTL Put Option[8] and the put option in favour of Fortis Global Healthcare Infrastructure Pte. Ltd. ("FGHIPL") in the FHTL Compulsorily Convertible Debentures ("CCD") Subscription Agreement, and (ii) the CCPS pursuant to the put option in favour of Kanishka Healthcare Limited ("KHL") in the CCPS Subscription. Any payment to third party agents or brokers in connection with the divestment of any asset of RHT shall be paid by the Trustee-Manager to such persons out of the Trust Property of RHT, and not out of the Divestment Fee received or to be received by the Trustee-Manager.	Where it is deemed to be in the best interests of Unitholders, RHT TM may recommend the divestment of certain assets in the portfolio in order to unlock value. The process of undertaking a divestment incurs time and expenses, including that of appointing external professionals, in addition to the usual day to day management of the Trust. The Divestment Fee serves to compensate the Trustee-Manager for undertaking the divestment process. Management Fee arising from a smaller portfolio would serve to lower the possibility of indiscriminate selling by RHT TM. Accordingly, there was no Divestment Fee paid to RHT TM when the 51.0% economic interest in FHTL was disposed of in October 2016.
(5)	**Development Fee** The development fee ("Development Fee") will be 2.0% of the total project costs[9] for undertaking (directly or indirectly) a Development Project on behalf of RHT incurred (pro-rated if applicable to the interest of RHT in the Development Project). "Development Project" means a project involving the development or redevelopment of medical and healthcare assets which are acquired or held by RHT. For the avoidance of doubt, this includes any redevelopment undertaken on the Initial Portfolio.	A Development Project involves the construction of new assets which is frequently carried out over a few years. Developing a project requires a dedicated project team to be assigned to oversee the project and often includes the appointment of specialised external project managers as well. The Development Fee compensates the Trustee-Manager for maintaining a separate team of personnel and the expenses related to the project over the years.
(6)	**Asset Management Fee** The asset management fee ("Asset Management Fee") will be 1.0% of the total Gross Revenue[10] for asset management services provided in respect of assets in the Trust Property, and paid quarterly in arrears. No Asset Management Fee will be payable in respect of assets operated by the Sponsor Group. For the avoidance of doubt, no Asset Management Fee is payable to the Trustee-Manager in respect of the Initial Portfolio and the CCPS in Escorts Heart Institute & Research Centre Limited ("EHIRCL") held pursuant to the CCPS Subscription.	In managing RHT's assets, RHT TM incurs expenses, including but not limited to, ensuring the smooth running of assets for the operators, compliance with regulations and negotiations with vendors. This Asset Management Fee will reimburse the Trustee-Manager for such expenses incurred. Linking the Asset Management Fee of the Trustee-Manager to that of the gross revenue of the operator aligns the interests of the Trustee-Manager with that of the Unitholders of RHT. As a portion of RHT's revenue is pegged to the gross revenue of the operator, a higher revenue generated by the operator results in higher revenue for RHT. This also benefits the Unitholders of RHT as the Trustee-Manager is incentivised to manage the assets in a way that generates more revenue for the operator.

8 FHML, a wholly owned subsidiary of RHT, is entitled to exercise a put option granted to it under the FHTL Shareholders' Agreement, to require the Sponsor to purchase all its securities in FHTL including its 49.0% shareholding in FHTL (the "FHTL Put Option").

9 "Project costs" refers to the costs incurred in connection with the Development Project, including payments of additional premiums or amounts to regulatory authorities in connection with the development of the land, but shall exclude the purchase price of the land and financing costs relating to the Development Project.

10 "Gross Revenue" means revenue attributable to the investments forming part of the Trust Property of RHT, whether directly held by the Trustee-Manager or indirectly held by the Trustee-Manager through a holding vehicle.

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No.	Fee Payable by RHT	Rationale for Fee
(7)	**Marketing Services Fee** Where the Trustee-Manager secures a lease (outside India) and/or service contract with any person (other than a member of the Sponsor Group) for a particular medical and healthcare asset (or part thereof) on behalf of RHT, the Trustee-Manager will be entitled to a marketing services fee ("Marketing Services Fee") of: • One month's gross rent and/or service fee (including service charges) for securing new leases and/or service contracts or renewal of leases and/or service contracts with a lease and/or contract term of less than five years. • Two months' gross rent and/or service fee (including service charges) for securing new leases and/or service contracts or renewal of leases and/ or service contracts with a lease and/or contract term of five years or more. If a third party agent secures a lease (outside India) and/or service contract with any person (other than a member of the Sponsor Group) for a particular medical and healthcare asset (or part thereof) on behalf of RHT, the Trustee-Manager will be responsible for all Marketing Services Fee payable to such third party agent, and the Trustee-Manager will be entitled to a Marketing Services Fee of: • 1.2 months' gross rent and/or service fee (including service charges) for securing new leases and/ or service contracts or renewal of leases and/ or service contracts with a lease and/or contract term of less than five years; and • 2.4 months' gross rent and/or service fee (including service charges) for securing new leases and/ or service contracts or renewal of leases and/ or service contracts with a lease and/or contract term of five years or more. For the avoidance of doubt, the Marketing Services Fee includes all commission and fees payable to third party agents. The Marketing Services Fee may be adjusted accordingly at the time of securing or renewal of a lease and/or service contract by the Trustee-Manager or a third party agent, to be consistent with and no higher than the prevailing market rates of such Marketing Services Fee in the country where the asset is located.	The Marketing Services Fee is structured to incentivise the Trustee-Manager to secure leases for RHT's assets with longer lease terms and which command a higher revenue. There is also a higher Marketing Services Fee payable when it involves a new tenant due to the extra work involved in sourcing and attracting new operators for RHT's assets.

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Board of Directors	Appointed
Mr Vivek Mehra, Non-executive Chairman	1 October 2017
Mr Ravi Mehrotra, Executive Chairman	Resigned on 30 September 2017
Mr Gurpreet Singh Dhillon, Executive Director & CEO	22 July 2011 [1]
Mr Pawanpreet Singh, Executive Director & CFO	1 July 2013 [3]
Mr Eng Meng Leong, Independent Director	1 July 2013 [3]
Mr Sydney Michael Hwang, Independent Director	7 September 2012 [2]
Dr Yogendra Nath Mathur, Lead Independent Director	7 September 2012 [2]
Mr Peter Joseph Seymour Rowe, Independent Director	7 September 2012 [2]

[1] reappointed on 28 July 2014.
[2] reappointed on 6 August 2015.
[3] reappointed on 29 July 2016.

Board Committees & Members		
Audit & Risk Management Committee	**Nominating Committee**	**Remuneration Committee**
1. Mr Peter Joseph Seymour Rowe, Chairman 2. Mr Eng Meng Leong 3. Dr Yogendra Nath Mathur	1. Mr Sydney Michael Hwang, Chairman 2. Mr Vivek Mehra (1) 3. Dr Yogendra Nath Mathur 4. Mr Ravi Mehrotra (2) (1) Mr Vivek Mehra was appointed Independent Director, Non-executive Chairman of the Board and member of the NC on 1 October 2017. (2) Mr Ravi Mehrotra resigned as Executive Director on 30 September 2017 and ceased to be the Executive Chairman of the Board and member of the NC on the same day.	1. Mr Eng Meng Leong, Chairman 2. Mr Sydney Michael Hwang 3. Mr Peter Joseph Seymour Rowe

CORPORATE GOVERNANCE REPORT

APPENDIX

TERMS OF REFERENCE OF THE AUDIT & RISK MANAGEMENT COMMITTEE ("ARMC")

Objectives
The main objective of the ARMC shall be to assist the Board in fulfilling its responsibilities as the Board of the Trustee-Manager of RHT. To achieve this goal, the ARMC shall:

(1) monitor and evaluate the adequacy and effectiveness of the Trustee-Manager's internal controls;
(2) review the quality and reliability of information prepared for inclusion in the financial reports of RHT;
(3) nominate external auditors and review the adequacy of external audits in respect of qualifications, independence, cost, scope and performance;
(4) in relation to risk management, ensure that the risk management framework is adequate and effective in the identification, measurement, monitoring and control of the Trustee-Manager's principal risks;
(5) in relation to risk governance of the Trustee-Manager, determine the nature and extent of risks which the Trustee-Manager may undertake, and assess if management maintains a sound system of risk management and internal controls (including financial, operational, compliance and information technology controls); and
(6) assess appropriate means to carry out its responsibility of overseeing the Trustee-Manager's risk management framework and policies.

Roles and Function
The duties and functions of the ARMC shall include the following:

<u>Financial Reporting</u>
(1) Reviewing the significant financial reporting issues and judgements so as to consider the integrity of the financial statements of RHT and any announcements relating to the financial performance of RHT;
(2) Reviewing the application and consistency of the accounting standards used. Assessing the accuracy, completeness and consistency of financial reports;
(3) Reviewing the balance sheet and profit and loss account of the Trustee-Manager of RHT and the balance sheet, profit and loss account and cash flow statement of RHT submitted to it by the Trustee-Manager, and thereafter to submit them to the Board of Directors;
(4) Reviewing, with the auditor of RHT:
    (i) the audit plan of RHT;
    (ii) the auditors' evaluation of the system of internal accounting controls of the Trustee-Manager of RHT;
    (iii) the auditors' audit report for RHT;
(5) Reviewing audit reports (whether external or internal) to determine if deficiencies in internal controls have been identified, and appropriate and prompt remedial action has been taken by management; and
(6) Reviewing the financial statements and the internal audit report. The review of the internal audit report shall be carried out at least twice a year to ascertain that the guidelines and procedures established to monitor Interested Person Transactions have been complied with. The review shall include the examination of the nature of the transaction and its supporting documents or such other data that the ARMC deems necessary.

<u>Risk Management and Internal Controls</u>
(1) Oversee and review the adequacy of the resources, policies and practices put in place by the Trustee-Manager to maintain compliance with the applicable legislation, the Business Trusts Act, the Business Trusts Regulations, the Code of Corporate Governance, the Listing Manual, the Trust Deed of RHT and any applicable guidelines;
(2) Initiating audits of the internal controls of RHT Group as and when it deems fit to satisfy itself that the internal controls of RHT Group remain adequate and effective;
(3) Reviewing and reporting to the Board at least annually, the adequacy and effectiveness of the risk management systems and internal controls of RHT, including financial, operational, compliance and information technology controls;
(4) Obtaining regular updates from management and the Company Secretary regarding compliance matters; and
(5) Overseeing RHT's risk management framework and policies and assessing appropriate means to carry out its responsibility of doing so.

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Internal & External Audit Processes

Internal Audit

(1) Determine the scope and role of the internal audit function. Review the results of the internal audit procedures of the Trustee-Manager of RHT;
(2) Approving the hiring, removal, evaluation and compensation of the head of the internal audit function, or accounting/auditing firm or corporation if the internal audit function is outsourced;
(3) Determine if the internal audit function is adequately resourced and has appropriate standing within the company and at least annually, review the adequacy and effectiveness of the internal audit function;
(4) Reviewing the activities of the internal auditors on factors such as their independence, adequate resources and appropriate standing to perform an effective role;

External Audit

(5) Making recommendations to the Board on the proposals to the Unitholders of RHT on the appointment, re-appointment or removal of the external auditors and to approve the remuneration and terms of engagement of the external auditors;
(6) Discuss key audit matters and follow up actions with external auditors;
(7) Review the audit representation letter and the external auditor's management letter;
(8) Reviewing the assistance given by the officers of the Trustee-Manager to the auditor of RHT;
(9) Nominating external auditors and reviewing the adequacy of external audits in respect of cost, scope and performance, and reviewing the independence and objectivity of the external auditors. Where external auditors also supply a substantial amount of non-audit services to RHT, the ARMC should keep the nature and extent of such services under review, seeking to maintain objectivity; and
(10) Meeting with external and internal auditors, without the presence of management, at least on an annual basis.

Interested Person Transactions and Conflicts of Interest

(1) Reviewing the procedures put in place by the Trustee-Manager of RHT for managing any conflict that may arise between the interests of the Unitholders and the interests of the Trustee-Manager, including Interested Person Transactions, the indemnification of expenses or liabilities incurred by the Trustee-Manager and the setting of fees or charges payable out of the Trust Property of RHT;
(2) Deliberating on conflict of interest situations involving RHT;
(3) Monitoring the procedures established to regulate Interested Person Transactions, including compliance with the Trustee-Manager's internal control system and the relevant provisions of the Listing Manual; and
(4) Periodically reviewing the transactions constituting Interested Person Transactions to review compliance with the Trustee-Manager's internal control system and with the relevant rules of the Listing Manual. The review will include the examination of the nature of the transaction and its supporting documents or such other data deemed necessary to the ARMC.

Other areas of responsibility of the ARMC include:

(1) Investigating any matters within the ARMC's terms of reference, whenever it deems necessary, where it should have full access to and cooperation by the management and full discretion to invite any Director or Executive Officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly;
(2) Reviewing the policy and arrangements by which staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, and review the arrangements in place for such concerns to be raised and independently investigated and for appropriate follow-up action to be taken;
(3) Reporting to the Board of Directors:

    (i) any inadequacies, deficiencies or matters of concern of which the ARMC becomes aware or that it suspects arising from its review of financial reporting, risk management and internal controls, internal and external audit processes and Interested Person Transactions and conflicts of interest; and
    (ii) any breach of the Business Trusts Act or any breach of the provisions of the Trust Deed of RHT, of which the ARMC becomes aware or that it suspects;

(4) Reporting to the MAS if the ARMC is of the view that the Board of Directors has not taken, or does not propose to take, appropriate action to deal with a matter reported under Paragraph (3) (i) and (ii) above;

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(5) In addition to the functions listed above, undertaking such other functions as may be agreed to by the ARMC and the Board of Directors; and

(6) Monitoring changes to regulations and accounting standards, including accounting standards and issues which have a direct impact on Financial Statements;

(7) In connection with Interested Person Transactions:

  (i) reviewing at regular intervals, transactions (either (1) individually or (2) as part of a series or (3) if aggregated with other transactions involving the same Interested Person during the same financial year) equal to or exceeding S$100,000 in value but below 3.0% of the value of RHT's net tangible assets based on the latest audited accounts;

  (ii) reviewing and approving transactions (either (1) individually or (2) as part of a series or (3) if aggregated with other transactions involving the same Interested Person during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of RHT's net tangible assets based on the latest audited accounts. Such transactions shall be reviewed and approved prior to such transactions being entered into, on the basis that the transactions are on commercial terms and are consistent with similar types of transactions made by the Trustee-Manager with third parties that are unrelated to the Trustee-Manager; and

  (iii) reviewing and approving transactions (either (1) individually or (2) as part of a series or (3) if aggregated with other transactions involving the same Interested Person during the same financial year) equal to or exceeding 5.0% of the value of RHT's net tangible assets based on the latest audited accounts. Such transactions will be reviewed and approved prior to such transactions being entered into, on the basis described in the preceding paragraph, by the ARMC which may, as it deems fit, request advice on the transaction from independent sources or advisers. Further, under the Listing Manual, such transactions would have to be approved by the Unitholders at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed of RHT.

TERMS OF REFERENCE OF THE NOMINATING COMMITTEE ("NC")

Objectives

The main objective of the NC shall be to make recommendations to the Board on all Board appointments. The NC shall decide how the Board's performance is to be evaluated and develop objective performance criteria which address how the Board has enhanced long-term Unitholders' value. It shall also implement a process for assessing the effectiveness of the Board as a whole and for assessing the contribution of each individual Director to the effectiveness of the Board. The Chairman will review the results of the performance evaluation of the Board, and where appropriate, propose new members to be appointed to the Board of Directors or seek the resignation of Directors, in consultation with the NC.

Roles and Function

The duties and functions of the NC shall include the following:

(1) Review the Board composition which includes the structure, size and mix annually and recommend to the Board any new Board appointments, whether Executive or Non-executive Directors, including their membership and chairmanship of any Board Committees.

(2) Review and assess candidates for directorships (including executive directorships) before making recommendations to the Board for the appointment of Directors.

(3) Recommend to the Board the selection, appointment and re-nomination for re-election or re-appointment of Directors (including alternate Directors, if applicable) in accordance with the Trustee-Manager's Articles of Association, having regard to the following factors which shall not be exhaustive in any respect:

  - the composition and progressive renewal of the Board;
  - the respective Director's contribution to the effectiveness of the Board as a whole;
  - the respective Director's competencies, commitment, contribution and performance (e.g. attendance, preparedness, participation and candour), including if applicable such contribution and performance as an independent Director;

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- the respective Director's appointment on Board Committees (as a member or Chairman);
- the respective Director's age, date of first appointment to the Board, date of last re-election or re-appointment;
- the respective Director's unitholding in RHT and its related corporations;
- the respective Director's current directorships and past directorships held in the preceding three years in related corporations of RHT and in other listed companies and other major appointments; and
- if the respective Director has multiple Board representations, whether sufficient time and attention is given to the affairs of each company.

(4) Recommend to the Board the responsibilities of Non-executive Directors, including their membership and chairmanship of Board committees.

(5) Recommend the appointment of suitable persons for the senior key executive positions, including that of Chief Executive Officer ("CEO"), Chief Operating Officer ("COO"), Chief Financial Officer ("CFO") or other Executive Officers of equivalent rank.

(6) Determine annually, and as and when circumstances require, whether or not a Director is independent in the manner provided in the Business Trusts Regulations and bearing in mind the circumstances set forth in Guidelines 2.3 and 2.4 as set out in the Code of Corporate Governance 2012 (as may be amended, supplemented or replaced from time to time) ("CG Code 2012") and any other salient factors. If the NC considers that a Director who has one or more of the relationships mentioned therein can be considered independent, it shall provide its views to the Board for the Board's consideration. Conversely, the NC has the discretion to consider that a Director is not independent even if he does not fall under the circumstances set forth in CG Code 2012 Guidelines 2.3 or 2.4, and should similarly provide its views to the Board for the Board's consideration.

(7) Decide whether or not a Director is able to and has been adequately carrying out his duties as a Director, taking into consideration the Director's number of listed company Board representations and other principal commitments, and determine the maximum number of listed company Board representations which any Director may hold.

(8) Implement and carry out the process of assessing the effectiveness of the Board as a whole, and the contribution by each individual Director to the effectiveness of the Board. Individual evaluation should aim to assess whether each Director continues to contribute effectively and demonstrate commitment to the role (including commitment of time to the Board and Board Committee meetings, and other duties).

(9) Decide on how the performance of the Board, the Board Committees and Directors may be evaluated and recommend to the Board for approval, objective performance criteria for such purpose, which may be changed subsequently where circumstances deem it necessary. In addition to any relevant performance criteria which may be proposed, the performance evaluation should also consider RHT's unit price performance over a five-year period vis-à-vis the Singapore Straits Times Index and a benchmark index of its industry peers.

(10) Consider the various disclosure requirements relating to Directors (in particular, those required by regulatory bodies such as the Singapore Exchange Securities Trading Limited) and ensure that the Trustee-Manager has provided adequate disclosure in RHT's Annual Report on key information regarding its Directors and its process for assessment of the Board and the Directors.

(11) Review of training and professional development programmes for the Board.

(12) Carry out such other duties and functions as may be agreed to by the NC and/or directed by the Board.

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE ("RC")

Objectives
The primary objective of the RC is to recommend to the Board a framework and specific remuneration package for the Directors and the CEO of RHT TM.

With regard to remuneration, the RC will review the framework of remuneration and the specific remuneration packages for the Directors and the key executive officers of the Trustee-Manager. The RC shall cover all aspects of remuneration, including but not limited to, Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind.

Roles and Function
(1) The duties and functions of the RC are as follows:

(i) Review, determine and recommend to the Board for endorsement the Trustee-Manager's compensation structure or framework for remuneration of its Directors and CEO to ensure that the framework is appropriate and sufficient to attract, retain and motivate the Directors and CEO of the required quality to run RHT successfully.

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(ii) Determine and recommend to the Board for endorsement the specific remuneration packages for each of the Directors and CEO of the Trustee-Manager upon recruitment, and thereafter on an annual basis to review such remuneration, determine and recommend to the Board for endorsement any appropriate adjustments, including any variable components in such remuneration, which may be performance-related or designed to align the interests of the Directors and CEO with those of the Unitholders of RHT.

(iii) Liaise with the Board, the NC and Management, as appropriate, on the measurement and assessment of (a) the corporate *performance of the Trustee-Manager and the Group and where appropriate, relative to other companies or its competitors, and (b) the performance and level of contribution of the individual Directors and the CEO, as a prelude to reviewing, determining and recommending (as appropriate) the remuneration for each Director and the CEO.*

(iv) Review and recommend to the Board other incentive schemes and compensation policies of the Trustee-Manager and the remuneration of senior management (CEO and direct reports to CEO).

(v) Review whether Executive Directors and key management personnel of the Trustee-Manager should be eligible for benefits under long-term incentive schemes and evaluate the costs and benefits of the long-term incentive schemes.

(vi) Review the Trustee-Manager's obligations arising in the event of termination of the Executive Directors and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

(vii) Consider the various disclosure requirements for Directors' remuneration (in particular, those required by regulatory bodies such as the Singapore Exchange Securities Trading Limited) and ensure that the Trustee-Manager has provided adequate disclosure in RHT's Annual Report on the remuneration of its Directors and key executives in the manner prescribed by such disclosure requirements.

(viii) Carry out such other duties and functions as may be agreed to by the RC and/or directed by the Board.

(2) The remuneration or remuneration packages referred to in this terms of reference shall cover all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, unit-based incentives and awards, and benefits-in-kind offered and/or to be offered by the Trustee-Manager for employment or directorship.

(3) The remuneration or remuneration packages of the Non-executive Directors of the Trustee-Manager shall be subject to prior approval by the Unitholders of the Trustee-Manager.

(4) In performing its duties and functions, the RC will take into account certain principles and issues on Board remuneration.

(5) The Independent Directors on the RC will annually review and approve the total remuneration of the Directors, Executive Officers and other employees who are related to the controlling shareholder of the Trustee-Manager or the Controlling Unitholder and/or the Directors.

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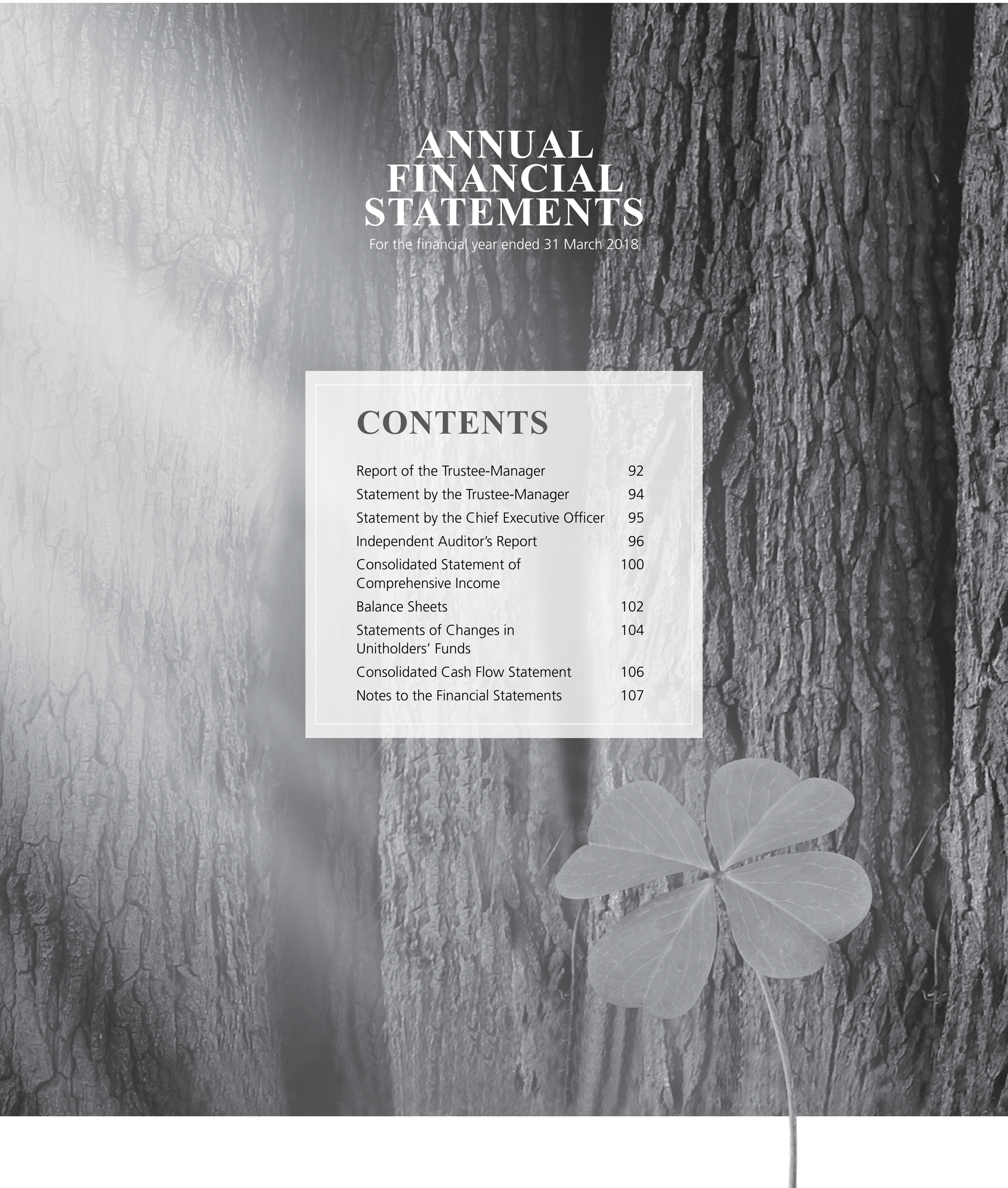
DIRECTORSHIPS

And other major appointments over the last 3 years

Name of Director	Current Directorships and Other Major Appointments	Past Appointments Over the Last 3 Years
Vivek Mehra	1. Jubilant Life Sciences Limited 2. Embassy Office Parks Management Services Private Limited 3. Grassroot Trading Network For Women 4. Bharat Hotels Limited 5. The Asthma, Bronchitis & Cancer Lung Foundation of India [1] 6. Lawrence School Sanawar Society [2] 7. HT Media Limited 8. DLF Limited 9. Clean Solar Power (Hiriyur) Pvt. Ltd. (1) Treasurer of The Asthma, Bronchitis & Cancer Lung Foundation of India (2) Member on Board of Governors of Lawrence School Sanawar Society	1. Support Services Management Pvt Ltd 2. Coopers & Lybrand Pvt Ltd 3. PricewaterhouseCoopers India Coordination Company 4. Hero Future Energies Pvt Ltd
Gurpreet Singh Dhillon	1. Fortis Global Healthcare Infrastructure Pte. Ltd. 2. RHT Health Trust Services Pte. Ltd. 3. BD Asset Management Pte. Ltd. 4. Central Europe Business Advisors B.V.	1. Treelife Holdings Pte. Ltd.
Pawanpreet Singh	NIL	NIL
Eng Meng Leong	1. ACTS College Limited (Non-Executive Director)	1. Libra Group Limited 2. 3Cnergy Limited 3. Croesus Retail Asset Management Pte. Ltd.
Sydney Michael Hwang	1. Justinian Private Limited 2. Michael Hwang Chambers LLC 3. Linyi Investments Pte. Ltd. 4. Memories of the East Pte. Ltd. 5. Singapore Dance Theatre Limited 6. YTL Starhill Global REIT Management Limited 7. Chief Justice, Dubai International Financial Centre ("DIFC") Courts, UAE 8. Head, DIFC Dispute Resolution Authority, UAE	NIL

CORPORATE GOVERNANCE REPORT

Name of Director	Current Directorships and Other Major Appointments	Past Appointments Over the Last 3 Years
Dr Yogendra Nath Mathur	1. Maharaj Jagat Singh Medical Relief Society [1] 2. RSSB Education & Environment Society [2] 3. Radha Soami Satsang Beas Society [3] [1] Member of Maharaj Jagat Singh Medical Relief Society [2] President of RSSB Education & Environment Society [3] Joint Secretary of Radha Soami Satsang Beas Society	NIL
Peter Joseph Seymour Rowe	1. AMP Capital Investors Limited [1] 2. AMP Investment Services Pty Ltd. 3. Herbert Smith Freehills (Consultant) 4. Southern Highlands Botanic Garden Limited 5. UBS Grocon Real Estate Investment Management Pty Ltd 6. PEC Investments Pty Ltd 7. PEC Management Pty Ltd 8. IPAC Asset Management Limited [2] 9. National Mutual Funds Management Ltd. [2] [1] Chairman of the Managed Investments Scheme Compliance Committees [2] External Member of the Managed Investments Scheme Compliance Committee	1. Investa Listed Funds Management Limited 2. Mission Australia Housing Limited 3. Mission Australia Housing (Victoria) Limited 4. GFM Investment Holdings Pty Ltd 5. GFM Investment Services Pty Ltd 6. GFM Investment Management Pty Ltd



ANNUAL FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

CONTENTS

REPORT OF THE TRUSTEE-MANAGER

For the financial year ended 31 March 2018

The Directors of RHT Health Trust Manager Pte. Ltd., and the Trustee-Manager of RHT Health Trust (the "Trust") are pleased to present their report to the Unitholders of the Trust, together with the audited consolidated financial statements of the Trust and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in Unitholders' funds of the Trust for the financial year ended 31 March 2018.

DIRECTORS

The Directors of the Trustee-Manager in office at the date of this report are:

Gurpreet Singh Dhillon
Pawanpreet Singh
Dr Yogendra Nath Mathur
Eng Meng Leong
Peter Joseph Seymour Rowe
Sydney Michael Hwang
Vivek Mehra (appointed on 1 October 2017)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE UNITS OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Trustee-Manager a party to any arrangement whose object was to enable the Directors of the Trustee-Manager to acquire benefits by means of the acquisition of units in, or debentures, of the Trust.

DIRECTORS' INTERESTS IN UNITS OR DEBENTURES

According to the register kept by the Trustee-Manager for the purposes of Sections 13 and 76 of the Business Trusts Act, Chapter 31A of Singapore (the "Act"), particulars of the interests of Directors who held office at the end of the financial year in units in, or debentures of, the Trust are as follows:

	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Number of units				
Gurpreet Singh Dhillon	–	–	1,777,000	1,777,000
Sydney Michael Hwang	–	–	1,000,000	1,000,000
Pawanpreet Singh	–	–	300,000	–

There were no changes in any of the above mentioned interest in the Trust between the end of the financial year and 21 April 2018.

OPTIONS

There were no options granted during the financial year by the Trustee-Manager to any person to take up unissued units in the Trust.

No units have been issued during the financial year by virtue of the exercise of options to take up unissued units of the Trust.

There were no unissued units of the Trust under option at the end of the financial year.

REPORT OF THE TRUSTEE-MANAGER

For the financial year ended 31 March 2018

AUDIT AND RISK MANAGEMENT COMMITTEE

The members of the Audit and Risk Management Committee ("ARMC") of the Trustee-Manager during the financial year and as at the date of this report were as follows:

Peter Joseph Seymour Rowe Chairman
Dr Yogendra Nath Mathur
Eng Meng Leong

All members of the ARMC are independent and are Non-executive Directors.

The ARMC carried out its functions in accordance with Regulation 13(6) of the Business Trusts Regulations 2005 of Singapore. In performing its functions, the ARMC has reviewed (among others):

- with the independent internal and external auditors of the Trust, the audit plan of the Group, the independent internal auditor's evaluation of the system of internal accounting controls of the Group and the independent external auditor's report on the consolidated financial statements of the Group for the financial year;

- the assistance given by the officers of the Trustee-Manager to the independent auditor of the Trust, the scope and results of the internal audit procedures of the Group, the policies and practices put in place by the Trustee-Manager to ensure compliance with the Act and the Trust Deed dated 29 July 2011 constituting the Trust, as amended and restated (the "Trust Deed"), the procedures put in place by the Trustee-Manager for managing any conflict that may arise between the interests of Unitholders and the interests of the Trustee-Manager (including interested person transactions, indemnification of expenses or liabilities incurred by the Trustee-Manager and the setting of fees or charges payable out of the trust property of the Trust); and

- the balance sheet and statement of changes in Unitholders' funds of the Trust and the consolidated financial statements of the Group for the financial year ended 31 March 2018 before their submission to the Board of Directors of the Trustee-Manager.

The ARMC, having reviewed all non-audit services provided by the independent auditors to the Group, is satisfied that the nature and extent of such services would not affect the independence of the independent auditors.

Further details regarding the ARMC are disclosed in the Corporate Governance Report.

AUDITOR

Ernst & Young LLP have expressed their willingness to accept re-appointment as independent auditor.

On behalf of the Board of Directors of the Trustee-Manager:

Vivek Mehra
Director

Gurpreet Singh Dhillon
Director

Singapore
9 July 2018

STATEMENT BY THE TRUSTEE-MANAGER

For the financial year ended 31 March 2018

In our opinion,

(a) the consolidated statement of comprehensive income set out on pages 100 and 101 have been drawn up so as to give a true and fair view of the results of the business of the Group for the financial year ended 31 March 2018;

(b) the balance sheets have been drawn up so as to give a true and fair view of the state of affairs of the Trust and of the Group as at 31 March 2018;

(c) the statement of changes in Unitholders' fund set out on pages 104 and 105 are drawn up so as to give a true and fair view of the changes in Unitholders' fund of the Group and of the Trust for the year ended 31 March 2018;

(d) the consolidated cash flow statement set out on page 106 has been drawn up so as to give a true and fair view of the cash flow of the business of the Group for the financial year ended 31 March 2018; and

(e) at the date of this statement, there are reasonable grounds to believe that the Trustee-Manager will be able to fulfil out of the trust property of the Trust, its liabilities in respect of the Trust as and when they fall due.

In accordance with Section 86(2) of the Singapore Business Trusts Act, Chapter 31A (the "Act"), we further certify:

(a) the fees or charges paid or payable out of the trust property of the Trust to the Trustee-Manager are in accordance with the Trust Deed of the Trust;

(b) the interested person transactions entered into by the Trust during the financial year ended 31 March 2018 are not detrimental to the interests of the Unitholders of the Trust as a whole based on the circumstances at the time of the relevant transactions; and

(c) the Board of Directors of the Trustee-Manager is not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of the Trust or on the interests of the Unitholders of the Trust as a whole.

The Board of Directors of the Trustee-Manager has, on the date of this statement, authorised the above statements and these financial statements of the Group as at and for the financial year ended 31 March 2018 for issue.

On behalf of the Board of Directors of the Trustee-Manager:

Vivek Mehra
Director

Gurpreet Singh Dhillon
Director

Singapore
9 July 2018

STATEMENT BY THE CHIEF EXECUTIVE OFFICER

For the financial year ended 31 March 2018

In accordance with Section 86(3) of the Act, I certify that I am not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of the Trust or on the interests of all the Unitholders of the Trust as a whole.

Gurpreet Singh Dhillon
Chief Executive Officer

Singapore
9 July 2018

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF RHT HEALTH TRUST

For the financial year ended 31 March 2018

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of RHT Health Trust (constituted in the Republic of Singapore pursuant to the Trust Deed) (the "Trust") and its subsidiaries (collectively, the "Group"), which comprise the consolidated balance sheets of the Group and the Trust as at 31 March 2018, the statements of changes in Unitholders' funds equity of the Group and the Trust and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in Unitholders' funds of the Trust are properly drawn up in accordance with the provisions of the Singapore Business Trusts Act, Chapter 31A (the "Act") and International Financial Reporting Standards (IFRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Trust as at 31 March 2018 and of the consolidated financial performance, consolidated changes in Unitholders' funds and consolidated cash flows of the Group and changes in Unitholders' funds of the Trust for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 2.1 to the financial statements. As at 31 March 2018, the Group's current liabilities exceeded current assets by $129.4 million (2017: $104.9 million). Included in current liabilities is $120.0 million of bonds due in January 2019. These factors indicate the existence of a material uncertainty which may cast significant doubt on the ability of the Group to continue as a going concern. The ability of the Group to continue as a going concern is dependent on the Group's ability to obtain refinancing to repay the bonds due in January 2019 and generating cashflows from its operations.

If the going concern assumption is not appropriate and the financial statements are presented on a realisation basis, the carrying value of assets and liabilities may be materially different from that currently recorded in the balance sheet. If the Group and Trust is unable to continue in operational existence for the foreseeable future, the Group and Trust may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet. In addition, the Group and Trust may have to reclassify its non-current assets as current assets and non-current liabilities as current liabilities. No such adjustments have been made to these financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF RHT HEALTH TRUST

For the financial year ended 31 March 2018

KEY AUDIT MATTERS (CONT'D)

Valuation of land and buildings

Land and buildings are measured, using the revaluation model, at its fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. The carrying amount of land and buildings as at 31 March 2018 was $478.6 million and this accounts for 43% of the total assets. The valuation of land and buildings is significant to our audit due to the magnitude of the carrying amount and the valuation is highly dependent on a range of estimates made by management and the external valuer engaged by management.

Accordingly, we have determined this matter to be a key audit matter. As disclosed in Note 33(d), the fair value of land and buildings are measured using significant unobservable inputs. The most significant judgement and estimates affecting the valuations are price per square feet, replacement cost per square feet and estimated economic useful life of the buildings. Management has engaged an external valuer to support their determination of the individual fair value of the land and buildings annually.

Amongst others, we have considered the objectivity, independence and expertise of the external valuer. In addition, we inquired of the external valuer to obtain an understanding of their valuation methodologies. We assessed the appropriateness of the valuation methodologies and property related data used in the valuation process and adopted by the external valuer. In addition, our internal valuation specialists assisted us in evaluating the appropriateness of the property related data by comparing them against available industry data, taking into consideration comparability and market factors. We assessed the appropriateness of the movements in fair value of the land and buildings, and the revaluation reserve of land and buildings. We also assessed the adequacy of the disclosures on the land and buildings in Note 16 and Note 33(d) to the financial statements.

Impairment of goodwill

As at 31 March 2018, the goodwill is carried at $47.7 million which represents 4% of the total non-current assets.

As disclosed in Note 15, the Group has determined each entity providing medical and clinical establishment services as a cash-generating unit ("CGU"). As part of the impairment assessment, the carrying value of the CGU to which goodwill has been allocated to is compared to its recoverable amount. The recoverable amount is determined using the value-in-use calculation based on cash flow projections. Determining the recoverable amount is judgemental in nature and involves the use of significant estimates and assumptions. These estimates and assumptions include revenue growth rate and discount rate. As the goodwill impairment assessment requires significant estimation, we have determined this to be a key audit matter.

Our audit procedures, included amongst others, evaluating the assumptions and methodology used by the Group in estimating the recoverable amount. We checked whether the cash flows were based on approved management budgets that reflected business plans, and evaluated management's forecasting process by comparing previous forecasts to actual results. We evaluated management's assumptions by comparing them to historical data as well as market and economic outlook. On the discount rate applied, we evaluated the reasonableness of the rate by considering the key elements such as risk-free rate, equity beta, market risk premium and cost of debt to the source data and external observable data, and making comparison to the rates used by other players in the same industry. We have engaged our internal valuation specialists to assist us in performing some of these procedures. We also assessed the adequacy of the disclosures on the impairment test in Note 15 to the financial statements.

OTHER INFORMATION

The Trustee-Manager is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF RHT HEALTH TRUST

For the financial year ended 31 March 2018

RESPONSIBILITIES OF THE MANAGER FOR THE FINANCIAL STATEMENTS

RHT Health Trust Manager Pte. Ltd., the Trustee-Manager of the Trust, is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, the Trustee-Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Trustee-Manager's responsibilities include overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Trustee-Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF RHT HEALTH TRUST

For the financial year ended 31 March 2018

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

We also provide the Trustee-Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Trustee-Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Trust and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Companies Act, Chapter 50.

The engagement partner on the audit resulting in this independent auditor's report is Tan Soon Seng.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

9 July 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2018

	Note	2018 $'000	2017 $'000
Revenue:			
Service fee	4	80,758	79,610
Hospital income	5	10,887	9,583
Other income	6	4,361	2,827
Total revenue		96,006	92,020
Service and hospital expenses:			
Medical consumables		(8,682)	(8,279)
Employee benefits expense	7	(3,062)	(2,941)
Doctor charges		(7,889)	(7,856)
Depreciation and amortisation		(11,877)	(11,735)
Other service fee expenses		(11,905)	(11,596)
Hospital expenses	5	(9,177)	(8,323)
Total service and hospital expenses		(52,592)	(50,730)
Trustee-Manager fees	8	(5,532)	(10,502)
Other trust expenses		(2,464)	(2,375)
Finance income	9	15,904	7,895
Finance expenses	10	(20,899)	(13,549)
Foreign exchange (loss)/gain		(9,652)	1,858
Total expenses		(75,235)	(67,403)
Share of results of an associate		10,532	4,714
Profit before changes in fair value of financial derivatives		31,303	29,331
Fair value gain/(loss) on financial derivatives		4,004	(4,506)
Profit before taxes	11	35,307	24,825
Income tax expense	12	(19,771)	(1,374)
Profit from continuing operations		15,536	23,451
Discontinued operations			
Gain on disposal of 51.0% economic interest in a subsidiary	17	–	96,631
Profit after tax for the period from discontinued operations	13	–	14,869
Profit after tax for the period attributable to Unitholders of the Trust		15,536	134,951

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2018

	Note	2018 $'000	2017 $'000
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss			
- Foreign currency translation		(29,270)	31,899
Items that will not be reclassified to profit or loss			
- Net surplus on revaluation of land and buildings		6,521	7,539
- Share of net surplus on revaluation of land and buildings of associate		299	234
- Re-measurement of defined benefit plan		(33)	(85)
Other comprehensive income for the year, net of tax		(22,483)	39,587
Total comprehensive income for the year attributable to Unitholders of the Trust		(6,947)	174,538
Earnings per unit from continuing operation attributable to Unitholders of the Trust, expressed in cents per unit			
- Basic and diluted	14	1.92	2.92
Earnings per unit attributable to Unitholders of the Trust, expressed in cents per unit			
- Basic and diluted	14	1.92	16.83
Attributable to:			
Unitholders of the Trust			
Total comprehensive income from continuing operations, net of tax		(6,947)	56,869
Total comprehensive income from discontinued operations, net of tax		–	117,669
Total comprehensive income for the year attributable to Unitholders of the Trust		(6,947)	174,538

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

As at 31 March 2018

		Group		Trust	
	Note	2018 $'000	2017 $'000	2018 $'000	2017 $'000
ASSETS					
Non-current assets					
Intangible assets	15	86,781	94,640	–	–
Property, plant and equipment	16	539,011	562,074	–	–
Investment in subsidiaries	17	–	–	12,634	12,634
Investment in an associate	18	363,557	352,717	–	–
Loans to subsidiaries	19	–	–	469,245	441,959
Financial assets	20	17,290	30,550	–	–
Deferred tax assets	21	15,785	22,529	–	–
Other assets	22	23,846	25,024	–	–
Total non-current assets		1,046,270	1,087,534	481,879	454,593
Current assets					
Inventories		119	103	–	–
Financial assets	20	42,963	2,362	68,747	46,295
Trade receivables	23	19,290	10,606	–	–
Other assets		1,060	809	700	58
Derivative financial instruments	28	389	–	–	–
Cash and cash equivalents	24	8,047	7,246	18	255
Total current assets		71,868	21,126	69,465	46,608
Total assets		1,118,138	1,108,660	551,344	501,201
LIABILITIES					
Non-current liabilities					
Loans and borrowings	25	146,527	183,658	–	60,000
Other liabilities	27	18,749	12,299	–	–
Deferred tax liabilities	21	89,046	90,234	–	–
Total non-current liabilities		254,322	286,191	–	60,000

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS
As at 31 March 2018

		Group		Trust	
	Note	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Current liabilities					
Loans and borrowings	25	181,370	104,607	120,742	517
Trade and other payables	26	6,417	5,502	–	–
Other liabilities	27	13,492	12,371	3,013	2,157
Derivative financial instruments	28	–	3,615	–	–
Total current liabilities		201,279	126,095	123,755	2,674
Net current (liabilities)/assets		(129,411)	(104,969)	(54,290)	43,934
Total liabilities		455,601	412,286	123,755	62,674
Net assets		662,537	696,374	427,589	438,527
UNITHOLDERS' FUNDS					
Units in issue	29	520,191	518,114	520,191	518,114
Capital reserve	30	210,216	210,216	–	–
Foreign currency translation reserve	30	(47,588)	(18,318)	–	–
Revaluation reserve	30	48,944	43,096	–	–
Capital redemption reserve	30	(85)	(52)	–	–
Accumulated losses		(69,141)	(56,682)	(92,602)	(79,587)
Total Unitholders' funds		662,537	696,374	427,589	438,527

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS

For the financial year ended 31 March 2018

Group	Note	Units in issue (Note 29) $'000	Capital reserve $'000	Foreign currency translation reserve $'000	Revaluation reserve $'000	Other reserve $'000	(Accumulated losses)/ revenue reserve $'000	Total $'000
At 1 April 2016		510,399	210,216	(82,469)	142,911	33	(41,482)	739,608
Profit for the year		–	–	–	–	–	134,951	134,951
Other comprehensive income								
- Foreign currency translation		–	–	31,899	–	–	–	31,899
- Net surplus on revaluation of land and buildings		–	–	–	4,796	–	2,743*	7,539
- Re-measurement of defined benefit plan		–	–	–	–	(85)	–	(85)
- Share of net surplus on revaluation of land and buildings of associate		–	–	–	234	–	–	234
Other comprehensive income for the year, net of tax		–	–	31,899	5,030	(85)	2,743	39,587
Total comprehensive income for the year		–	–	31,899	5,030	(85)	137,694	174,538
Disposal of 51.0% economic interest in a subsidiary	17	–	–	32,252	(104,845)	–	104,845	32,252
Payment of Trustee-Manager fees in units		7,715	–	–	–	–	–	7,715
Distribution on units in issue	37	–	–	–	–	–	(257,739)	(257,739)
At 31 March 2017 and 1 April 2017		518,114	210,216	(18,318)	43,096	(52)	(56,682)	696,374
Profit for the year		–	–	–	–	–	15,536	15,536
Other comprehensive income								
- Foreign currency translation		–	–	(29,270)	–	–	–	(29,270)
- Net surplus on revaluation of land and buildings		–	–	–	5,549	–	972*	6,521
- Re-measurement of defined benefit plan		–	–	–	–	(33)	–	(33)
- Share of net surplus on revaluation of land and buildings of associate		–	–	–	299	–	–	299
Other comprehensive income for the year, net of tax		–	–	(29,270)	5,848	(33)	972	(22,483)
Total comprehensive income for the year		–	–	(29,270)	5,848	(33)	16,508	(6,947)
Payment of Trustee-Manager fees in units		2,077	–	–	–	–	–	2,077
Distribution on units in issue	37	–	–	–	–	–	(28,967)	(28,967)
At 31 March 2018		520,191	210,216	(47,588)	48,944	(85)	(69,141)	662,537

* Relates to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS

For the financial year ended 31 March 2018

	Note	Units in issue (Note 29) $'000	(Accumulated losses)/ revenue reserve $'000	Total $'000
Trust				
At 1 April 2016		510,399	(32,972)	477,427
Profit for the year, representing total comprehensive income for the financial year		–	211,124	211,124
Distribution on units in issue	37	–	(257,739)	(257,739)
Payment of Trustee-Manager fees in units		7,715	–	7,715
At 31 March 2017 and 1 April 2017		518,114	(79,587)	438,527
Profit for the year, representing total comprehensive income for the financial year		–	15,952	15,952
Distribution on units in issue	37	–	(28,967)	(28,967)
Payment of Trustee-Manager fees in units		2,077	–	2,077
At 31 March 2018		520,191	(92,602)	427,589

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 March 2018

	Note	2018 $'000	2017 $'000
Cash flow from operating activities			
Profit before tax from continuing operations		35,307	24,825
Profit before tax from discontinued operations		–	118,850
Profit before tax		35,307	143,675
Adjustments for:			
Depreciation and amortisation		11,877	13,276
Finance income		(15,904)	(8,416)
Finance expenses		20,899	13,644
Fixed assets written off		–	396
Unrealised (gain)/loss on financial assets		(103)	224
Fair value (gain)/loss on financial derivatives		(4,004)	4,506
Gain on disposal of 51.0% economic interest in a subsidiary	17	–	(96,631)
Share of results of an associate		(10,532)	(4,714)
Foreign currency alignment		6,226	(3,290)
Operating cash flow before working capital changes		43,766	62,670
Changes in working capital:			
Increase in trade receivables		(9,763)	(7,102)
(Increase)/decrease in financial assets and other assets		(1,163)	13,696
(Increase)/decrease in inventories		(24)	34
(Decrease)/increase in trade and other payables and other liabilities		(3,271)	13,546
Cash flow generated from operations		29,545	82,844
Interest received		13,972	1,233
Tax paid		(5,858)	(20,602)
Net cash generated from operating activities		37,659	63,475
Cash flow from investing activities			
Purchase of intangible assets	15	(5)	(5)
Purchase of property, plant and equipment	16	(14,813)	(17,147)
Net cash flow from disposal of 51.0% economic interest in a subsidiary	17	–	201,254
(Purchase)/sales of short term investments		(27,789)	3,945
Net cash (used in)/generated from investing activities		(42,607)	188,047
Cash flow from financing activities			
Distribution paid to Unitholders	37	(28,967)	(257,739)
Interest paid		(14,255)	(9,675)
Repayment of borrowings		(114,659)	(84,801)
Proceeds from borrowings		163,681	102,006
Net cash generated from/(used in) financing activities		5,800	(250,209)
Net increase in cash and cash equivalents		852	1,313
Effect of exchange rate changes on cash and cash equivalents		(51)	102
Cash and cash equivalents at beginning of period		7,246	5,831
Cash and cash equivalents at end of year	24	8,047	7,246

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

1. GENERAL INFORMATION

RHT Health Trust (the "Trust") is a business trust registered with the Monetary Authority of Singapore and domiciled in Singapore. The Trust was constituted by the Trust Deed and is regulated by the Business Trusts Act, Chapter 31A of Singapore. Under the Trust Deed, RHT Health Trust Manager Pte. Ltd. (the "Trustee-Manager") has declared that it will hold all the assets (including businesses) acquired on trust for the Unitholders of the Trust. The registered office of the Trustee-Manager is located at 9 Battery Road, #25-01 MYP Building, Singapore 049910. The principal place of business of the Trustee-Manager is located at 302 Orchard Road #09-03/04 Tong Building, Singapore 238862.

The principal activity of the Trust is investment holding of hospital and health care related assets located in Asia, Australasia and emerging markets in the rest of the world. The principal activities of the subsidiaries of the Trust are set out in Note 17.

The Trust was admitted to the Official List of the Main Board of Singapore Exchange Securities Trading Limited on 19 October 2012.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 *Basis of preparation*

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by International Accounting Standards Board ("IASB"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

All financial information is presented in Singapore Dollars (SGD or $) and has been rounded to the nearest thousand ($'000), unless otherwise stated.

Going concern

As at 31 March 2018, the Group's current liabilities exceeded current assets by $129.5 million (2017: $104.9 million). The net current liabilities position is mainly due to $120.0 million of bonds which are payable within the next 12 months. Accordingly, the Directors need to assess the ability of the Group to continue as a going concern.

The Directors have considered the following:
(i) Subsequent to the financial year ended 31 March 2018, Fortis Healthcare Limited ("Fortis"), the operator of the Group's clinical establishment, has fully paid to the Group the outstanding amounts for such financial year.
(ii) Fortis has secured borrowings of INR 1.2 billion with commitment of up to INR 3.4 billion.
(iii) Fortis has announced that it has received binding bids in relation to a bid process for binding offers for Fortis.
(iv) The Group is currently in discussion with the banks to extend and/or refinance the $120 million of Notes due on 22 January 2019.

In the opinion of the Directors, the Group is able to continue as a going concern as the Directors are of the view that the Group reasonably expects to obtain refinancing to repay the bonds due in January 2019 and generate cash flows from its operations for a period of 12 months from the approved date of these financial statements.

If the Group is unable to continue in operational existence for the foreseeable future, the Group may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2018, including the Amendments to FRS 7 *Disclosure Initiative*. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Trust.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 *Changes in accounting policies (cont'd)*

Standards, Amendments and Interpretations issued but not yet effective

The Group has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
IFRS 10 and IAS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined
IFRS 15: *Revenue from Contracts with Customers*	1 January 2018
Amendments to IFRS 15: Clarification to IFRS 15 Revenue from Contracts With Customers	1 January 2018
IFRS 9: *Financial Instruments*	1 January 2018
INT FRS 122: *Foreign Currency Transactions and Advance Consideration*	1 January 2018
IFRS 16: *Leases*	1 January 2019
Amendments to IAS 28 Long-term interests in Associates and Joint Venture	1 January 2019
IFRIC 23: *Uncertainty over Income Tax Treatments*	1 January 2019
Annual Improvements to IFRS Standards 2015 – 2017 Cycle	Date to be determined

Except for IFRS 9 and IFRS 16, the Group expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of IFRS 9 and IFRS 16 are described below.

IFRS 9 *Financial Instruments*

IFRS 9 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting, and is effective for annual periods beginning on or after 1 January 2018. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in IFRS 9 are based on an expected credit loss model and replace the IAS 39 incurred loss model.

The Group plans to adopt the new standard on the required effective date without restating prior periods' information and recognises any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings.

The Group has performed a preliminary impact assessment of adopting IFRS 9 based on currently available information. This assessment may be subject to changes arising from ongoing analysis, until the Group adopts IFRS 9 in March 2019.

Classification and measurement

The Group does not expect a significant impact on its balance sheet or Unitholders' funds on applying the classification and measurement requirements of IFRS 9. It expects to continue measuring at fair value all financial assets currently held at fair value.

Loans as well as trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. Thus, the Group expects that these will continue to be measured at amortised cost under IFRS 9. However, the Group will analyse the contractual cash flow characteristics of those instruments in more detail before concluding whether all those instruments meet the criteria for amortised cost measurement under IFRS 9.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 ***Changes in accounting policies (cont'd)***

Impairment

IFRS 9 requires the Group to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on all trade receivables. The Group does not expect the adoption of this standard to have a significant impact to the financial statement.

IFRS 16 *Leases*

IFRS 16 requires lessees to recognize most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemptions for lessees – lease of 'low value' assets and short term leases. The new leases standard is effective for annual periods beginning on or after 1 January 2019.

The Group has performed a preliminary impact assessment of the adoption of IFRS 16 and expects that the adoption of IFRS 16 will result in increase in total assets and total liabilities, EBITDA and gearing ratio which are not expected to have a significant impact to the financial statements.

The Group plans to adopt the new standard on the required effective date by applying IFRS 16 retrospectively with the cumulative effect of initial application as an adjustment to the opening balance of retained earnings as at 1 April 2019.

The Group is currently in the process of analyzing the transitional approaches and practical expedients to be elected on transition to IFRS 16 and assessing the possible impact of adoption.

2.3 ***Basis of consolidation and business combination***

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 March 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income ("OCI") are attributed to the Unitholders of the Trust. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 *Basis of consolidation and business combination (cont'd)*

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Business combinations are accounted for using the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another IFRS.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's Cash-Generating Units ("CGU") that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a CGU and part of the operation within that CGU is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the CGU retained.

The CGU to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the CGU may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates.

Business combinations involving entities under common control are accounted for by applying the pooling of interest method.

Pursuant to this:

– Assets and liabilities are reflected at their existing carrying amounts;
– No amount is recognised for goodwill; and
– Any difference between the consideration paid by the Trust and the share capital of the subsidiary will be reflected within the equity of the Group as capital reserve.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 *Foreign currency*

The Group's consolidated financial statements are presented in Singapore Dollars, which is also the Trust's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and has elected to recycle the gain or loss that arises from using this method.

(a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Trust and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

(b) *Consolidated financial statements*

For consolidation purposes, the assets and liabilities of foreign operations are translated into Singapore Dollars at the rate of exchange prevailing at the reporting date and their profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.5 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment other than freehold land and buildings are measured at cost less accumulated depreciation and any accumulated impairment losses.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of the revaluation. Valuations for land and buildings are performed annually to ensure that the carrying amount does not differ materially from the fair value of the freehold land and buildings at the end of the reporting period.

A revaluation surplus is recognised in other comprehensive income and accumulated to the asset revaluation reserve in equity. However, to the extent it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the profit or loss, except to the extent that it offsets an existing surplus of the same asset recognised in the asset revaluation reserve.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on revalued carrying amount of the asset and depreciation based on the assets original cost. Additionally, any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 *Property, plant and equipment (cont'd)*

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land	2 to 90 years
Buildings	24 to 45 years
Medical equipment	1 to 15 years
Plant and machinery	6 to 20 years
Furniture and fittings	1 to 15 years
Office equipment	1 to 4 years
Computers	2 to 6 years
Vehicles	1 to 5 years

Assets under construction are not depreciated as these assets are not yet available for use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

The residual value, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end, and adjusted prospectively, if appropriate.

2.6 *Intangible assets*

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as below:

Customer related intangible	30 years
Right to use "Fortis" brand	15 years
Goodwill	Indefinite
Other intangibles	3 years

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the CGU level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less cost of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

The following assets have specific characteristics for impairment testing:

Goodwill

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 March either individually or at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2.8 *Financial instruments – initial recognition and subsequent measurement*

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 ***Financial instruments – initial recognition and subsequent measurement (cont'd)***

(a) ***Financial assets (cont'd)***

The subsequent measurement of financial assets depends on their classification as follows:

Subsequent measurement

(i) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(ii) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss includes derivative financial instruments entered into by the Group.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(b) ***Financial liabilities***

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

(i) Financial liabilities carried at amortised cost

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 ***Financial instruments – initial recognition and subsequent measurement (cont'd)***

(b) ***Financial liabilities (cont'd)***

(ii) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

2.9 ***Impairment of financial assets***

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. These include bank overdrafts that form an integral part of the Group's cash management. Fixed deposits with banks with original maturity for less than three months are considered as cash and cash equivalents. Pledged fixed deposits do not form part of cash and cash equivalents.

2.11 *Inventories*

Inventories of medical consumables, drugs and stores and spares are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs incurred to make the sale.

2.12 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.13 *Borrowing costs*

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing cost commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.14 *Employee benefits*

(a) *Defined contribution plans*

The entities within the Group located in India make contributions to the Statutory Provident Fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952, India. Provident Fund is a defined contribution scheme and the contributions are charged to the profit or loss of the year when the contributions to the respective fund is due. There are no other obligations other than the contribution payable to the fund.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 *Leases*

As lessee

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

As lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as lease income. Contingent rents are recognised as revenue in the period in which they are earned.

2.16 *Revenue*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

Service fee

The base service income arising from the provision of Clinical Establishments Services is accounted for on a straight-line basis over the term of the arrangement. Service income relating to out-patient and day care medical and healthcare services ("OPD"), radiology and maintenance services are recognised in the profit or loss when such services are rendered. The variable performance linked fee is recognised when the Group becomes entitled to payment as per the terms of the arrangement.

The Group's subsidiaries provide the following services to Fortis Healthcare Limited ("FHL") group of companies (collectively, the "Clinical Establishment Services"):

(a) making available and maintaining the Clinical Establishment to allow FHL group of companies to operate and manage a full-fledged full service secondary, tertiary or quaternary hospital (as the case may be);
(b) the undertaking, provision, running, operation and management of the OPD Services; and
(c) the provision, running, operation and management of the Radio Diagnostic Services.

Hospital income

Hospital income is recognised when services are rendered to the patients in the two Operating Hospitals.

Lease income

Lease income is recognised in profit or loss on a straight-line basis and over the term of the lease.

Lease income is rental revenue earned from the space utilised as amenities such as pharmacy, cafeteria, book shop, Automated Teller Machines ("ATMs") and other amenities for patients and/or other attendant conveniences.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 *Revenue (cont'd)*

Dividend income

Dividend income is recognised when the Group's rights to receive the payment is established.

Interest income

Interest income is recognised using the effective interest method.

2.17 *Taxes*

(i) *Current income tax*

Current income tax assets and liabilities for the current periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 *Taxes (cont'd)*

(ii) Deferred tax (cont'd)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(iii) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- When receivables and payables are stated with the amount of sales tax included.

(iv) Minimum Alternate Tax ("MAT")

MAT paid in a year is initially charged to the profit or loss as current tax. The Group then recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of MAT under the Indian Income Tax Act, 1961, the said asset is created by way of credit to the profit or loss and shown as "MAT Credit Entitlement". The Group reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent where the Group does not have convincing evidence that it will pay income tax during the specified period.

2.18 *Segment reporting*

The Group is primarily involved in the provision of Clinical Establishment services to the operators of each hospital in each Clinical Establishment. As the rendering of services to patients in earning of hospital income is not material, no separate business segment has been disclosed.

No geographical segment information has been prepared as the Group's assets and operations are all located in India.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 *Discontinued operations*

A component of the Group is classified as a 'discontinued operation' when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

2.20 *Unitholders' funds*

Unitholders' funds represent the Unitholders' residual interest in the Group's net assets.

Incremental costs directly attributable to the issue of units are recognised as a deduction from Unitholders' funds.

2.21 *Contingencies*

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

   (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

   (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.22 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Trust's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.23 *Associate*

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control of those policies.

The Group accounts for its investment in associate using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 *Associate (cont'd)*

Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associate is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate. The profit or loss reflects the share of results of the operations of the associate. Distributions received from associate reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associate, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate are eliminated to the extent of the interest in the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associate are prepared as the same reporting date as the Trust. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the financial statements requires the Directors to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 *Judgments*

Accounting for service agreement

Clinical Establishment is defined as a fully centrally air-conditioned institution established and specifically customised and duly fitted with all fixtures, fittings, medical equipment and infrastructure required for running and operating a hospital, offering:

(i) doctors and services for diagnosis and treatment for illness, disease, injury, deformity and/or abnormality;
(ii) diagnosis of diseases through radiological and other diagnostic or investigative services with the aid of laboratory or other medical equipment; and
(iii) beds for in-patient treatment.

The Group has entered into separate Hospital and Medical Services Agreements ("HMSAs") with FHL group of companies wherein the Group is required to provide and maintain the Group's Clinical Establishments along with other services like out-patient diagnostic and radio diagnostic services. The Group needs to exercise judgment to analyse whether the arrangement involves providing the right to use the Group's Clinical Establishments and whether the out-patient diagnostic and radio diagnostic services in the arrangement are significant to the overall arrangement. The Group has analysed the substance of the contract and have determined that fulfilment of service arrangement is based on the use of specified assets and conveys right to use the Group's Clinical Establishments. However, substantial risk and rewards of the Group's Clinical Establishments are retained by the Group even though rights to use are given to FHL group of companies. The Group has assessed that the out-patient diagnostic and radio diagnostic services in the arrangement are significant to the entire arrangement. Consequently, the Group's Clinical Establishments have been classified as part of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

3.1 ***Judgments (cont'd)***

Unused tax losses

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Had the Group been able to recognise all unrecognised deferred tax assets, profit would increase by $11.1 million (2017: $2.1 million).

The carrying value of unrecognised tax losses and capital allowances are disclosed in Note 21 to the financial statements.

3.2 ***Estimates and assumptions***

Impairment of goodwill

An impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow ("DCF") model. The cash flows are derived from the budget for a period longer than five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount are disclosed and further explained in Note 15 to the financial statements.

Revaluation of property, plant and equipment

The Group measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. The Group engaged an independent valuation specialist to assess the fair value. Land was valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property. Buildings were valued by reference to current replacement cost of the buildings and adjusted for their remaining economic life. The revaluation of property, plant and equipment is disclosed in Note 16 to the financial statements.

4. SERVICE FEE

	Group	
	2018	**2017**
	$'000	**$'000**
Base fee	49,464	47,991
Variable fee	31,294	31,619
	80,758	79,610

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

5. HOSPITAL INCOME AND EXPENSES

Hospital income and expenses relate to revenue generated from and expenses incurred in the Group's two Operating Hospitals in Rajajinagar and Nagarbhavi.

6. OTHER INCOME

Other income mainly relates to lease income from pharmacy, cafeteria, bookshop, ATM and other amenities in the Clinical Establishments of the Group as well as interest on service fee charged to the Operator resulting from late payment of service fee.

7. EMPLOYEE BENEFITS EXPENSE

	Group	
	2018	**2017**
	$'000	**$'000**
Salaries, bonus and other benefits	2,912	2,810
Statutory Provident Fund contributions	150	131
	3,062	2,941

8. TRUSTEE-MANAGER FEES

	Group	
	2018	**2017**
	$'000	**$'000**
Management fees	5,261	10,235
Trustee fees	271	267
	5,532	10,502

Under the Trust Deed, the Trustee-Manager is entitled to the following:

Management fees

Base fee

The Base fee (the "Base fee") is 0.4% (2017: 0.4%) per annum of the value of the net assets of the Group pursuant to the Trust Deed.

Performance fee

The Performance fee ("Performance fee") is 4.5% (2017: 4.5%) per annum of Distributable Income of the Group pursuant to the Trust Deed for the relevant financial year.

In 2017, a special distribution declared upon completion of disposal of 51.0% economic interest in FHTL (Note 17), the Trustee-Manager is entitled to receive a Performance fee of S$8.9 million. The Trustee-Manager elected to receive 50.0% of the Performance fee in the form of Performance fee Units, and waived the remaining 50.0% of the Performance fee it is entitled to receive.

Trustee fees

The Trustee fee is 0.03% (2017: 0.03%) per annum of the value of the net assets of the Group, subject to a minimum of $15,000 (2017: $15,000) per month, excluding out-of-pocket expenses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

9. FINANCE INCOME

	Group	
	2018	2017
	$'000	$'000
Interest income from fixed deposits	12	41
Interest income from Compulsorily Convertible Debentures ("CCDs")	15,640	7,183
Others	252	671
	15,904	7,895

10. FINANCE EXPENSES

	Group	
	2018	2017
	$'000	$'000
Interest on borrowings	12,527	8,984
Interest on Non-Convertible Debentures ("NCDs")	7,025	3,138
Interest on deferred payment scheme on purchase of equipment	157	167
Bank charges	271	63
Others	919	1,197
	20,899	13,549

11. PROFIT BEFORE TAXES

The following items have been included in arriving at other service fee expenses:

	Group	
	2018	2017
	$'000	$'000
Housekeeping	4,692	4,747
Security	1,991	1,890
Power and fuel	815	811
Annual maintenance charges	1,734	1,420
Property tax	800	832
Insurance	116	109
Others	1,757	1,787
Other service fee expenses	11,905	11,596

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

11. PROFIT BEFORE TAXES (CONT'D)

The following items have been included in arriving at profit before taxes:

	Group	
	2018	2017
	$'000	$'000
Audit fees paid to:		
Auditor of the Trust	152	152
Other auditors	200	212
Non-audit fees paid to:		
Auditor of the Trust	39	58
Other auditors	236	552
Legal and other professional fees	2,243	1,826

12. INCOME TAX EXPENSE

The major components of income tax expense

	Group	
	2018	2017
	$'000	$'000
Consolidated profit or loss:		
Current income tax		
Continuing operations:		
- Current income taxation	10,034	11,416
- Under/(over) provision in previous year	19	(94)
Deferred tax expense		
Continuing operations:		
- Origination and reversal of temporary differences	9,718	(9,948)
Income tax expense attributable to continuing operations	19,771	1,374
Income tax expense attributable to discontinuing operations (Note 13)	–	7,350
Income tax expense recognised in profit and loss		
Statement of comprehensive income:		
Deferred tax expense related to other comprehensive income		
- Net surplus on revaluation of land and buildings	678	3,287

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

12. INCOME TAX EXPENSE (CONT'D)

Relationship between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 March 2018 and 2017 is as follows:

	Group	
	2018	**2017**
	$'000	**$'000**
Profit before taxes		
- continuing operations	35,307	24,825
- discontinued operations	–	118,850
Total	35,307	143,675
Tax at the domestic rates applicable to profits in the countries where the Group operates	23	14,247
Adjustments:		
Income not subject to taxation	(10,969)	(12,497)
Non-deductible expenses	28,131	10,320
Deferred tax assets not recognised	1,950	3,622
Adjustment due to difference in indexation cost	–	(6,874)
Under/(over) provision in previous year	19	(94)
Change in tax rate*	617	–
Tax expense recognised in profit or loss	19,771	8,724

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction. The domestic tax rates for the entities in India and Singapore are 34.608% and 17.0% (2017: 34.608% and 17.0%) respectively.

* There will be a change in domestic tax rate in India to 34.944% with effect from 1 April 2018 onwards. The revised rate has been used to compute the deferred tax for the year ended 31 March 2018.

13. DISCONTINUED OPERATIONS

On 29 July 2016, the Unitholders approved the disposal of 51.0% of CCDs in Fortis Hospotel Limited ("FHTL") and 100.0% of the Compulsorily Convertible Preference Shares ("CCPS") in EHIRCL to, and the Related Arrangements with, Interested Persons ("Disposal and Related Arrangements"). The Disposal and Related Arrangements was fully completed on 14 October 2016, however, for accounting purpose, the control was lost on 12 October 2016. Post the Disposal and Related Arrangements, as the Group retains 49.0% economic interest of FHTL, it is accounted for as an associate in accordance with IAS 28 Investments in Associates and Joint Ventures.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

13. DISCONTINUED OPERATIONS (CONT'D)

Income statement disclosures

The results of FHTL for the year ended 31 March 2017 are as follows:

	Group 1 April 2016 to 12 October 2016 $'000
Revenue	28,144
Expense	(5,925)
Profit from discontinued operations	22,219
Income tax expense (Note 12)	(7,350)
Profit for the period	14,869

Cash flow statements disclosures

The cash flows attributable to FHTL are as follows:

	2017 $'000
Operating	22,705
Investing	(494)
Financing	(26)
Net cash inflow	22,185

14. EARNINGS PER UNIT

The calculation of basic and diluted earnings per unit is based on the weighted average number of units outstanding during the financial year and profit after tax attributable to the Unitholders of the Trust.

	Group Continuing Operations		Group Discontinued Operation		Total	
	2018	2017	2018	2017	2018	2017
Profit for the financial year attributable to Unitholders of the Trust ($'000)	15,536	23,451	–	111,500	15,536	134,951
Weighted average number of units during the financial year ('000)	807,574	801,866	–	801,866	807,574	801,866
Basic and diluted earnings per unit (in cents per unit)	1.92	2.92	–	13.91	1.92	16.83

Diluted earnings per unit is the same as the basic loss per unit as there are no dilutive instruments in issue during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

15. INTANGIBLE ASSETS

	Customer related intangible $'000	Right to use "Fortis" brand $'000	Goodwill $'000	Other intangibles $'000	Total $'000
Group					
Cost:					
At 1 April 2016	47,790	892	85,104	89	133,875
Additions	–	–	–	5	5
Disposal (Note17)	–	–	(37,621)	–	(37,621)
Currency translation differences	2,822	53	3,531	5	6,411
At 31 March 2017 and 1 April 2017	50,612	945	51,014	99	102,670
Additions	–	–	–	5	5
Currency translation differences	(3,310)	(62)	(3,337)	(6)	(6,715)
At 31 March 2018	47,302	883	47,677	98	95,960
Accumulated amortisation:					
At 1 April 2016	5,602	212	–	75	5,889
Amortisation	1,651	66	–	4	1,721
Currency translation differences	400	15	–	5	420
At 31 March 2017 and 1 April 2017	7,653	293	–	84	8,030
Amortisation	1,673	63	–	7	1,743
Currency translation differences	(567)	(22)	–	(5)	(594)
At 31 March 2018	8,759	334	–	86	9,179
Net carrying amount:					
At 31 March 2017	42,959	652	51,014	15	94,640
At 31 March 2018	38,543	549	47,677	12	86,781

Customer related intangible arises from the HMSAs which the Hospital Services Companies of the Group entered into with various FHL group of companies to provide medical and Clinical Establishment services. These Hospital Services Companies will receive Service Fees in consideration of the performance of the medical and Clinical Establishment services. Customer related intangible has an average remaining amortisation period of 24 years (2017: 25 years).

The two Operating Hospitals held by the Group, namely, Rajajinagar and Nagarbhavi operate under the "Fortis" brand name. These rights to use "Fortis" brand were transferred as part of the acquisition of subsidiaries and the two Operating Hospitals will continue to use the "Fortis" brand name. These rights to use the "Fortis" brand have an average remaining amortisation period of 9 years (2017: 10 years).

The goodwill of $42.7 million (2017: $45.7 million) arises on account of requirement to recognise deferred tax liability, calculated as a difference between the tax effect of the fair value of the acquired assets and liabilities and their tax bases. Balance goodwill of $5.0 million (2017: $5.3 million) comprises the value of synergies arising from the acquisition.

Other intangibles represent existing software and licenses that were acquired by the subsidiaries prior to the acquisition. Other intangibles have an average remaining amortisation period of less than a year (2017: 1 year).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

15. INTANGIBLE ASSETS (CONT'D)

Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to CGU, which are the entities providing medical and Clinical Establishment services, for impairment testing as follows:

The carrying amounts of goodwill allocated to each CGU are as follows:

	2018 $'000	2017 $'000
Escorts Heart and Super Speciality Hospital Limited	12,312	13,174
International Hospital Limited	35,300	37,771
Fortis Health Management Limited	65	69
	47,677	51,014

The recoverable amount as at 31 March 2018 was determined based on a value-in-use calculation by applying equal weight to cash flow projections from financial budgets approved by the management of the Trustee-Manager covering a period of more than five years and market approach by estimating value from an analysis of actual transaction or offerings for economically comparable assets or businesses available as of valuation date. The pre-tax discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flow projections beyond forecast period to 10.5% (2017: 11.0%) and 3.5% (2017: 3.5%). The discounted cash flow projections derived from the financial budgets approved by the Trustee-Manager cover a period of more than five years because of the long-term nature of the HMSAs. For market approach, the valuers analysed the trading multiples of companies that are comparable to respective Clinical Establishment and made adjustment for the Group structure.

The value in use calculations are most sensitive to the following assumptions:

<u>*Cash Flow Projection*</u>

Growth rates – These are based on the contractual rate for the base fee in the HMSAs and management's expectation of market development supported by industry research.

Operating costs – These are based on management's expectation of market development supported by industry research.

Pre-tax discount rates – Discount rates represent the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its Weighted Average Cost of Capital ("WACC"). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest bearing borrowings the Group is obliged to service. Segment–specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

<u>*Market Approach*</u>

Revenue and earnings before interest, tax, depreciation and amortisation (EBITDA) multiplier – The multiples derived was based on the historical and forward looking multiples of the selected comparable companies, taking into consideration factors unique to the CGU including recent operating results, business plan and projections, anticipated future growth and cash flows.

Sensitivity to changes in assumption

With regards to the assessment of value in use, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of entities to exceed its recoverable amount.

No impairment was considered necessary for the financial year ended 31 March 2017 and 2018.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

16. PROPERTY, PLANT AND EQUIPMENT

	Freehold land $'000	Leasehold land $'000	Buildings $'000	Plant and machinery $'000	Medical equipment $'000	Furniture and fittings $'000	Office equipment $'000	Computers $'000	Vehicles $'000	Assets under construction $'000	Total $'000
Group											
Cost or valuation:											
At 1 April 2016	445,227	102,861	232,877	36,778	27,456	3,766	795	402	52	15,244	865,458
Additions	19	–	–	–	–	–	–	–	–	18,761	18,780
Reclassification	–	–	5,357	1,280	1,031	38	45	35	36	(7,822)	–
Revaluation	522	2,033	1,801	–	–	–	–	–	–	–	4,356
Write-off	–	–	(354)	(87)	(33)	(53)	(1)	(6)	(1)	–	(535)
Disposal	(225,066)	–	(85,867)	(13,687)	(12,241)	(2,831)	(603)	(267)	–	(479)	(341,041)
Elimination of accumulated depreciation on revaluation	–	(1,393)	(5,009)	–	–	–	–	–	–	–	(6,402)
Currency translation differences	17,359	6,014	10,343	1,684	1,176	109	25	16	3	1,347	38,076
At 31 March 2017 and 1 April 2017	238,061	109,515	159,148	25,968	17,389	1,029	261	180	90	27,051	578,692
Additions	–	–	–	–	–	–	–	–	–	16,344	16,344
Reclassification	–	–	3,754	882	549	17	34	57	–	(5,293)	–
Revaluation	4,253	1,734	1,185	–	–	–	–	–	–	–	7,172
Write-off	–	–	(6)	(81)	(51)	(26)	(3)	(3)	–	–	(170)
Disposal	–	–	–	(9)	(1)	–	–	–	–	–	(10)
Elimination of accumulated depreciation on revaluation	–	(1,383)	(4,521)	–	–	–	–	–	–	–	(5,904)
Currency translation differences	(15,572)	(7,164)	(10,410)	(1,704)	(1,138)	(68)	(17)	(12)	(5)	(1,768)	(37,858)
At 31 March 2018	226,742	102,702	149,150	25,056	16,748	952	275	222	85	36,334	558,266
Representing :											
- Cost	–	–	–	25,056	16,748	952	275	222	85	36,334	79,672
- Valuation	226,742	102,702	149,150	–	–	–	–	–	–		478,594
	226,742	102,702	149,150	25,056	16,748	952	275	222	85	36,334	558,266

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

16. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land $'000	Leasehold land $'000	Buildings $'000	Plant and machinery $'000	Medical equipment $'000	Furniture and fittings $'000	Office equipment $'000	Computers $'000	Vehicles $'000	Assets under construction $'000	Total $'000
Group											
Accumulated depreciation:											
At 1 April 2016	–	–	–	7,704	11,472	1,031	177	218	5	–	20,607
Depreciation charge	–	1,393	5,072	2,146	2,712	135	47	44	6	–	11,555
Write-off	–	–	(64)	(29)	(24)	(16)	(1)	(5)	–	–	(139)
Disposal	–	–	–	(2,748)	(6,200)	(804)	(116)	(171)	–	–	(10,039)
Elimination of accumulated depreciation on revaluation	–	(1,393)	(5,008)	–	–	–	–	–	–	–	(6,401)
Currency translation differences	–	–	–	437	548	32	9	9	–	–	1,035
At 31 March 2017 and 1 April 2017	–	–	–	7,510	8,508	378	116	95	11	–	16,618
Depreciation charge	–	1,440	4,712	1,971	1,852	75	50	26	8	–	10,134
Write-off	–	–	(6)	(42)	(35)	(16)	(3)	(3)	–	–	(105)
Disposal	–	–	–	(5)	(1)	–	–	–	–	–	(6)
Elimination of accumulated depreciation on revaluation	–	(1,440)	(4,706)	–	–	–	–	–	–	–	(6,146)
Currency translation differences	–	–	–	(568)	(628)	(27)	(9)	(7)	(1)	–	(1,240)
At 31 March 2018	–	–	–	8,866	9,696	410	154	111	18	–	19,255
Net carrying amount:											
At 31 March 2017	238,061	109,515	159,148	18,458	8,881	651	145	85	79	27,051	562,074
At 31 March 2018	226,742	102,702	149,150	16,190	7,052	542	121	111	67	36,334	539,011

Net cash flow on additions to property, plant and equipment

During the year, additions to property, plant and equipment of the Group amounted to $16.3 million (2017: $18.8 million) of which $3.2 million (2017: $1.7 million) was payable as at the year ended 31 March 2018. Net cash outflow on purchase of property, plant and equipment for the year ended 31 March 2018 amounted to $14.8 million (2017: $17.1 million).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

16. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Revaluation of land and buildings

The Group engaged Cushman & Wakefield India Private Limited ("C&W"), an independent valuer to determine the fair value of land and buildings. The date of the revaluation was 31 March 2018.

Fair value of land is determined by the direct comparison approach. This means that valuations performed by the valuers are based on active market prices, adjusted for any difference in the nature, location or condition of the specific property.

If the land were measured using the cost model, the carrying amounts would be as follows:

	Group	
	2018	**2017**
	$'000	**$'000**
Land at 31 March		
Cost	253,252	270,988
Accumulated depreciation	(5,222)	(4,470)
Net carrying amount	248,030	266,518

Fair value of buildings is determined based on the depreciated replacement cost method. This means that valuations performed by the valuers are based on the current replacement cost of the buildings and adjusted for their remaining economic life. The replacement cost of each building is based on the physical asset survey performed by C&W as of 31 March 2018 and adjusted based on current market trends. The remaining economic life of the buildings has been assessed by C&W based on visual inspection of the buildings.

If the buildings were measured using the cost model, the carrying amounts would be as follows:

	Group	
	2018	**2017**
	$'000	**$'000**
Buildings at 31 March		
Cost	127,247	132,148
Accumulated depreciation	(13,383)	(9,534)
Net carrying amount	113,864	122,614

The Group has recognised certain land which title deeds have yet to be registered in or transferred to the name of the subsidiaries concerned as effective economic benefits associated with the land which has flown to the Group.

17. INVESTMENT IN SUBSIDIARIES

	Trust	
	2018	**2017**
	$'000	**$'000**
Investments, unquoted equity shares at cost	12,634	12,634

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

17. INVESTMENT IN SUBSIDIARIES (CONT'D)

	Name	Principal activities	Country of incorporation	Proportion (%) of ownership interest	
				2018	2017
	Held by the Trust				
(1)	Fortis Global Healthcare Infrastructure Pte Ltd ("FGHIPL")	Provision of consultancy and management services and that of an investment holding company	Singapore	100	100
	Held through subsidiaries:				
(2)	Fortis Health Management Limited ("FHML")	Provision of medical and Clinical Establishment services	India	100	100
(2)	Hospitalia Eastern Private Limited ("HEPL")	Provision of medical and Clinical Establishment services	India	100	100
(2)	Fortis Hospotel Limited ("FHTL")	Provision of medical and Clinical Establishment services	India	–	49(3)
(2)	International Hospital Limited ("IHL")	Provision of medical and Clinical Establishment services	India	100	100
(2)	Escorts Heart and Super Speciality Hospital Limited ("EHSSHL")	Provision of medical and Clinical Establishment services	India	100	100
(1)	RHT Health Trust Services Pte. Ltd. ("RHSPL") (previously known as Religare Healthtrust Services Pte. Ltd.)	Provision of consultancy and management services and that of an investment holding company	Singapore	100	100

(1) Audited by Ernst & Young LLP
(2) Audited by Deloitte Haskins and Sells LLP
(3) Disposal of 51.0% of its economic interest in FHTL.
The disposal of 51.0% economic interest in FHTL was effected by:
(i) the disposal by FGHIPL of 51.0% of the CCDs in FHTL to FHL.
(ii) the disposal by IHL of all of the CCPS in EHIRCL to Fortis Hospitals Limited ("FHsL")
(iii) the amendments to the terms of the FHTL CCDs Investment Agreement on the terms of the amendments agreement dated 8 July 2016 between FHTL, FGHIPL and FHL.
(iv) the amendments to the FHTL Shareholders' Agreement on the terms of the amended and restated shareholders' agreement dated 8 July 2016 between FHML, a wholly-owned subsidiary of RHT, FHL and FHTL.
(v) the partial redemption of Optionally Convertible Debentures ("OCDs") and payment of accrued interest under all the OCDs in IHL held by FHTL amounting to INR4,862.4 million (S$100.4 million).
(vi) the amendments to the Investment Agreements dated 17 September 2012 pursuant to which FHTL subscribed for 3,262.5 million OCDs issued by Kanishka Healthcare Limited ("KHL") and 3,989 million OCDs issued by EHSSIL, including the amendment to provide for the waiver by FHTL of its right to convert the OCDs in IHL held by FHTL into equity shares of IHL pursuant to an amendment agreement dated 8 July 2016 between FHTL, IHL and FGHIPL.
(vii) a corporate guarantee provided by FGHIPL in favour of FHTL as security for the obligations of IHL in respect of the Lender NCDs.
(viii) the subscription by FHTL for NCDs in FHsL for a consideration equivalent to the amount paid for the OCDs Redemption and Payment pursuant to a subscription agreement dated 8 July 2016 between FHsL, FHTL and FHL.
(ix) a corporate guarantee provided by FHL in favour of FHTL as security for the obligations of FHsL in respect of the NCDs in FHsL.

The disposal was completed on 14 October 2016. However, for accounting purpose, the control was lost on 12 October 2016, on which date the control of FHTL was passed to the acquirer.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

17. INVESTMENT IN SUBSIDIARIES (CONT'D)

Loss of control in subsidiary

The value of assets and liabilities of FHTL recorded in the consolidated financial statements as at 12 October 2016, and the effects of the disposal were:

	12 October 2016 $'000
Non-current assets	
Intangible assets	37,621
Property, plant and equipment	331,002
Financial assets	23,870
Other assets	4,350
Deferred tax assets	5,341
	402,184
Current assets	
Financial assets	540
Trade and other receivables	22,896
Other assets	343
Cash and cash equivalents	48
	23,827
Non-current liabilities	
Loans and borrowings	114
Deferred tax liabilities	71,485
Other liabilities	242
	71,841
Current liabilities	
Loans and borrowings	1,260
Trade and other payables	1,889
Other liabilities	3,984
	7,133
Carrying value of net assets	347,037

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

17. INVESTMENT IN SUBSIDIARIES (CONT'D)

The value of assets and liabilities of FHTL recorded in the consolidated financial statements as at 12 October 2016, and the effects of the disposal were (cont'd):

	12 October 2016 $'000
Cash consideration	301,047
Less: Repayment of interest and partial redemption of NCD owing to an associate	(99,745)
Less: Cash and cash equivalents of a subsidiary	(48)
Net cash inflow on disposal of subsidiary	201,254
Gain on disposal	
Cash received	301,047
Net assets derecognised	
- Carrying value of net assets	(347,037)
- CCPS	(73,822)
- Amount owing to related party	73,822
Fair value of retained interest	
- Investment in associate	347,681
- NCD liability recognised	(198,310)
- CCD interest receivables	25,502
Cumulative exchange differences in respect of the net assets of the subsidiary reclassified from equity on loss of control of subsidiary	(32,252)
Gain on disposal	96,631

18. INVESTMENT IN AN ASSOCIATE

The Group has retained a 49.0% of economic interest in FHTL which previously was a subsidiary to the Group.

				Proportion (%) of ownership interest	
	Name	**Country of incorporation**	**Principal activities**	**2018**	**2017**
(1)	Fortis Hospotel Limited ("FHTL")	India	Provision of medical and Clinical Establishment services	49	49

(1) Audited by Deloitte Haskins and Sells LLP

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2018

18. INVESTMENT IN AN ASSOCIATE (CONT'D)

The summarised financial information in respect of FHTL based on its IFRS financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follow:

	2018 $'000	2017 $'000
Current assets	23,871	19,550
Non-current assets excluding goodwill	566,132	545,967
Total assets	590,003	565,517
Current liabilities	16,256	7,007
Non-current liabilities	97,509	87,413
Total liabilities	113,765	94,420
Net assets	476,238	471,097
Net assets	476,238	471,097
Proportion of the Group's ownership	49%	49%
Group share of net assets	233,357	230,838
Goodwill on acquisition	50,600	50,600
Other adjustments	79,600	71,279
Carrying amount of the investment	363,557	352,717

Summarised Statement of Comprehensive Income

	1 April 2017 to 31 March 2018 $'000	13 October 2016 to 31 March 2017 $'000
Revenue	57,692	25,808
Profit after tax from continuing operation	21,493	9,621
Other Comprehensive Income	611	478
Total Comprehensive Income	22,104	10,099

19. LOANS TO SUBSIDIARIES

These loans are treated as quasi-equity loans which represents an extension of investment in the subsidiaries. They are unsecured and interest free. Settlements are neither planned nor likely to occur in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

20. FINANCIAL ASSETS

	Group		Trust	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Non-current				
Accrued income	14,328	13,750	–	–
Security deposits paid	1,567	1,603	–	–
CCD interest due from an associate	–	13,095	–	–
Other advances	716	912	–	–
Others	679	1,190	–	–
	17,290	30,550	–	–
Current				
Short term investments	28,666	2,005	–	–
Fixed deposits*	196	180	–	–
Dividend receivable	–	–	59,388	26,649
Amounts due from subsidiaries	–	–	9,359	19,646
CCD interest due from an associate	13,557	–	–	–
Others	544	177	–	–
	42,963	2,362	68,747	46,295

* Fixed deposits relate to fixed deposits placed with banks with a maturity period above three months but less than twelve months.

Accrued income

Accrued income relates to base service fee accounted for on a straight line basis over the term of the HMSAs.

Short term investments

Short term investments relate to investments in quoted mutual funds and are unsecured.

Dividend receivable

Dividend receivable relates to the dividend receivable from FGHIPL.

Amounts due from subsidiaries

The amounts due from subsidiaries are non-trade, unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

21. DEFERRED TAX

Deferred tax as at 31 March relates to the following:

	Group			
	Consolidated balance sheet		Consolidated profit or loss	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Deferred tax liabilities:				
Fair value adjustments arising on acquisition of subsidiaries *	47,349	50,663	–	–
Fair value adjustments arising on acquisition of an associate *	3,752	4,015	–	3,852
Revaluation to fair value – land and buildings	28,763	30,080	–	–
Differences in depreciation and accrued income for tax purposes	6,631	4,749	2,282	33
Undistributed earnings of an associate	2,551	727	1,949	697
	89,046	90,234	4,231	4,582
Deferred tax assets:				
MAT credit	448	479	–	–
Unutilised tax losses	15,337	22,050	5,487	(14,530)
	15,785	22,529	5,487	(14,530)
Deferred tax expense (Note 12)			9,718	(9,948)

* Net of deferred tax assets on carry forward losses/unabsorbed capital allowances.

MAT credit

If the tax liability computed under the normal provisions of the Indian Income Tax Act, 1961 ("IITA") is less than 18.5% of the book profits shown in the profit and loss account, after making certain specified adjustments, an entity is liable to pay MAT at a rate of 18.5% of the book profits. MAT paid during any financial year is creditable for a period of 10 years against future tax liabilities arising under the normal provisions of the IITA. Should the MAT credit be assessed to be not recoverable, it will be written off to the profit and loss.

Unrecognised tax losses and unabsorbed capital allowances

At the end of the reporting period, the Group has tax losses of approximately $20.1 million (2017: $36.0 million) and unabsorbed capital allowances of approximately $41.0 million (2017: $44.0 million) that are available for offset against future taxable profits of the companies in which the losses arose, but for which no deferred tax asset is recognised for an amount of approximately $16.8 million (2017: $6.0 million) due to the uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the entities within the group operate.

Tax consequences of proposed distributions

There are no income tax consequences (2017: Nil) attached to the distributions to the Unitholders proposed by the Trust but not recognised as a liability in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

22. OTHER ASSETS

	Group	
	2018	2017
	$'000	$'000
Non-current		
Prepaid taxes	23,521	24,658
Prepayment	325	366
	23,846	25,024

Prepaid taxes

Prepaid taxes mainly relate to tax deducted at source on service fee and hospital income. These prepaid taxes are offset against the corporate tax payable for the year of assessment. The unutilised amount will be refunded on the finalisation of the assessment which is not expected to be completed within the next twelve months.

23. TRADE RECEIVABLES

	Group	
	2018	2017
	$'000	$'000
Fees due from subsidiaries of a substantial Unitholder (Note 34 (a))	17,866	8,611
Hospital fees	958	889
Others	910	1,604
Total trade receivables (Gross)	19,734	11,104
Less: Allowance for impairment	(444)	(498)
Total trade receivables (Net)	19,290	10,606

Trade receivables are non-interest bearing, generally on 30 to 90 days' (2017: 30 to 90 days') terms and denominated in Indian Rupees. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Receivables that are past due but not impaired

The Group has trade receivables amounting to $1,701,000 (2017: $1,542,000) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

Trade receivables past due but not impaired

	Group	
	2018	2017
	$'000	$'000
Less than 30 days	501	198
30 – 60 days	539	92
61 – 90 days	247	1,153
91 – 150 days	248	39
More than 150 days	166	60
	1,701	1,542

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

23. TRADE RECEIVABLES (CONT'D)

Receivables that are impaired

The Group's trade receivables that are impaired at the end of the reporting period and the movement of the allowance account used to record the impairment is as follows:

	Group	
	2018	**2017**
	$'000	**$'000**
Trade receivables – nominal amounts	2,007	1,943
Less: Allowance for impairment	(444)	(498)
	1,563	1,445
Movement in allowance accounts:		
At 1 April	498	472
Write-back for the year	(22)	(61)
Exchange differences	(32)	87
At 31 March	444	498

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted payments. These receivables are not secured by any collateral or credit enhancements.

24. CASH AND CASH EQUIVALENTS

	Group		Trust	
	2018	**2017**	**2018**	**2017**
	$'000	**$'000**	**$'000**	**$'000**
Cash at bank	8,003	6,945	18	255
Cash at hand	44	151	–	–
Short term deposits	–	150	–	–
Cash and cash equivalents	8,047	7,246	18	255

Cash and short-term deposits denominated in foreign currency at 31 March are as follows:

	Group	
	2018	**2017**
	$'000	**$'000**
Indian Rupees	6,819	774

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

25. LOANS AND BORROWINGS

	Group		Trust	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Non-current				
Bonds	–	60,000	–	60,000
Term loans	50,709	20,755	–	–
Deferred payment scheme	1,070	1,341	–	–
Loan from a related party	3,698	2,036	–	–
NCDs	91,050	99,526	–	–
	146,527	183,658	–	60,000
Current				
Bonds	119,369	–	119,721	–
Interest payable	2,703	517	1,021	517
Term loans	52,826	96,607	–	–
Bank overdraft	6,288	7,346	–	–
Deferred payment scheme	184	137	–	–
	181,370	104,607	120,742	517

Bonds

As of 31 March 2018, the Group has issued a total of $120 million fixed rate notes due 2018 payable semi-annually in arrears. The notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Group and at all times rank pari passu and rateably, without any preference or priority among themselves, and pari passu with all other present and future secured obligations (other than subordinated obligations and priorities created by law) of the Group. The Notes were extended to 22 January 2019 (Note 39).

Term loans – Singapore Dollar ("SGD") denominated loans

The Group has loan facilities with United Overseas Bank Limited and Siemens Bank GMBH Singapore Branch ("UOB and Siemens Loans Facilities") for an aggregate amount of $55 million to refinance an existing loan facility as well as for working capital purposes. The interest rate is based on Swap Offer Rate plus 3.75% per annum. The loan facilities are due on 28 June 2020.

The loan amount of $55 million has been classified and presented as current liability as at 31 March 2018 as the Group did not satisfy one of the covenants as at reporting date. Subsequent to the balance sheet date, the Group has obtained the banks' consent to waive the breach of that covenant (Note 39).

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 $53 million to replace the secured loan facilities with Axis Bank Limited. This term loan is denominated in United States Dollar ("USD") and 100% of the cash flow is hedged into SGD. The interest rate is based on Swap Offer Rate plus 3.94% per annum. The loan facility is due on the following period on tranches.

Due date	*$'000*
29-May-20	10,600
30-Nov-20	10,600
28-May-21	10,600
30-Nov-21	10,600
27-May-22	10,600

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

25. LOANS AND BORROWINGS (CONT'D)

Term loans – Singapore Dollar ("SGD") denominated loans (cont'd)

In prior year, the Group had a $30 million revolving loan facility with United Overseas Bank for the acquisition of land and expansion projects. The interest is based on Swap Offer Rate plus 2.5% per annum. The loan facility is ceased on 30 June 2017. As of 31 March 2018, the Group has fully repaid the facility.

In prior year, the Group also had a loan facility with DBS Bank Ltd for an amount of $32.5 million and a loan facility with Deutsche Bank AG, Singapore Branch, for an amount of the $32.5 million in connection with the acquisition of Mohali Clinical Establishment. The interest paid is Swap Offer Rate plus 3.5% per annum. The loan is repaid at the end of May 2017.

The amount of unamortised upfront fee in connection with the term loans as of 31 March 2018 and 31 March 2017 are $4.5 million and $0.1 million respectively.

Each of the loans is secured by:

- irrevocable pledge on the shares of FGHIPL and RHSPL on pari passu basis;
- non-disposable undertaking on the hospital infrastructure companies owned by FGHIPL on pari passu basis;
- first pari passu legal assignment over the interest, benefits and rights over all existing and future loans granted by the borrower to its subsidiaries; and
- a debenture over substantially all the assets of FGHIPL and RHSPL.

Term loan – Indian Rupees ("INR") loans

In 2017, the Group has two INR loan facilities with Axis Bank Limited amounting to INR600 million and INR1,700 million. The interest rate is based on India Base rate plus 0.75% per annum. The term of the facilities is four years from date of first drawdown including a moratorium of one year.

The loan facilities of INR600 million and INR1,700 million were 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. These term loans were fully repaid in the current year.

Deferred payment scheme

The Group entered into an agreement with Srei Equipment Finance Limited ("SREI") of medical equipment on a deferred payment basis for a total consideration of INR53.2 million ($1.3 million) in FY2018, INR71.1 million ($1.5 million) in FY2017.

Deferred credit shall be paid in twenty (20) quarterly instalments over five years:

1st year:	INR2,050,000 ($44,000)
2nd year:	INR3,250,000 ($70,000)
3rd year:	INR3,750,000 ($80,000)
4th year:	INR4,200,000 ($91,000)
5th year:	INR4,750,000 ($103,000)

The interest rate is fixed at 11.5%.

Loan from a related party

The loan from a related party is unsecured, interest free and is expected to be repayable at the end of 31 March 2019.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

25. LOANS AND BORROWINGS (CONT'D)

NCDs

At the time of initial public offering, unsecured and interest bearing OCDs were issued by one of the subsidiaries in RHT Health Trust ("RHT Group") to FHTL for RHT Group's internal funding requirements. The OCDs were converted to NCDs. As FHTL became an associate in the prior year, the liability of the subsidiary which amounted to INR4,523.5 million ($91.1 million) (2017: INR4,621.2 million, $99.5 million) is no longer eliminated. In addition, the NCDs are subordinated to all other creditors of the subsidiary whether secured or unsecured.

The NCDs carry interest at 9.3% per annum. In addition, the interest rate varies from 9.3% to 22.0% depending on the earnings before interest and taxes of IHL. The tenure of NCDs shall be for the period of 10 years from the date of issuance. The Group has the right to redeem all or part of NCDs or any amount outstanding there under at the redemption amount at any time or prior to the maturity date as mutually agreed.

Bank overdraft

The Group had drawndown a bank overdraft facility with IndusInd Bank amounting to INR312.4 million ($6.3 million) as of 31 March 2018. The overdraft facilities are secured by a corporate guarantee and the Malar Clinical Establishment. The interest rate of the bank overdraft is approximately 9.25%.

In prior year, the Group had a bank overdraft facility with DBS India amounting to INR341.1 million ($7.3 million) as of 31 March 2017. The overdraft facilities are secured by a corporate guarantee and the Malar Clinical Establishment. The interest rate of the bank overdraft is between 10.75% to 12.25%. These amounts had been repaid during the financial year.

A reconciliation of liabilities arising from financing activities is as follows:

	2017	Cash flows	Non-cash changes			2018
			Amortised consent fees	Foreign exchange differences	Others	
	$'000	$'000	$'000	$'000	$'000	$'000
Loans and borrowings at amortised cost:						
- current	96,607	(32,540)	996	–	107,132	172,195
- non-current	80,755	82,107	753	–	(112,906)	50,709
Deferred payment scheme at amortised cost:						
- current	137	(128)	–	(8)	183	184
- non-current	1,341	–	–	(88)	(183)	1,070
Loan from related party at amortised cost:						
- non-current	2,036	161	–	1,422	79	3,698
NCDs at amortised cost:						
- non-current	99,526	–	–	(8,476)	–	91,050
Bank overdraft	7,346	(578)	–	(480)	–	6,288
Total loans and borrowings	287,748	49,022	1,749	(7,630)	(5,695)	325,194

The 'Others' column relates to reclassification of non-current portion of loans and borrowings due to passage of time.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2018

26. TRADE AND OTHER PAYABLES

	Group	
	2018	**2017**
	$'000	**$'000**
Third parties		
Trade payables	5,853	5,335
Other payables	564	167
	6,417	5,502

Trade payables

Trade payables are non-interest bearing and are normally settled on 30 to 60 days' (2017: 30 to 60 days') terms.

Other payables

Other payables are non-interest bearing, unsecured, repayable upon demand and are to be settled in cash.

27. OTHER LIABILITIES

	Group		Trust	
	2018	**2017**	**2018**	**2017**
	$'000	**$'000**	**$'000**	**$'000**
Non-current				
Amounts due to related parties	11,539	6,427	–	–
Capital creditors	5,412	4,205	–	–
Retirement benefits obligation	342	359	–	–
Others	1,456	1,308	–	–
	18,749	12,299	–	–
Current				
Amounts due to related parties	944	1,667	928	1,667
Amounts due to a subsidiary	–	–	312	–
Accrued operating expenses	2,856	4,083	1,773	490
Advance received from customer	44	951	–	–
Statutory dues	9,291	5,305	–	–
Retirement benefits obligation	26	22	–	–
Others	331	343	–	–
	13,492	12,371	3,013	2,157

Non-current amounts due to related parties

Amounts due to related parties mainly relate to the amounts due to the associate of the Group. These amounts are non-trade, unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2018

27. OTHER LIABILITIES (CONT'D)

Current amounts due to related parties

Amounts due to related parties mainly relate to Trustee-Manager fees due to the Trustee-Manager. These amounts are non-trade, unsecured, interest free and repayable on demand.

Statutory dues

This mainly relates to withholding taxes incurred and payable for the respective financial years to Indian tax authorities for interest expense payable from the Indian subsidiaries to a Singapore incorporated subsidiary. Such amounts are to be paid within the next twelve months. Other amounts relate to service taxes and provident fund payable.

28. DERIVATIVE FINANCIAL INSTRUMENTS

	Group					
	2018			2017		
	Contract notional amount $'000	Asset $'000	Liability $'000	Contract notional amount $'000	Asset $'000	Liability $'000
Foreign currency forward contracts (current)	15,000	389	–	45,000	–	3,615

The Group has entered into foreign currency forward contracts to hedge the Group's cash flow from India in Indian Rupees.

29. UNITS IN ISSUE

	Group and Trust			
	2018		2017	
	No. of issued units ('000)	$'000	No. of issued units ('000)	$'000
Issued and fully paid ordinary units:				
At 1 April	806,332	518,114	797,842	510,399
Payment of Trustee-Manager fees in units	2,400	2,077	8,490	7,715
At 31 March	808,732	520,191	806,332	518,114

The Unitholders are entitled to receive distributions as and when declared by the Trust. All units carry one vote per unit without restrictions. The units have no par value.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

30. OTHER RESERVES

(a) ***Capital reserve***

FHL transferred businesses to KHL and FHML at below fair value. The amount of $210,216,000 (2017: $210,216,000) of capital reserve represents the excess of interest of FHML and KHL in the net fair value of the identifiable assets and liabilities transferred over the consideration. This reserve in substance represents FHL's contribution to the Group for its retained interest.

(b) ***Foreign currency translation reserve***

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(c) ***Revaluation reserve***

The revaluation reserve represents increases in the fair value of land and buildings, net of tax, and decreases to the extent that such decreases relate to an increase on the same asset previously recognised in other comprehensive income.

(d) ***Capital redemption reserve***

Capital redemption reserve is a statutory reserve created in accordance with India's Companies Act 1956 in connection to redemption of preference shares of an Indian subsidiary company. The reserve is not considered a free reserve for distribution of dividends and can be utilised only for the purpose of issuing bonus shares.

(e) ***Re-measurement of defined benefit plan reserve***

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.

31. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

The Group has entered into several service agreements in relation to the management of the Group and its Clinical Establishments operations. These agreements are entered into with the Trustee-Manager and FHL group of companies, which are companies that are controlled by a Unitholder that has significant influence over the Group. The fee structures of these services are as follows:

I. *Trustee-Manager's fees*

The details of Trustee-Manager fees are shown in Note 8 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

31. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

II. *Sale and purchase of goods and services*

	Group	
	2018	**2017**
	$'000	**$'000**
Service fee earned from subsidiaries of a substantial Unitholder	80,758	79,610
Trustee-Manager fee paid to the Trustee-Manager	5,532	10,502

Included in the service fee is a technology renewal fee. During the term of the HMSAs, FHL group of companies must maintain a Technology Renewal Fund ("TRF") for funding the replacement, refurbishment and/or upgrade of medical equipment owned or used by the Hospital Services Company. A fixed amount from the Base Service Fee payable to each Hospital Services Company under each HMSAs for each quarter is retained by FHL group of companies for deposit into the TRF on a quarterly basis ("Retained TRF Amount").

FHL group of companies can draw on the TRF to pay for expenditure incurred by the Hospital Services Company for the replacement, refurbishment and/or upgrade of medical equipment owned or used by the Hospital Services Company (the "Technology Renewal Fee"). Any amounts withdrawn from the TRF require the prior written consent of the Hospital Services Company, and may only be used for the purposes of replacing any medical equipment owned by the Hospital Services Company.

III. *Compensation of key management personnel*

Key management of the Group are the Executive Officers of the subsidiary entities. The compensation paid or payable to key management for employee services is shown below:

	Group	
	2018	**2017**
	$'000	**$'000**
Short-term employee benefits paid to key management personnel	438	418

32. COMMITMENTS

(a) ***Capital commitments***

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements is as follows:

	Group	
	2018	**2017**
	$'000	**$'000**
Capital commitments in respect of property, plant and equipment	9,177	22,515

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

32. COMMITMENTS (CONT'D)

(b) ***Operating lease commitments – as lessee***

The Group leases office premises from non-related parties under non-cancellable operating lease agreements. Minimum lease payments recognised as an expense in profit or loss for the financial year ended 31 March 2018 amounted to $855,000 (2017: $566,000). The future minimum lease payments under non-cancellable operating leases contracted for at the reporting period but not recognised as payable, are as follows:

	Group	
	2018	**2017**
	$'000	**$'000**
Not later than one year	582	424
Later than one year but not later than five years	5,866	3,502
	6,448	3,926

(c) ***Operating lease commitments – as lessor***

The Group leases out hospital space to non-related parties under non-cancellable operating lease agreements. These non-cancellable leases have remaining lease terms of between 2 and 15 years. The future minimum rental receivable under non-cancellable operating leases contracted for at the reporting period but not recognised as receivables, are as follows:

	Group	
	2018	**2017**
	$'000	**$'000**
Not later than one year	2,568	2,557
Later than one year but not later than five years	3,550	4,918
Later than five years	233	290
	6,351	7,765

(d) ***Medical service commitments***

The Group has entered into individual HMSA with FHL group of companies wherein the Group is required to provide and maintain the Group's Clinical Establishments along with other services like out-patient diagnostics and radio diagnostic services. The term of the individual HMSA is 15 years and the Group is entitled to receive composite service fee i.e. base and variable fee. The base fee is fixed and increase 3.0% year on year. The variable fee is based on a percentage of the FHL group of companies' net operating income in accordance with the HMSAs. Future minimum base fee receivable at the end of the reporting period is as follows:

	Group	
	2018	**2017**
	$'000	**$'000**
Not later than one year	49,268	46,421
Later than one year but not later than five years	212,321	200,036
Later than five years	264,887	310,745
	526,476	557,202

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

33. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) ***Fair value hierarchy***

The Group classifies fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

There has been no transfer between Level 1, Level 2 and Level 3 during the financial year ended 31 March 2018.

(b) ***Assets and liabilities measured at fair value***

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Quoted prices in active markets for identical instruments (Level 1) $'000	**Significant observable inputs other than quoted prices (Level 2) $'000**	**Significant unobservable inputs (Level 3) $'000**	**Total $'000**
Group				
Recurring fair value measurements:				
2018				
Non-financial asset:				
Property, plant and equipment (Note 16)	–	–	478,594	478,594
Financial assets:				
Short term investments (Note 20)	28,666	–	–	28,666
Derivatives (Note 28)				
- Foreign currency forward contracts	–	389	–	389

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

33. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

(b) ***Assets and liabilities measured at fair value (cont'd)***

	Quoted prices in active markets for identical instruments (Level 1) $'000	Significant observable inputs other than quoted prices (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000
Group				
Recurring fair value measurements:				
2017				
Non-financial asset:				
Property, plant and equipment (Note 16)	–	–	506,724	506,724
Financial assets:				
Short term investments (Note 20)	2,005	–	–	2,005
Financial liabilities:				
Derivatives (Note 28)				
- Foreign currency forward contracts	–	3,615	–	3,615

(c) ***Level 2 fair value measurements***

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Derivatives

Foreign currency forward contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing, using present value calculations. The models incorporate various inputs including the foreign exchange spot and forward rates, and forward rate curves.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2018

33. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

(d) ***Level 3 fair value measurements***

(i) *Information about significant unobservable inputs used in Level 3 fair value measurements*

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair value at 31 March 2018 ($'000)	Valuation techniques	Significant unobservable inputs	Range of significant unobservable inputs	Relationship of significant unobservable inputs to fair value
Recurring fair value measurements:					
Non-financial asset:					
Property, plant and equipment (Note 16)					
Freehold land	226,742	Direct comparison approach	Price per square feet	$27 to $418	Increase/(decrease) in estimated price per square feet will result in a higher/(lower) fair value
Leasehold land	102,702	Direct comparison approach	Price per square feet	$59 to $164	Increase/(decrease) in estimated price per square feet will result in a higher/(lower) fair value
Buildings	149,150	Depreciated replacement cost approach	Replacement cost per square feet	$47 to $79	Increase/(decrease) in estimated replacement cost per square feet will result in a higher/(lower) fair value
			Balance economic life	31 years to 40 years	Increase/(decrease) in estimated balance useful life will result in a higher/(lower) fair value

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

33. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

(d) ***Level 3 fair value measurements (cont'd)***

(i) *Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)*

Description	Fair value at 31 March 2017 ($'000)	Valuation techniques	Significant unobservable inputs	Range of significant unobservable inputs	Relationship of significant unobservable inputs to fair value
Recurring fair value measurements:					
Non-financial asset:					
Property, plant and equipment (Note 16)					
Freehold land	238,061	Direct comparison approach	Price per square feet	$28 to $439	Increase/(decrease) in estimated price per square feet will result in a higher/(lower) fair value
Leasehold land	109,515	Direct comparison approach	Price per square feet	$63 to $174	Increase/(decrease) in estimated price per square feet will result in a higher/(lower) fair value
Buildings	159,148	Depreciated replacement cost approach	Replacement cost per square feet	$6 to $92	Increase/(decrease) in estimated replacement cost per square feet will result in a higher/(lower) fair value
			Balance economic life	32 years to 41 years	Increase/(decrease) in estimated balance useful life will result in a higher/(lower) fair value

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

33. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

(d) ***Level 3 fair value measurements (cont'd)***

(ii) *Valuation policies and procedures*

The Group engages external, independent and qualified valuers to determine the fair value of the Group's unquoted shares and properties at the end of every financial year.

The Trustee-Manager is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge for the valuation of the unquoted shares and properties.

For valuation performed by external valuers, management reviews the appropriateness of the valuation methodologies and assumptions adopted.

Significant changes in fair value measurements from period to period are evaluated by management for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent external sources, or internal sources if necessary and appropriate. Significant valuation issues are reported to the Audit and Risk Management Committee.

(e) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value***

Financial assets - current (other than short term investments) (Note 20), trade receivables (Note 23), other assets - current, cash and cash equivalents (Note 24), loans and borrowings (current) (Note 25), trade and other payables (Note 26) and other liabilities - current (Note 27).

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

33. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

(f) ***Assets and liabilities not carried at fair value but for which fair value is disclosed***

The following table shows an analysis of the Group's assets and liabilities not measured at fair value at 31 March but for which fair value is disclosed.

	Quoted prices in active markets for identical instruments (Level 1) $'000	Significant observable inputs other than quoted prices (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000	Carrying amount $'000
2018					
Group					
Assets:					
Financial assets (non-current)	–	–	13,181	13,181	17,290
Liabilities:					
Loans and borrowings (non-current)					
- NCDs	–	–	82,131	82,131	91,050
2017					
Group					
Assets:					
Financial assets (non-current)	–	–	29,061	29,061	30,550
Liabilities:					
Loans and borrowings (non-current)					
- Bonds	59,670	–	–	59,670	60,000
- NCDs	–	–	89,055	89,055	99,526

Determination of fair value

Financial assets (non-current) (Note 20) and loans and borrowings (non-current) (Note 25)

The fair value of the financial assets (non-current) and loans and borrowings (non-current) have been determined using discounted expected cash flows at market incremental lending rates for similar types of lending, borrowing or leasing agreements at the end of the reporting period. For bonds, fair value is determined based on quoted market prices.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2018

33. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

(g) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value.***

The fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value are as follows:

	2018		2017	
	Carrying amount $'000	**Fair value $'000**	**Carrying Amount $'000**	**Fair value $'000**
Trust				
Financial assets:				
Loans to subsidiaries	469,245	*	441,959	*

* The loans are unsecured and non-interest bearing. It has no fixed repayment terms and is repayable only when the subsidiary's cash flow permits. Accordingly, fair value is not determinable as the timing of the future cash flows arising from the loan cannot be estimated reliably.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Trust are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks. It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient.

The following sections provide details regarding the Group's and Trust's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) ***Credit risk***

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group exposure to credit risk arises primarily from trade receivables.

Trade receivable

Credit risk on service fee receivable is concentrated with FHL group of companies which is also the substantial Unitholder of the Trust. As at the reporting date, 93.0% (2017: 96.0%) of the total trade receivable was due from FHL located in India. During the year, FHL group of companies had been late in paying the service fee. FHL had since provided an undertaking to RHT Group to settle the outstanding amount in tranches. As at the date of report, amount of service fee receivable for the year ended 31 March 2018 has been fully received (Note 23).

FHL had provided banker's guarantee to guarantee 2 months of service fee which expired on 30 April 2018. FHL has provided an undertaking to procure that its subsidiary, Fortis Healthcare International Pte Ltd ("FHIPL"), pledges its holdings of 64,120,195 shares in Lankan Hospital Corporation Plc ("Lanka"), representing 28.66% of the total number of issued shares of Lanka ("Lanka Shares") in favour of the RHT entities and FHL to secure the payment obligations of FHL under HMSAs.

For hospital income receivable from corporate clients, these clients are debtors with a good payment record with the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) ***Credit risk (cont'd)***

Other financial assets

For other financial assets including cash and bank balances, short term deposits and investment in mutual funds, the Group minimises credit risk by dealing with counterparties which have a good credit rating.

The maximum exposure to credit risk is represented by the carrying value of each financial asset on the balance sheet.

(b) ***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from loans and borrowings. The Group's interest bearing loans and borrowings (Note 25) at floating rate are re-priced at intervals of less than 3 to 12 months from the end of the reporting period.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD and INR interest rates had been 50 (2017: 50) basis points lower/higher with all other variables held constant, the Group's profit before tax would have been $571,000 (2017: $620,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

(c) ***Foreign currency risk***

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's net investments in foreign subsidiaries. The Group's net investments in foreign subsidiaries are not hedged as currency positions in INR are considered long-term in nature.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax and equity to a reasonably possible change in the INR exchange rates against the respective functional currency of the Group entities, with all other variables held constant.

	2018		2017	
	Profit before tax $'000	**Equity $'000**	**Profit before tax $'000**	**Equity $'000**
INR/SGD				
– strengthened 5% (2017: 5%)	1,681	31,549	5,784	33,161
– weakened 5% (2017: 5%)	(1,681)	(31,549)	(5,784)	(33,161)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) ***Liquidity risk***

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group and the Trust's exposure to liquidity risk arises primarily from mismatch of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The table below summarises the maturity profile of the Group's and the Trust's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Within 1 year $'000	1 - 5 years $'000	More than 5 years $'000	Total $'000
Group				
2018				
Trade and other payables	6,417	–	–	6,417
Other liabilities	4,142	18,218	–	22,360
Loans and borrowings	146,216	122,948	175,666	444,830
	156,775	141,166	175,666	473,607
2017				
Trade and other payables	5,502	–	–	5,502
Other liabilities	7,012	11,727	–	18,739
Loans and borrowings	107,421	88,029	192,084	387,534
Derivative financial instruments	3,615	–	–	3,615
	123,550	99,756	192,084	415,390
Trust				
2018				
Other liabilities	3,013	–	–	3,013
Loans and borrowings	133,478	–	–	133,478
	136,491	–	–	136,491
2017				
Other liabilities	2,157	–	–	2,157
Loans and borrowings	2,700	61,339	–	64,039
	4,857	61,339	–	66,196

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(e) ***Classification of financial instruments***

Set out below is a comparison by category of all the Group's and Trust's financial instruments that are carried out in the financial statements.

	Loans and receivables $'000	Fair value through profit or loss $'000	Total $'000
Group			
2018			
Assets			
Non-current			
Financial assets	17,290	–	17,290
Current			
Trade receivables	19,290	–	19,290
Financial assets	42,963	–	42,963
Other assets	756	–	756
Derivative financial instruments	–	389	389
Cash and cash equivalents	8,047	–	8,047
	88,346	389	88,735

	Financial liabilities carried at amortised cost $'000	Fair value through profit or loss $'000	Total $'000
2018			
Liabilities			
Non-current			
Loans and borrowings	146,527	–	146,527
Other liabilities	18,218	–	18,218
Current			
Loans and borrowings	181,370	–	181,370
Trade and other payables	6,417	–	6,417
Other liabilities	4,142	–	4,142
	356,674	–	356,674

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2018

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(e) ***Classification of financial instruments (cont'd)***

	Loans and receivables $'000	Fair value through profit or loss $'000	Total $'000
Group			
2017			
Assets			
Non-current			
Financial assets	30,550	–	30,550
Current			
Trade receivables	10,606	–	10,606
Financial assets	2,362	–	2,362
Other assets	753	–	753
Cash and cash equivalents	7,246	–	7,246
	51,517	–	51,517

	Financial liabilities carried at amortised cost $'000	Fair value through profit or loss $'000	Total $'000
2017			
Liabilities			
Non-current			
Loans and borrowings	183,658	–	183,658
Other liabilities	11,727	–	11,727
Current			
Loans and borrowings	104,607	–	104,607
Trade and other payables	5,502	–	5,502
Derivative financial instruments	–	3,615	3,615
Other liabilities	7,012	–	7,012
	312,506	3,615	316,121

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(e) ***Classification of financial instruments (cont'd)***

	Loans and receivables $'000
Trust	
2018	
Assets	
Non-current	
Loans to subsidiaries	469,245
Current	
Cash and cash equivalents	18
Financial assets	68,747
	538,010

	Financial liabilities carried at amortised cost $'000
2018	
Liabilities	
Current	
Other liabilities	3,013
Loans and borrowings	120,742
	123,755

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(e) ***Classification of financial instruments (cont'd)***

	Loans and receivables $'000
Trust	
2017	
Assets	
Non-current	
Loans to subsidiaries	441,959
Current	
Cash and cash equivalents	255
Financial assets	46,295
	488,509

	Financial liabilities carried at amortised cost $'000
2017	
Liabilities	
Non-current	
Loans and borrowings	60,000
Current	
Other liabilities	2,157
Loans and borrowings	517
	62,674

35. CAPITAL MANAGEMENT

The Group's objectives in managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure to support its businesses and maximise Unitholders' value.

In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of distribution payment, return capital to Unitholders, issue new units, buy back issued units, obtain new borrowings or sell assets to reduce borrowings. The Group may also issue new units to finance future growth.

The Group seeks to raise unsecured debt structured specifically to match the cash flow profile of its underlying assets. The Group's general philosophy on leverage is to ensure that its subsidiaries have sufficient financial flexibility to meet their capital expenditure and operational needs, and at the same time, service their debt obligations promptly and reliably.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

35. CAPITAL MANAGEMENT (CONT'D)

The Trustee-Manager monitors capital based on the ratio of the Group's net borrowings to adjusted net assets attributable to Unitholders. Net borrowings are calculated as total loans and borrowings less cash and cash equivalents. Adjusted net assets are calculated as net assets excluding external loans and borrowings.

	Group	
	2018	**2017**
	$'000	**$'000**
Net borrowings (less NCDs)	228,800	181,493
Adjusted net assets attributable to Unitholders	899,384	885,113
Ratio	25.4%	20.5%

36. SEGMENT INFORMATION

The Trustee-Manager considers that the Group operates primarily within a single business segment which is the provision of medical and Clinical Establishment services and within a single geographical segment, being India.

As the rendering of services to patients in earning hospital income is not material, no separate business segment has been disclosed.

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2018	**2017**	**2018**	**2017**
	$'000	**$'000**	**$'000**	**$'000**
India	96,006	92,020	625,792	656,714

The non-current assets information presented above consist of intangible assets and property, plant and equipment.

Information about a major customer

Revenue from FHL group of companies contributed 84.0% (2017: 87.0%) of the total revenue of the Group.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2018

37. DISTRIBUTIONS

	Group and Trust	
	2018	**2017**
	$'000	**$'000**
Declared and paid during the year		
- Exempt (one-tier) distribution of 24.8 cents per unit paid on 28 October 2016 ("Special Distribution")	–	198,300
- Exempt (one-tier) distribution of 1.22 cents per unit paid on 1 March 2018 (2017: 3.60 cents per unit paid on 9 December 2016)	9,857	28,961
Proposed but not recognised as a liability as at 31 March		
- Exempt (one-tier) distribution of 1.14 cents per unit paid on 14 June 2018 (2017: of 2.37 cents per unit paid on 15 June 2017)	9,220	19,110
Total distributions paid during the year	28,967	257,739

38. PROPOSED DISPOSAL

On 12 February 2018, the Group has entered into a master purchase agreement with Fortis Healthcare Limited to acquire all of the following assets held by the Group's wholly-owned subsidiaries, FGHIPL and RHSPL (the "Proposed Disposal"):

(a) all of the shares in the capital of IHL held by FGHIPL;

(b) all of the shares in the capital of FHML held by FGHIPL;

(c) all of the CCDs issued by IHL, FHTL and EHSSHL and held by FGHIPL; and

(d) all of the non-convertible bonds issued by IHL, FHML, EHSSHL and HEPL and held by RHSPL.

The aggregate consideration for the Proposed Disposal is INR 46,500 million (S$958.8 million), net of applicable taxes. The Proposed Disposal will be subject to, amongst other things, the approval of the unitholders of the Group at an extraordinary general meeting to be convened, the Noteholders' approval and the approval from the Competition Commission of India.

39. SUBSEQUENT EVENT

The SGD denominated loans (Note 25) are defaulted when Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh ("FHL Promotors") together do not or cease to beneficially own (directly or indirectly) and control at least 35 per cent. of the entire issued and paid up share capital of FHL. The FHL Promoters' ownerships interest in FHL reduced to approximately 8.84 per cents and subsequently to 0.77 per cent. This reduction triggered a default for the outstanding borrowings. The default was waived by the banks and noteholders on 30 April 2018. In addition to the waiver, the Notes were extended to 22 January 2019.

As the waiver was granted subsequent to year end, the defaulted loans, UOB and Siemens Loan Facilities are classified as current despite the loan due date on 28 June 2020. These loans were classified to non-current on the date the waiver was granted.

40. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements for the financial year ended 31 March 2018 were authorised for issue in accordance with a resolution of the Board of Directors of the Trustee-Manager on 9 July 2018.

STATISTICS OF UNITHOLDINGS

As at 18 June 2018

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 - 99	4	0.08	119	0.00
100 - 1,000	687	13.23	649,974	0.08
1,001 - 10,000	2,486	47.87	15,038,109	1.86
10,001 - 1,000,000	1,988	38.28	103,966,162	12.86
1,000,001 AND ABOVE	28	0.54	689,077,580	85.20
TOTAL	**5,193**	**100.00**	**808,731,944**	**100.00**

TWENTY LARGEST UNITHOLDERS

No.	Name	No. of Units	%
1	DB NOMINEES (SINGAPORE) PTE LTD	206,164,844	25.49
2	RAFFLES NOMINEES (PTE) LIMITED	134,899,978	16.68
3	DBS NOMINEES (PRIVATE) LIMITED	80,424,787	9.94
4	CITIBANK NOMINEES SINGAPORE PTE LTD	77,974,910	9.64
5	HSBC (SINGAPORE) NOMINEES PTE LTD	71,086,539	8.79
6	MAYBANK KIM ENG SECURITIES PTE. LTD.	29,339,584	3.63
7	MERRILL LYNCH (SINGAPORE) PTE LTD	17,392,592	2.15
8	DBSN SERVICES PTE. LTD.	12,402,407	1.53
9	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	10,430,630	1.29
10	KGI SECURITIES (SINGAPORE) PTE. LTD.	5,782,700	0.72
11	PHILLIP SECURITIES PTE LTD	5,139,351	0.64
12	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	4,415,307	0.55
13	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	4,325,900	0.53
14	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	4,261,651	0.53
15	OCBC SECURITIES PRIVATE LIMITED	4,023,400	0.50
16	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	2,508,900	0.31
17	NTUC FAIRPRICE CO-OPERATIVE LTD	2,200,000	0.27
18	CHUA SOK KOON	2,083,100	0.26
19	LIM & TAN SECURITIES PTE LTD	1,813,100	0.22
20	UOB KAY HIAN PRIVATE LIMITED	1,812,000	0.22
	TOTAL	**678,481,680**	**83.89**

STATISTICS OF UNITHOLDINGS

As at 18 June 2018

SUBSTANTIAL UNITHOLDERS AS AT 18 JUNE 2018 (as recorded in the Register of Substantial Unitholders)

	Direct Interest		Deemed Interest	
	Units	%	Units	%
Fortis Healthcare International Limited	202,476,944	25.03	-	-
Fortis Healthcare Limited [1]	-	-	223,074,944	27.58
Kabouter Management, LLC [2]	-	-	64,694,677	8.00
Kabouter International Opportunities Fund II, LLC	40,665,475	5.03	-	-
Mahesh Udhav Buxani [3]	26,718,600	3.30	17,656,100	2.18
Naina Mahesh Buxani [3]	17,656,100	2.18	26,718,600	3.30

(1) Stellant Capital Advisory Services Private Limited ("Stellant") is the sole shareholder of RHT Health Trust Manager Pte. Ltd. ("RHT TM"). Stellant is a wholly-owned subsidiary of Fortis Hospitals Limited ("FHsL"). Fortis Healthcare International Limited ("FHIL") and FHsL are wholly-owned by Fortis Healthcare Limited ("FHL"). FHL is deemed interested in the Units held by FHIL and RHT TM.

(2) Kabouter Management, LLC is deemed interested in the units which are held through funds managed by Kabouter Management, LLC.

(3) Mahesh Udhav Buxani and Naina Mahesh Buxani are husband and wife. They are deemed interested in the units held by each other.

The percentage of unitholdings is calculated based on the total issued unit capital of 808,731,944 units.

PERCENTAGE OF UNITHOLDINGS IN THE HANDS OF PUBLIC

Based on the information available to the Trustee-Manager as at 18 June 2018, approximately 72.42% of RHT's units were in the hands of public. Accordingly, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

NOTICE OF ANNUAL GENERAL MEETING OF UNITHOLDERS

RHT HEALTH TRUST
(Registration No. 2012006)
(A business trust constituted on 29 July 2011 under the laws of the Republic of Singapore and registered under the Business Trusts Act, Chapter 31A of Singapore)

Managed by RHT Health Trust Manager Pte. Ltd.
(Company Registration No. 201117555K)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the unitholders of RHT Health Trust ("**RHT**" and unitholders of RHT, "**Unitholders**") will be held at Suntec Singapore Convention & Exhibition Centre, Meeting Rooms 328 and 329, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Monday, 30 July 2018 at 10.00 a.m, to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Report of the RHT Health Trust Manager Pte. Ltd. ("**Trustee-Manager**"), Statement by the Trustee-Manager and the Audited Financial Statements of RHT and its subsidiaries for the financial year ended 31 March 2018 together with the Auditors' Report thereon.
(Resolution 1)

2. To re-appoint Messrs Ernst & Young LLP as auditors of RHT and to authorise the Trustee-Manager to fix their remuneration.
(Resolution 2)

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution, with or without any modifications:

3. PROPOSED UNIT ISSUE MANDATE

That pursuant to Clause 6.1.1 of the deed of trust dated 29 July 2011 constituting RHT, as amended and restated by an amending and restating deed dated 25 September 2012 and supplemented by a supplemental deed dated 27 September 2012 (together, the "**Trust Deed**"), Section 36 of the Business Trusts Act, Chapter 31A of Singapore (the "**BTA**") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Trustee-Manager, on behalf of RHT, be and is hereby authorised and empowered to:

(a) (i) issue units in RHT ("**Units**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Units,

at any time and upon such terms and conditions and for such purposes and to such persons as the Trustee-Manager may in its absolute discretion deem fit; and

(b) issue Units in pursuance of any Instrument made or granted by the Trustee-Manager while this Resolution is in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

NOTICE OF ANNUAL GENERAL MEETING OF UNITHOLDERS

provided that:

(1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued pursuant to Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50.0%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a pro-rata basis to Unitholders shall not exceed twenty per cent. (20.0%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below);

(2) subject to such manner of calculation as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of Units that may be issued pursuant to sub-paragraph (1) above, the total number of issued Units (excluding treasury Units, if any) shall be based on the total number of issued Units (excluding treasury Units, if any) at the time of the passing of this Resolution, after adjusting for:

  (i) any new Units arising from the conversion or exercise of any Instruments which are outstanding or subsisting as at the date this Ordinary Resolution is passed; and

  (ii) any subsequent bonus issue, consolidation or subdivision of Units;

(3) in exercising the authority conferred by this Resolution, the Trustee-Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), the BTA and the Trust Deed for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);

(4) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of RHT or the date by which the next Annual General Meeting of RHT is required by applicable laws and regulations to be held, whichever is earlier;

(5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Trustee-Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and

(6) the Trustee-Manager be and is hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Trustee-Manager may consider expedient or necessary or in the interest of RHT to give effect to the authority conferred by this Resolution. (Please see Explanatory Note)

(Resolution 3)

4. To transact any other business which may properly be transacted at an Annual General Meeting.

By Order of the Board
RHT Health Trust Manager Pte. Ltd.
as Trustee-Manager of RHT Health Trust
(Company Registration No. 201117555K)

Abdul Jabbar Bin Karam Din
Chan Poh Kuan
Joint Company Secretaries

Singapore, 13 July 2018

NOTICE OF ANNUAL GENERAL MEETING OF UNITHOLDERS

Explanatory Note:

Resolution 3

Resolution 3 proposed, if passed, will empower the Trustee-Manager to issue Units, make or grant Instruments convertible into Units and to issue Units pursuant to such Instruments from the date of the Annual General Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by applicable law or regulations to be held, or the date on which such authority is varied or revoked by RHT in a general meeting of the Unitholders, whichever is earliest. The aggregate number of Units to be issued pursuant to Resolution 3 (including Units to be issued in pursuance of Instruments made or granted) shall not exceed fifty per cent. (50.0%) of the total number of issued Units, of which up to twenty per cent. (20.0%) may be issued other than on a pro-rata basis (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to Unitholders.

For the purpose of determining the aggregate number of Units that may be issued, the percentage of the total number of issued Units will be calculated based on the total number of issued Units at the time the Resolution 3 in item 3 above is passed, after adjusting for (i) new Units arising from the conversion or exercise of any convertible securities and (ii) any subsequent bonus issue, consolidation or subdivision of Units.

For the avoidance of doubt, the authority to issue Units pursuant to Resolution 3 includes the issuance of Units by the Trustee-Manager to itself in the event that the Trust-Manager elects, in accordance with Clause 12.9.1 of the Trust Deed to receive all or any part of the Fees payable to the Trustee-Manager under Clause 12 of the Trust Deed (save for the inception fees referred to in Clause 12.3.2) due and payable to it in units instead of cash.

Important Notice

(1) A Unitholder entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his/her stead at the same meeting. A proxy need not be a Unitholder.

(2) A corporation which is a Unitholder may, by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Unitholders and the person so authorised shall be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

(3) The instrument appointing a proxy must be lodged at the office of RHT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for the Annual General Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Trustee-Manager (or its agents or service providers) for the purpose of the processing, administration and analysis by the Trustee-Manager (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Trustee-Manager (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Trustee-Manager (or its agents or service providers), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Trustee-Manager (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Trustee-Manager in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

CORPORATE INFORMATION

THE TRUSTEE-MANAGER

RHT Health Trust Manager Pte. Ltd.
Company registration number: 201117555K

BOARD OF DIRECTORS

Mr Ravi Mehrotra
Executive Chairman (resigned on 30 September 2017)

Mr Vivek Mehra
Non-Executive Chairman and Independent Director
(appointed on 1 October 2017)

Mr Gurpreet Singh Dhillon
Executive Director and Chief Executive Officer

Mr Pawanpreet Singh
Executive Director and Chief Financial Officer

Mr Eng Meng Leong
Independent Director

Mr Sydney Michael Hwang
Independent Director

Dr Yogendra Nath Mathur
Lead Independent Director

Mr Peter Joseph Seymour Rowe
Independent Director

BOARD COMMITTEES

Audit & Risk Management Committee
Mr Peter Joseph Seymour Rowe, Chairman
Mr Eng Meng Leong, Member
Dr Yogendra Nath Mathur, Member

Renumeration Committee
Mr Eng Meng Leong, Chairman
Mr Sydney Michael Hwang, Member
Mr Peter Joseph Seymour Rowe, Member

Nominating Committee
Mr Sydney Michael Hwang, Chairman
Dr Yogendra Nath Mathur, Member
Mr Ravi Mehrotra, Member (resigned on 30 September 2017)
Mr Vivek Mehra, Member (appointed on 1 October 2017)

COMPANY SECRETARIES

Mr Abdul Jabbar Bin Karam Din (LLB (Hons))
Ms Chan Poh Kuan (FCIS)

AUDITOR

Ernst and Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583
Phone: (65) 6535 7777
Fax: (65) 6438 8710

Partner in charge: Tan Soon Seng
Appointed for the financial year 31 March 2018

REGISTERED ADDRESS

9 Battery Road
#15-01 MYP Building
Singapore 049910
Phone: (65) 6535 3600
Fax: (65) 6225 6846

OPERATING ADDRESS

302 Orchard Road
#09-03/04 Tong Building
Singapore 238862
Phone: (65) 6603 5780
Fax: (65) 6603 5782

UNIT REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623
Phone: (65) 6536 5355
Fax: (65) 6536 1360

SGX CODE

RF1U

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RHT HEALTH TRUST
(Registration No. 2012006)
(A business trust constituted on 29 July 2011
under the laws of the Republic of Singapore)
Managed by RHT Health Trust Manager Pte. Ltd.
(Company Registration No. 201117555K)

PROXY FORM – ANNUAL GENERAL MEETING

(Before completing this form, please read the notes behind)

I/We, ______________________________ (Name)

of ______________________________ (Address)

being a Unitholder/Unitholders of RHT Health Trust ("**RHT**"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Unitholdings	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Unitholdings	
			No. of Units	%

or, both of whom failing, the Chairman of the Annual General Meeting as my/our proxy/proxies to attend and vote for me/us on my/our behalf and if necessary, to demand a poll, at the Annual General Meeting of RHT to be held at Suntec Singapore Convention & Exhibition Centre, Meeting Rooms 328 and 329, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Monday, 30 July 2018 at 10.00 a.m. and any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Annual General Meeting in accordance with my/our directions as indicated hereunder. Where no such direction is given, the proxy/proxies may vote or abstain from voting at his/their discretion, as he/they will on any matter arising at the Annual General Meeting.

No.	Resolutions	No. of Votes For*	No. of Votes Against*
	ORDINARY BUSINESS		
1.	Adoption of Reports of the Trustee-Manager, Statement by the Trustee-Manager and the Audited Financial Statements of RHT and its subsidaries for the financial year ended 31 March 2018 together with the Auditors' Report. (Resolution 1)		
2.	Re-appointment of Messrs Ernst & Young LLP as Auditors of RHT and to authorise Trustee-Manager to fix their remuneration. (Resolution 2)		
	SPECIAL BUSINESS		
3.	To approve the Proposed Unit Issue Mandate. (Resolution 3)		
4.	Any other business.		

* If you wish to exercise all your votes "For" or "Against", please tick (P) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this ____________ day of ____________ 2018

Total number of Units held

____
Signature(s) of Unitholder(s) or Common Seal

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to Proxy Form

1. In accordance with the Business Trusts Act and the Trust Deed, a Unitholder of RHT Health Trust ("**RHT**", and a Unitholder of RHT, "**Unitholder**") entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such Unitholder's form of proxy appoints more than one proxy, the proportion of the unitholding concerned to be represented by each proxy shall be specified in the form of proxy. Where a Unitholder appoints two proxies and does not specify the number of Units to be represented by each proxy, the Units held by the Unitholder are deemed to be equally divided between the proxies.

2. A proxy need not be a Unitholder.

3. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against his/her name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), he/she should insert that number of Units. If the Unitholder has Units registered in his/her name in the Register of Unitholders of RHT, he/she should insert that number of Units. If the Unitholder has Units entered against his/her name in the said Depository Register and Units registered in his/her name in the Register of Unitholders, he/she should insert the aggregate number of Units entered against his/her name in the said Depository Register and registered in his/her name in the Register of Unitholders. If no number is inserted, this form of proxy appointing a proxy or proxies will be deemed to relate to all the Units held by the Unitholder.

4. The instrument appointing a proxy or proxies (the "**Proxy Form**") must be in writing under the hand of the appointor or his/her attorney duly authorised in writing or if the appointor is a corporation, it must be executed either under the common seal or under the hand of an officer or attorney so authorised.

5. A corporation which is a Unitholder, may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of Unitholders and the person so authorised shall be entitled to exercise the power on behalf of the corporation so represented as the corporation could exercise in person if it were an individual. The Trustee-Manager shall be entitled to treat a copy of such resolution certified by a director of the corporation to be a true copy, or a certificate under the seal of the corporation as conclusive evidence of the appointment or revocation of appointment of a representative under this paragraph.

6. This Proxy Form (together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority) must be deposited at the office of RHT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, not less than 48 hours before the time fixed for holding the Annual General Meeting or adjourned meeting, at which the person named in the Proxy Form appointing a proxy or proxies proposes to vote, and in default the Proxy Form shall not be treated as valid.

7. Any alteration made in this Proxy Form should be initialled by the person who signs it.

8. The Trustee-Manager shall be entitled to reject a Proxy Form appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Unitholders whose Units are entered in the Depository Register, the Trustee-Manager shall be entitled and bound:

   (a) to reject any Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against the name of the Unitholder in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting, as certified by CDP to the Trustee-Manager; and

   (b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Unitholder is or are able to cast on a poll a number which is the number of Units entered against the name of that Unitholder in the Depository Register as at 48 hours before the time of the relevant meeting as certified by CDP to the Trustee-Manager, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Unitholder.

   No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution.

9. All Unitholders will be bound by the outcome of the Annual General Meeting regardless of whether they have attended or voted at the Annual General Meeting.

Personal data privacy:
By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Trustee-Manager (or its agents or service providers) for the purpose of the processing, administration and analysis by the Trustee-Manager (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Trustee-Manager (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Trustee-Manager (or its agents or service providers), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Trustee-Manager (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Trustee-Manager in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

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