



(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.

UPDATE ON OUTSTANDING AMOUNTS DUE FROM FORTIS HEALTHCARE LIMITED ("FHL") AND OTHER MATTERS

RHT Health Trust Manager Pte. Ltd. (in its capacity as trustee-manager of RHT Health Trust ("RHT")) (the "Trustee-Manager") refers to the announcements made on 5 April 2018 in respect of the outstanding amounts due from the relevant FHL entities (the "FHL Entities") for the nine months ended 31 December 2017 ("9MFY2018"). As stated in the 5 April 2018 announcement, as at the date thereof, INR 257 million ("Outstanding CCD Interest") remains outstanding in respect of the interest income on the compulsorily convertible debentures ("CCDs") due for the 9MFY2018. As at the date of this announcement, INR 144 million of the Outstanding CCD Interest remains unpaid. Interest payments due as a result of the late payment of the Service Fees for the 9MFY2018 to the wholly owned subsidiaries of RHT ("RHT Entities") remains outstanding ("9MFY2018 Service Fees Interest").

As of the date of this announcement, there are also Service Fees due for the 4th quarter ended 31 March 2018 ("4QFY18") which have yet to be paid by the FHL Entities. The Trustee-Manager had on 18 April 2018 served notices to the FHL Entities to inform them of the Service Fees due for the 4QFY18 (the "4Q Outstanding Amounts"). Interest continues to accrue on the 4Q Outstanding Amounts. To date, the Trustee-Manager has yet to receive the 4Q Outstanding Amounts and the interest thereon. FHL has provided an undertaking to the RHT Entities and the Trustee-Manager to settle the Outstanding CCD Interest, the 9MFY2018 Service Fees Interest and the 4Q Outstanding Amounts and the interest thereon, in tranches, and by 20 June 2018. The relevant FHL Entities have also issued post-dated cheques dated 31 July 2018, in respect of the amounts owing under the Outstanding CCD Interest and the 4Q Outstanding Amounts.

Additionally, under the terms of the Hospital and Medical Services Agreements ("HMSAs") entered into between the RHT Entities and the FHL Entities, the FHL entities are required to provide bank guarantees to secure the respective FHL Entities' obligations in respect of, *inter alia*, the Service Fee under the respective HMSAs, for an amount equivalent to two months of the actual annual Service Fee paid for the preceding financial year (the "Bank Guarantees"). These Bank Guarantees are to be provided at the beginning of every financial year, on a one year rolling basis, for the term of the HMSAs. The Bank Guarantees which had been provided by the FHL Entities in favour of the RHT Entities and Fortis Hospotel Limited for the financial year ended 31 March 2018 had expired on the 30 April 2018, and have yet to be renewed.

Without prejudice, FHL has provided an undertaking to procure that its subsidiary, Fortis Healthcare International Pte Limited ("FHIPL"), pledges its holdings of 64,120,915 shares in Lanka Hospitals Corporation Plc ("Lanka"), representing 28.66% of the total number of issued shares of Lanka ("Lanka Shares"), in favour of the RHT Entities and Fortis Hospotel Limited to secure the payment obligations of FHL under the HMSAs (the "Lanka Share Pledge"). The Lanka Shares are valued at approximately INR 1,507 million based on the latest closing price traded on the Colombo Stock Exchange as at 8 May 2018. The value of the Lanka Shares represents approximately 1.5 times of the value of the Bank Guarantees which were to be renewed.

The Lanka Share Pledge will only be released when (i) the Fortis Entities have paid all of the Service Fees under the HMSAs for the period up to 31 March 2018 and accrued interest thereon; and (ii) new bank guarantees are issued to the relevant RHT Entities under the terms of the HMSA.

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)

9 May 2018