



(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.

**TERM SHEET IN RELATION TO THE PROPOSED DISPOSAL OF
THE ENTIRE ASSET PORTFOLIO OF RHT HEALTH TRUST ("RHT")**

1. INTRODUCTION

RHT Health Trust Manager Pte. Ltd. (in its capacity as trustee-manager of RHT) (the "**Trustee-Manager**") refers Unitholders to the announcement made by Fortis Healthcare Limited ("**Fortis**") on the National Stock Exchange of India Ltd. and BSE Ltd. on 14 November 2017 (the "**Fortis Announcement**").

The Trustee-Manager has received a proposal from Fortis (the "**Proposed Disposal**") to acquire all of the Sale Securities (as defined in paragraph 2.1 below) held by RHT's Singapore incorporated wholly-owned subsidiaries, Fortis Global Healthcare Infrastructure Pte. Ltd. ("**FGHIPL**") and RHT Healthtrust Services Pte. Ltd. ("**RHSPL**" and together with FGHIPL, the "**Vendors**"). The Proposed Disposal would result in the disposal of all of RHT's Indian subsidiaries ("**RHT's Indian Subsidiaries**") and its 49.0% interest in Fortis Hospotel Ltd ("**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.

In connection with the Proposed Disposal, the Trustee Manager has entered into a term sheet (the "**Term Sheet**") on 14 November 2017 with Fortis which provides for a sixty (60) day period to negotiate exclusively with each other (the "**Exclusivity Period**"). The Term Sheet is intended to set out the basis for further discussion in respect of the Proposed Disposal and is not intended to be legally binding between the parties, except for provisions relating to the Consideration (as defined herein), confidentiality, exclusivity and governing law. The Term Sheet is subject to the parties entering into definitive agreements (the "**Definitive Agreements**") and further details will be announced in the event the Definitive Agreements are entered into by the parties. Unitholders should note that the terms of the Proposed Disposal may be subject to further negotiations and changes.

The Trustee-Manager has appointed Merrill Lynch (Singapore) Pte. Ltd. as exclusive financial adviser to advise on the Proposed Disposal.

Unitholders and potential investors are advised to exercise caution in trading the units of RHT as there is no certainty or assurance as at the date of this Announcement that the Definitive Agreements will be entered into, the terms and conditions of the Proposed Disposal will not differ from those set out in the Term Sheet, or the Proposed Disposal will be undertaken at all. Unitholders and potential investors are advised to read this announcement and any further announcements by the Trustee-Manager carefully. Unitholders and potential investors should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions that they should take.

2. INFORMATION ON THE PROPOSED DISPOSAL

2.1 Information on the Sale Securities

The Proposed Disposal would involve the disposal by RHT and its subsidiaries of the following assets (the “**Sale Securities**”):

- (a) all of the shares in the capital of International Hospital Limited (“**IHL**”) held by FGHIPL;
- (b) all of the shares in the capital of Fortis Health Management Limited (“**FHML**”) held by FGHIPL;
- (c) all of the compulsorily convertible debentures issued by IHL, FHTL and Escorts Heart and Super Specialty Hospital Limited (“**EHSSHL**”) and held by FGHIPL; and
- (d) all of the non-convertible bonds issued by IHL, FHML, EHSSHL and Hospitalia Eastern Private Limited and held by RHSPL.

2.2 Consideration

The aggregate consideration for the Proposed Disposal is INR 46,500 million (the “**Consideration**”). The Consideration would be adjusted (i) for any changes in the net current assets of RHT’s Indian Subsidiaries as of the closing date from the net current assets of such entities as at 30 September 2017, (ii) upward by an amount of INR 1,431.1 million, being the amount due and payable by the Fortis subsidiaries to RHT entities as service fees (other than FHTL) and interest income due on CCDs from FHTL to FGHIPL as at 30 September 2017, and (iii) upward by interest income accruing on CCDs from FHTL to FGHIPL from 1 October 2017 to the closing date.

The Consideration would be fully satisfied in cash and the net proceeds after taking into account (i) the estimated transaction-related costs, (ii) the payment of all third party liabilities of the Trustee-Manager, FGHIPL and RHSPL (including external debt and interest accrued thereon) (the “**Net Proceeds**”) are currently intended to be substantially distributed to the Unitholders.

As stated in the Fortis Announcement, the proposed transaction would be funded with a combination of equity, quasi-equity and/or debt. Fortis has an enabling resolution in place to raise capital for up to INR 50,000 million and has been in active dialogue with financial / strategic investors to raise funds, supported by Standard Chartered Bank as its financial advisor for this purpose.

2.3 Information on Fortis

Fortis is a controlling unitholder of RHT, with an indirect interest of approximately 29.76% of the Units in RHT. The Trustee-Manager is also an indirectly wholly-owned subsidiary of Fortis.

Fortis is a leading integrated healthcare delivery service provider in India. The healthcare verticals of Fortis primarily comprise hospitals, diagnostics and day care specialty facilities. Currently, Fortis operates its healthcare delivery services in India, Dubai, Mauritius and Sri Lanka with 45 healthcare facilities (including projects under development), approximately 10,000 potential beds and 372 diagnostic centres.

2.4 Conditions Precedent

The Proposed Disposal would be subject to certain conditions precedent, including but not limited to:

- (a) **Regulatory and other third party approvals:** all necessary approvals, consents and conditions from all relevant governmental, regulatory, judicial and other authorities and third parties in Singapore, India and other relevant jurisdictions (if any) in respect of the Proposed Disposal, including but not limited to approval from the Competition Commission of India (if required), clearance by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) of the circular to unitholders of RHT) (the “**Unitholders**”) in relation to, and otherwise in connection with, the Proposed Disposal, which constitutes an interested person transaction and a major transaction under Chapters 9 and 10 of the Listing Manual of the SGX-ST (the “**Listing Manual**”), respectively;
- (b) **Shareholders’ approval:** approval by the shareholders of Fortis, if required;
- (c) **Unitholders’ approval:** approval by the unitholders of RHT (the “**Unitholders**”) for, *inter alia*, the Proposed Disposal;
- (d) **Noteholders’ / Lenders approval:** RHT and/or its subsidiaries obtaining the consent of (a) noteholders in respect of notes issued under its S\$500 million medium term note programme for the consummation of the Proposed Disposal and/or waiver of covenants and/or events of default (as applicable); and (b) its lenders / financiers for the consummation of the Proposed Disposal and/or waiver of covenants and/or events of default (as applicable), including the release of assets which are the subject of security provided to such lenders / financiers; and
- (e) **No legal or regulatory prohibitions:** the Proposed Disposal and/or the other transactions contemplated thereunder not being prohibited or restricted by any, order, or ruling, of a judicial body or any statute or law promulgated by any Indian legislative or regulatory body.

2.5 Validity Period

The Term Sheet shall automatically terminate upon (i) the execution of the Definitive Agreements by the parties; (ii) if any of the conditions precedent to the Proposed Disposal are not capable of being fulfilled; (iii) the mutual consent of the parties in writing; or (iv) the expiry of the Exclusivity Period (unless otherwise extended by the parties), whichever date being the earliest (the “**Validity Period**”).

If for any reason whatsoever, Fortis and/or its subsidiaries is unable to execute the Definitive Agreements on or prior to the expiry of the Validity Period, then Fortis Healthcare International Limited shall pay a sum of S\$1.0 million to the Trustee-Manager as and by way of liquidated damages for the costs, expenses and losses incurred by RHT and the Vendors with respect to the Proposed Disposal and all events leading thereto.

2.6 Service Fees and Interest Income from Fortis and 1H2018 Distribution

As at the date of this Announcement, certain service fees and interest income on the CCDs (approximately INR 1,431.1 million in aggregate) have not been received from the relevant Fortis entities in respect of the six months ended 30 September 2017. In view of the foregoing

and notwithstanding distributable income attributable for distribution of S\$19.112 million¹ for the six months ended 30 September 2017, the Trustee-Manager has not declared a distribution for the six months ended 30 September 2017.

The Consideration will be adjusted in accordance with paragraph 2.2 above unless the outstanding service fees and interest income are paid beforehand.

3. INTEREST OF DIRECTORS AND CONTROLLING UNITHOLDERS

Save as disclosed herein, none of the directors of the Trustee-Manager or controlling unitholders of RHT has any interest, direct or indirect, in the Proposed Disposal, other than through their respective directorships in the Trustee-Manager and unitholdings in RHT.

4. FURTHER ANNOUNCEMENTS

The Trustee-Manager will make further announcements, in compliance with requirements of Chapters 9 and 10 of the Listing Rules, upon the execution of the Definitive Agreements and/or when there are material developments in respect of the Proposed Disposal.

By Order of the Board

Gurpreet Singh Dhillon
Executive Director and Chief Executive Officer

RHT Health Trust Manager Pte. Ltd.
(Registration number: 201117555K)
(as trustee-manager of RHT Health Trust)

15 November 2017

¹ Based on the INR:SGD rate of INR49.37:SGD1.00. The actual amount of distributable income for the six months ended 30 September 2017 may differ depending on the exchange rate at the time of conversion.