



(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 2nd quarter ended 30 September 2018 (“2QFY2019”)

- Total Revenue showed a drop of 7% in Singapore dollar (SGD) terms in 2QFY2019 compared to the corresponding quarter in the last financial year (“2QFY2018”) due to a weaker Indian Rupee. However, in Indian Rupees (INR), Total Revenue was up slightly by 1.3% due to the contractual increase in Base Fee since 1 April 2018 as well as Hospital Income. The increase was offset by a lower Variable Fee due to a drop in the occupancy levels at the Clinical Establishments between the 2 quarters.
- Net Service Fee and Hospital Income was lower in both SGD and INR terms in 2QFY2019 against 2QFY2018 due to cost increases as a result of inflationary pressures.
- The Adjusted<sup>1</sup> Net Service Fee margin was slightly lower at 61% in 2QFY2019 compared to 62% in 2QFY2018 as a result of the increase in costs.

### Summary of RHT Results S\$ '000

	2QFY2019	2QFY2018	2QFY2019 vs 2Q FY2018
Total Revenue <sup>2</sup>	22,269	23,948	(7.0%)
Net Service Fee and Hospital Income <sup>3</sup>	12,224	13,405	(8.7%)
Cash flow from FHTL <sup>4</sup>	3,969	4,492	(11.6%)
RHT Income available for distribution	3,953	5,181	(23.7%)
Total Distributable Income	7,922	9,673	(18.1%)
Distributable Income attributable for Distribution	7,526	9,189	(18.1%)
<b>Distributable Income attributable for Distribution - Per Unit (“DPU”)<sup>5</sup></b>	0.928	1.138	(18.5%)
INR/SGD exchange rate used for translating the financial results	51.71	47.73	

<sup>1</sup> Adjusted to include that of FHTL.

<sup>2</sup> Total Revenue figures excludes straight lining.

<sup>3</sup> Net Service Fee and Hospital Income excludes straight lining, depreciation and amortisation.

<sup>4</sup> RHT’s share of cashflow from FHTL, where it owns 49.0%.



**5 November 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 second quarter results ended 30 September 2018 (“2QFY2019”).

In 2QFY2019, Total Revenue showed a drop of 7.0% in SGD terms when compared to that of 2QFY2018. This was primarily due to a weaker INR in the second quarter of FY2019 compared to the same period in the last financial year. In INR terms, Total Revenue was up slightly by 1.3% due to the increase in Base Fee of 3% and higher Hospital Income. This increase was offset by a drop in the Variable Fee due to lower occupancy rates at the Clinical Establishments of 71% in 2QFY2019 compared to 77% in 2QFY2018. Nevertheless, we have seen some improvement in occupancy rates in 2QFY2019 compared to the last quarter of 1QFY2019 where occupancy levels were at 62%.

Average revenue per operating bed (ARPOB) showed a reverse trend compared to occupancy levels, as it dropped in 2QFY2019 compared to 1QFY2019. However ARPOB showed slight increase when compared against 2QFY2018 there were less communicable diseases in 2QFY2019 compared to the corresponding quarter last year.

Net Service Fee and Hospital Income saw a decrease in 2QFY2019 against 2QFY2018, in both SGD and INR terms. Although Total Revenue was up slightly in INR terms between the 2 quarters, Net Service Fee and Hospital Income recorded a drop of 0.4% in 2QFY2019 due to cost increases stemming from inflation in India.

In line with the lower Net Service Fee and Hospital Income, Distributable Income was lower by 18.1% in 2QFY2019 compared to the previous corresponding quarter. There was a more than proportionate drop in the Distributable Income compared to that of Net Service Fee and Hospital Income largely due to the weaker INR in the 2QFY2019. Management had also suspended the hedging that used to be carried out for half of the projected Distributable Income due to uncertainties over the completion date for the proposed disposal of the entire asset portfolio of RHT to Fortis Healthcare Ltd (“FHL”). In addition, there was more professional fees incurred in the 2QFY2019 due to greater corporate activities including the Consent Solicitation Exercises. Higher interest rates and increased borrowings had also contributed to increased finance expenses.

Arising from the Distributable Income attributable for distribution for the period 1 April 2018 to 30 September 2018, there will be a distribution per unit of 1.92 cents to be paid to Unitholders (“DPU”). This DPU will be paid on the 28 December 2018. The management fee payable by RHT to the Trustee-Manager for the same period 1 April 2018 to 30 September 2018 will be made wholly in cash. Half of this fee will be paid on the due date and the remaining will be paid on the earlier of the Completion of the Proposed Disposal or 31 March 2019.

As at 30 September 2018, RHT’s gearing was at 27.1%.

Mr. Gurpreet Dhillon, Chief Executive Officer of RHT TM said, “We held the EGM to seek unitholders’ approval for the Proposed Disposal on the 26 September 2018, where we saw strong support from unitholders in favour of the proposed disposal of the assets to Fortis. We are now waiting for Fortis to meet all the conditions required for the completion of disposal. Once that is achieved, we will distribute out the net proceeds to RHT’s unitholders. In the meantime, in anticipation of the impending disposal, we have also been actively sourcing and evaluating potential assets that may be acquired by RHT going forward. We thank unitholders for your approval to widen the investment mandate of RHT, and accordingly the trust placed in management to find new assets.”

**Outlook for the Coming Year**

There have not been any new initiatives by the local regulatory authorities following the recent introduction of regulations which were put in place on the healthcare sector recently. The price controls imposed by the local regulatory authorities on medical devices such as stents and orthopedic implants and certain diagnostic equipment continue to have an impact on the margins of the healthcare operators in the short term. 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 in the short term. 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 in income-yielding real estate and real estate related assets used or to be used primarily as business space<sup>1</sup> in Asia and Australasia<sup>2</sup>.

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.

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<sup>1</sup> Business space includes, but is not limited to, space used for information technology, information technology enabled services (includes various services ranging from call centres, claims processing, medical transcription, e-customer relationship management, supply chain management to back office operations such as accounting, data processing and data mining), high tech, science, healthcare, education, accommodation, business, industrial, logistics, warehousing and office purposes and such other supporting amenities.

<sup>2</sup> Upon completion of the Proposed Disposal.