



(a business trust constituted on 29 July 2011 and registered on 25 September 2012
under the laws of the Republic of Singapore)
managed by
RHT Health Trust Manager Pte. Ltd.

RHT Health Trust Announces Results for the 1st quarter ended 30 June 2018 (“1QFY2019”)

- Total Revenue was lower by approximately 8.8% in 1QFY2019 compared to the previous corresponding period, due to a weaker Indian Rupee, and lower Variable Fee. The Variable Fee was impacted by the lower occupancy rates seen at the Clinical Establishments, which led to a decrease in the revenue of the operator.
- Net Service Fee and Hospital Income was 7.2% lower in 1QFY2019 against that of the first quarter of FY2018 (“1QFY2018”), in line with the reduced Total Revenue. The reduction in Net Service Fee and Hospital Income was lower than that of Total Revenue due to lower expenses recorded this quarter.
- The Adjusted¹ Net Service Fee margin was 63% in 1QFY2019 compared to 62% in 1QFY2018 due to cost control measures.

Summary of RHT Results
S\$ '000

| | 1QFY2019 | 1QFY2018 | 1QFY2019 vs 1Q FY2018 |
|--|-----------------|-----------------|--------------------------------------|
| Total Revenue ² | 21,994 | 24,108 | (8.8%) |
| Net Service Fee and Hospital Income ³ | 12,598 | 13,581 | (7.2%) |
| Cash flow from FHTL ⁴ | 4,163 | 4,474 | (7.0%) |
| RHT Income available for distribution | 4,388 | 5,971 | (26.5%) |
| Total Distributable Income | 8,551 | 10,445 | (18.1%) |
| Distributable Income attributable for Distribution | 8,123 | 9,923 | (18.1%) |
| Distributable Income attributable for Distribution - Per Unit (“DPU”)⁵ | 1.00 | 1.22 | (18.0%) |
| INR/SGD exchange rate used for translating the financial results | 50.27 | 46.59 | |

¹ Adjusted to include that of FHTL.

² Total Revenue figures excludes straight lining.

³ Net Service Fee and Hospital Income excludes straight lining, depreciation and amortisation.

⁴ RHT's share of cashflow from FHTL, where it owns 49.0%.

⁵ For illustrative purposes only. No distribution has been declared in respect of 1QFY2019.



2 August 2018, Singapore – RHT Health Trust Manager Pte. Ltd. (“RHT TM”), the Trustee-Manager of RHT Health Trust (“RHT” or the “Trust”), is pleased to announce the Trust’s first quarter results ended 30 June 2018 (“1QFY2019”).

In the 1QFY2019, we saw a drop in the Total Revenue of 8.8% earned by RHT against 1QFY2018. This was primarily due to the depreciation of the Indian Rupee against the Singapore dollar during the quarter. In INR terms, the drop in Total Revenue for the quarter would have been 1.6%. There was also a slight decrease in Variable Fee for the quarter, as the operator’s revenue was down due to lower occupancy levels. The occupancy level was 62% in the first quarter of the financial year ending 31 March 2019, compared to levels of approximately 72% in 1QFY2018. The decrease in Variable Fee was partially offset by a 3% increase in Base Fee which commences at the start of every new financial year. In addition, there was also an increase in the average revenue per operating bed (“ARPOB”), which helped to compensate for the drop in patient volumes.

In line with the decrease in Total Revenue earned, Net Service Fee and Hospital Income also came in lower at S\$12.6 million, representing a drop of 7.2% in SGD terms compared to that of the previous corresponding quarter. However in Indian Rupees (“INR”) terms, Net Service Fee and Hospital Income had increased slightly despite the drop in Total Revenue as some of the expenses incurred in 1QFY2019 were lower than that incurred in 1QFY2018. These included lower maintenance costs and provisions for wear and tear.

The Adjusted¹ Net Service Fee margin of 63% in 1QFY2019 is comparable to that in 4QFY2018 of 65%, and 62% in 1QFY2018.

Due to the decline in Total Revenue and Net Service Fee and Hospital Income, Total Distributable Income for the quarter was S\$8.6 million. This is compared to S\$10.4 million earned in 1QFY2018. Apart from the drop in Total Revenue, a depreciation in the effective forward rate as well as higher interest expenses and an increase in interest rates, also contributed to the lower Total Distributable Income. The Distribution per Unit recorded for 1QFY2019 was 1.0 cents.

As at 30 June 2018, RHT’s gearing was at 24.4%.

On the 20 June 2018, the Trustee-Manager had announced that all outstanding amounts due from Fortis Healthcare Limited (“Fortis”) for the financial year ended 31 March 2018 (“FY2018”) had been received. Consequently, the distributions referable to the Distributable Income Attributable to Unitholders for the period from 1 October 2017 to 31 March 2018 was also paid out to Unitholders of RHT. In the interim, the Trustee-Manager had been progressing with the work required to complete the proposed disposal of portfolio of assets of RHT to Fortis. Once there is further update on the proposed disposal, we will inform Unitholders.

Mr. Gurpreet Dhillon, Chief Executive Officer of RHT TM said, “We are supportive of IHH’s proposed investment into Fortis and are following the progress closely as that may have an indirect bearing on the timeline for the completion of our proposed disposal of assets to Fortis. At the RHT front, we are looking to send out the circular to seek RHT unitholders for their approval to dispose of the assets. This would be a key step, and we are pushing to get this done as soon as possible. In the interim, business continues as per normal at the Clinical Establishments, although we are taking a wait and see approach first with respect to any major capital expenditure plans.”

¹ Adjusted to include that of FHTL.



Outlook for the Coming Year

The private healthcare operators in India had been affected by some negative events in the last few months. The price controls imposed by the government on medical devices such as stents and orthopedic implants and certain diagnostic equipment had affected the margins of the healthcare operators. The government had also implemented new licensing requirements to regulate the Clinical Establishments (CEs) operating in India, with a view to prescribe the minimum standard of facilities and services provided by these CEs. There were also other regulatory requirements placed on the private healthcare operators, such as the provision of free or subsidized beds to the needy and undertaking corporate responsibility funding. There is no certainty that there will not be further regulatory controls coming into effect, which may have an impact on the healthcare industry operators. Management will continue to monitor the situation and provide any updates where necessary.

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About RHT Health Trust

RHT is the first business trust with an initial portfolio comprising of healthcare assets in India to be listed on the Main Board of the Singapore Exchange Securities Trading Limited. Its focus is to invest into medical and healthcare assets and services in Asia, Australasia and emerging markets in the rest of the world. RHT may also from time to time be involved in the development of medical and healthcare assets.

RHT's current portfolio comprises interests in 12 RHT Clinical Establishments, 4 Greenfield Clinical Establishments and 2 Operating Hospitals throughout India, which were valued at approximately S\$1,086.4 million as at 31 March 2018 (after adjusting for the disposal of 51% economic interests in Fortis Hospotel Limited).

About the Trustee-Manager - RHT Health Trust Manager Pte. Ltd.

The Trustee-Manager is an indirect wholly-owned subsidiary of Stellant Capital Advisory Services Private Limited ("Stellant"). Stellant is a Category I Merchant Banker registered with Securities and Exchange Board of India ("SEBI") and engaged in Management of Issues, Determination of Financial Structure, Underwriting of Issues, Investment Advisory Services and Corporate Advisory Services, specifically in Healthcare Arena. Stellant is a wholly-owned step down subsidiary of Fortis Healthcare Limited, which is a key integrated healthcare delivery service provider in India with a leading presence in hospital business and diagnostics. Stellant, being engaged in the merchant banking activities primarily focus on imparting advisory services in the "healthcare sector" arena and providing consultancy services across the healthcare delivery services.

About Fortis Healthcare Limited

Fortis Healthcare Limited is a leading integrated healthcare delivery service provider in India. The healthcare verticals of the company primarily comprise hospitals, diagnostics and day care speciality facilities. Fortis Healthcare Limited operates its healthcare delivery services in India, Dubai, Mauritius and Sri Lanka with 54 healthcare facilities (including projects under development), approximately 10,000 potential beds and over 350 diagnostic centres.