About RHT Health Trust

RHT Health Trust ("RHT") is a registered Business Trust with an investment mandate to invest principally 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.

Key Information on the Portfolio

RHT's Portfolio as of 31 December 2016 comprises twelve RHT Clinical Establishments, four Greenfield Clinical Establishments and two Operating Hospitals located across India.

Clinical Establishments	***Greenfield Clinical Establishments***	***Operating Hospitals***
Amritsar	Ludhiana	Bengaluru, Nagarbhavi
Bengaluru, BG Road	Chennai	Bengaluru, Rajajinagar
Chennai, Malar	Hyderabad	
Faridabad	Greater Noida	
Jaipur		
Kolkata		
Mohali (including land acquired as an extension)		
Mumbai, Kalyan		
Mumbai, Mulund		
Noida		
Gurgaon (Associate)		
New Delhi, Shalimar Bagh (Associate)		

Development in FY17 Q3

On 29 July 2016, Unitholders approved the disposal of 51% of Compulsorily Convertible Debentures in Fortis Hospotel Limited ("FHTL") and 100% of the Compulsorily Convertible Preference Shares in Escorts Heart Institute and Research Centre Limited 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. The results of FHTL prior to the Disposal and Related Arrangements have been presented in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Post the Disposal and Related Arrangements, as the Group retains 49% of FHTL, it is accounted for as an associate in accordance with IAS 28 Investments in Associates and Joint Ventures.

Changes to Hedging policy

The Trustee Manager will also be making a change to its hedging policy. At present the Trustee-Manager enters into a one year forward contract to hedge 100% of the INR cashflow which is receivable by RHT every 6 months from India. Commencing FY2018, the Trustee-Manager will be hedging a maximum of 50% of such cashflows. For the period ending 31 March 2018, the Trustee-Manager intends to hedge 50% of such cash flows. This change in policy was arrived at in consultation with our stakeholders, and will serve to balance the interests of different stakeholders, while managing risks and costs more efficiently.

Distribution policy

RHT's policy is to distribute at least 90.0% of its distributable income on a semi-annual basis, for every six-month period ending 30 September and 31 March. For the year ending 31 March 2017, the RHT Health Trust Manager Pte. Ltd ("Trustee-Manager") intends to distribute 95% of its distributable income.

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1 Unaudited Results for the quarter and period ended 31 December 2016

The Board of Directors of RHT Health Trust Manager Pte. Ltd. announces the following unaudited results of RHT and its subsidiary companies ("RHT Group") for the quarter and period ended 31 December 2016.

1(a) Consolidated Statement of Comprehensive Income and Distributable Income Statement

	Notes	FY 17 Q3 S$'000	FY 16 Q3 (Restated)* S$'000	Var	FY 17 YTD S$'000	FY 16 YTD (Restated)* S$'000	Var
Revenue:							
Service fee	2	20,225	19,780	2%	59,624	59,507	n.m
Hospital income	3	2,255	2,381	-5%	7,422	7,582	-2%
Other income	4	608	647	-6%	1,880	1,893	-1%
Total revenue		**23,088**	**22,808**	**1%**	**68,926**	**68,982**	**n.m**
Service fee and hospital expenses:							
Medical consumables	5	(2,024)	(1,890)	7%	(6,173)	(5,837)	6%
Employee benefits expense	5	(719)	(581)	24%	(2,124)	(1,846)	15%
Doctor charges	6	(1,975)	(1,809)	9%	(5,871)	(5,543)	6%
Depreciation and amortisation	7	(3,034)	(2,895)	5%	(8,766)	(8,501)	3%
Other service fee expenses	8	(2,943)	(2,776)	6%	(8,913)	(8,260)	8%
Hospital expenses	3	(2,102)	(1,888)	11%	(6,406)	(5,995)	7%
Total service fee and hospital expenses		**(12,797)**	**(11,839)**	**8%**	**(38,253)**	**(35,982)**	**6%**
Finance Income	9	3,565	299	n.m	3,804	418	n.m
Finance Expenses	10	(3,801)	(2,369)	n.m	(8,485)	(5,891)	n.m
Trustee-Manager Fee	11	(6,074)	(1,604)	n.m	(9,328)	(4,879)	n.m
Other Trust Expenses	12	(322)	(572)	n.m	(1,747)	(1,377)	n.m
Foreign exchange gain/(loss)	13	521	(3,298)	n.m	748	(8,087)	n.m
Total expenses		**(18,908)**	**(19,383)**	**-2%**	**(53,261)**	**(55,798)**	**-5%**
Gain on dilution of 51% interest in a subsidiary	1	96,029	-	n.m	96,029	-	n.m
Share of results of an associate	1	2,424	-	n.m	2,424	-	n.m
Profit before changes in fair value of financial derivatives		**102,633**	**3,425**	**n.m**	**114,118**	**13,184**	**n.m**
Fair value (loss)/gain on financial derivatives	14	(1,564)	2,248	n.m	(3,188)	5,275	n.m
Profit before taxes		**101,069**	**5,673**	**n.m**	**110,930**	**18,459**	**n.m**
Income tax credit/(expense)	15	1,210	(5,127)	n.m	(218)	(10,730)	n.m
Profit from continuing operations		**102,279**	**546**	**n.m**	**110,712**	**7,729**	**n.m**
Discontinued Operations							
Profit after tax for the period from discontinued operations	1	1,218	10,685	n.m	14,734	26,788	n.m
Profit for the period attributable to unitholders of the Trust		**103,497**	**11,231**	**n.m**	**125,446**	**34,517**	**n.m**
Other comprehensive income							
Items that may be reclassified subsequently to profit or loss							
Foreign currency translation		23,202	(12,984)	n.m	28,523	(23,964)	n.m
Other comprehensive income for the period, net of tax		23,202	(12,984)	n.m	28,523	(23,964)	n.m
Total comprehensive income for the period attributable to unitholders of the Trust		**126,699**	**(1,753)**	**n.m**	**153,969**	**10,553**	**n.m**

* Prior period figures have been restated to reflect the reclassification of FHTL in connection with the Disposal and Related Arrangements.

1(a) Consolidated Statement of Comprehensive Income and Distributable Income Statement (Cont'd)

Reconciliation to Unitholders Distributable Income

	Notes	FY 17 Q3 S$'000	FY 16 Q3 (Restated)* S$'000	FY 17 YTD S$'000	FY 16 YTD (Restated)* S$'000
Profit for the period attributable to unitholders of the Trust		**103,497**	**11,231**	**125,446**	**34,517**
Distribution adjustments:					
Impact of non-cash straight-lining		(544)	(612)	(1,574)	(1,836)
Technology renewal fee		(164)	(166)	(480)	(498)
Depreciation and amortisation		3,034	2,895	8,766	8,501
Amortisation of debt arrangement fee		-	-	-	336
Trustee-Manager fees payable in units	11	5,258	801	6,885	2,439
Deferred tax (credit)/expense	15	(3,743)	1,914	(8,432)	1,148
Foreign exchange differences	16	(340)	(153)	1,136	(1,190)
Transaction cost capital in nature	17	-	-	752	-
Unrealised gain on financial asset		(3)	(3)	(10)	(10)
CCD interet income	9	(3,356)	-	(3,356)	-
NCD interest expense	10	1,525	-	1,525	-
Non-cash adjustments of discontinued operations	1	166	(644)	5,005	2,915
Non-cash adjustments of an associate		1,344		1,344	-
Gain on dilution of 51% interest in a subsidiary	1	(96,029)	-	(96,029)	-
Total distributable income attributable to unitholders of the Trust^		**10,645**	**15,263**	**40,978**	**46,322**

^95% of Distributable Income for FY17 will be distributed.
* Prior period figures have been restated to reflect the reclassification of FHTL in connection with the Disposal and Related Arrangements.

Notes to Consolidated Statement of Comprehensive Income and Distributable Income Statement

1. On 12 October 2016, the Group diluted 51% interest in FHTL. The results of FHTL are presented separately on the consolidated statement of comprehensive income as "Profit from discontinued operations" up to 12 October 2016. The comparative figures of the Group's consolidated statement of comprehensive income and distributable income statement have been restated to present the results of the discontinued operations. The results and non-cash adjustments below represents 100% of FHTL for the period and quarter and excludes any allocation of any common expenses.

Notes to Consolidated Statement of Comprehensive Income and Distributable Income Statement (Cont'd)

Results of discontinued operations	FY 17 Q3 S$'000	FY 16 Q3 S$'000	FY 17 YTD S$'000	FY 16 YTD S$'000
Total revenue	**1,984**	**13,107**	**27,938**	**39,036**
Total expenses	**(491)**	**(3,428)**	**(5,883)**	**(10,405)**
Profit before tax	**1,493**	**9,679**	**22,055**	**28,631**
Income tax expense	(275)	1,006	(7,321)	(1,843)
Profit for the period	**1,218**	**10,685**	**14,734**	**26,788**
Non-cash adjustments:				
Impact of non-cash straight-lining	(54)	(517)	(744)	(1,551)
Technology renewal fee	(2)	(10)	(21)	(30)
Depreciation and amortisation	91	1,170	1,530	3,492
Deferred tax expense/(credit)	179	(1,006)	4,918	1,843
Capital expenditure	(48)	(281)	(678)	(839)
FHTL's non-cash adjustments	**166**	**(644)**	**5,005**	**2,915**
Net cash flow from FHTL	**1,384**	**10,041**	**19,739**	**29,703**

As the Group retains 49% of FHTL, results of FHTL will be accounted as "Share of results of an associate" post the dilution of 51% interest. The results and non-cash adjustments for 100% as well as 49% of interest in FHTL for the period from 13 October 2016 to 31 December 2016 have been presented below:

Results of an associate	13 October 2016 to 31 December 2016 S$'000
Revenue:	
Total revenue	**12,941**
Total expenses	**(5,822)**
Profit before tax	**7,119**
Income tax expenses	(2,172)
Profit for the period	**4,947**
Share of 49% of profit for the period	**2,424**
Non-cash adjustments:	
Impact of non-cash straight-lining	(1,890)
Technology renewal fee	(8)
Depreciation and amortisation	1,086
Deferred tax expense	869
Capital expenditure	(280)
Interest income and expense with related parties	2,965
FHTL's non-cash adjustments	**2,742**
Share of 49% of non-cash adjustment	**1,344**
Net cash flow from FHTL	**7,689**
Share of 49% of net cash flow from FHTL	**3,768**

Considering 100% of FHTL for the current period, net service fee in INR terms increased against corresponding period. However, the cash flow from FHTL was lower as a result of corporate tax in FHTL.

Notes to Consolidated Statement of Comprehensive Income and Distributable Income Statement (Cont'd)

Gain on dilution of 51% interest in a subsidiary

	S$'000	S$'000
Consideration		
Proceeds from disposal		301,047
- Net investment in associate	342,054	
- Recognition of net liabilities owing to an associate	(171,123)	
Retained interest in associate (See note 1 of 1(b)(i) Balance Sheets)		170,931
De-recognition of liability owing to related party for the purchase of 51% interest in FHTL		73,101
Total consideration		**545,079**
- Disposal of 100% net assets in FHTL	(343,629)	
- Disposal of Compulsorily Convertible Preference Shares ("CCPS")	(73,169)	
Less: Net asets disposed		(416,798)
Less: Recognition of foreign currency translation loss		(32,252)
Gain		**96,029**

Note: The following notes do not include a performance analysis of FHTL. Please refer to paragraph 8 on page 17 to page 20 for FHTL's performance analysis.

2. The service fee is the aggregate of the base and variable service fee for the provision of the Clinical Establishment services, including but not limited to the Out-Patient Department services (OPD) and the Radio Diagnostic Services (RDS).

INR mn	FY17 Q3	FY16 Q3 (Restated)*	Variance	FY17 YTD	FY16 YTD (Restated)*	Variance
Base Fee*	555	545	2%	1,666	1,635	2%
Variable Fee	382	354	8%	1,164	1,074	8%
Total Fee	937	899	4%	2,830	2,709	4%

*Excluding impact of straight-lining

The service fee for the quarter and year-to-date in INR term is higher due to (i) the contractual 3% increase in base fee which was offset by the reduction of non-recurring stabilisation fee in connection with the Mohali Clinical Establishment, and (ii) higher variable fee as a result of higher operating revenue recorded by the operator at the clinical establishments. The higher operating revenue was a result of higher Average Revenue Per Operating Bed ("ARPOB") and occupancy contributed by the increase of high value operations in medical programmes such as Cardiology and Orthopaedics. However, the increase was muted by the impact of the demonetisation policy.

3. RHT has 2 Operating Hospitals, Bengaluru, Rajajinagar Operating Hospital and the Bengaluru, Nagarbhavi Operating Hospital. The hospital income and expenses arise solely from the provision of medical services at these hospitals.

   The net hospital income for the quarter and year-to-date in INR terms has decreased due to inflationary increase in some of the hospital expenses and the impact of demonetisation policy despite the increase in hospital income.

4. Other income includes lease income from pharmacy, cafeteria, bookshop, automated teller machines and other amenities in the Clinical Establishments of the Group.

5. The increase in medical consumables and employee benefits for the quarter and year-to-date is in line with an increase in variable service fee.

6. Higher doctor charges this quarter and year-to-date in INR terms is a result of share of the higher revenue recorded in the Clinical Establishments as well as an increase in number of doctors.

7. Depreciation and amortisation is higher for the quarter and year-to-date due to the revaluation of assets as at 31 March 2016.

Notes to Consolidated Statement of Comprehensive Income and Distributable Income Statement (Cont'd)

8. Other service fee expenses mainly consist of housekeeping costs, security costs, power and fuel expenses, annual equipment maintenance charges for both medical and non-medical equipment owned by RHT Group, rent, property taxes and insurance, as well as administrative expenses.

   The increase in other service fee expenses for the quarter and year-to-date is mainly due to higher security and maintenance costs resulting from inflationary increase and increase in activities in the Clinical Establishments. In addition, there was a non-recurring professional fee incurred in relation to upgrading of the information technology system incurred last quarter.

9. At the time of initial public offering, interest bearing Compulsorily Convertible Debentures ("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 during the quarter, such interest income of the subsidiary which amounted to S$3.4 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 will be added back for distribution purpose.

10. At the time of initial public offering, 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 Non-Convertible Debentures ("NCDs") as part of the disposal. As FHTL became an associate during the quarter, such interest expense of the subsidiary which amounted to S$1.5 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.

    Excluding the interest expense to related party, the higher finance expense for year-to-date corresponds with a higher fixed interest rate on the bonds issued to replace a floating rate debt. Furthermore, the Group utilised a S$30 million facility to fund the acquisition of land and expansion projects during the third quarter of last financial year compared to a full quarter impact in this quarter.

11. During the quarter, there was a special performance fee in connection with the special distribution paid to the Unitholders which amounted to $4.4 million. The special performance fee was paid 100% in RHT units. Excluding the special performance fee, the Trustee-Manager fee for the quarter and year-to-date is similar to the corresponding periods despite the drop in net asset value and distributable income due to the disposal of subsidiary. This was mainly due to the revaluation of assets at the end of 31 March 2016.

12. The higher other trust expense for year-to-date was a result of expenses in connection with the Disposal and Related Arrangements.

13. The foreign exchange differences are on the account of:
    (i) unrealised differences from interest receivables denominated in INR; and
    (ii) realised differences from the settlement of forward contracts and interest received.

    The foreign exchange gain for the quarter and year-to-date arose from the strengthening in INR against SGD for the INR denominated net receivable.

14. RHT Group has entered into forward contracts to manage its Indian Rupees denominated cash flows from India. The forward contracts are carried at fair value. The fair value loss recorded during the quarter and year-to-date was the result of the appreciation of the expected INR against SGD at the time of settlement compared to the contracted INR/SGD rate.

    As part of the disposal of a subsidiary, a portion of CCD issued by the subsidiary was disposed as well. Accordingly, withholding tax expense was reduced to the extent of the interest on the disposed CCD.

    The deferred tax credit for tje current quarter and year-to-date is a result of the reversal of deferred tax liability.

Notes to Consolidated Statement of Comprehensive Income and Distributable Income Statement (Cont'd)

15. This relates to withholding tax expense on the offshore interest payment from the India subsidiary companies to the Singapore holding company and deferred tax in certain India subsidiary companies for the respective periods. The deferred tax credit recognised in current quarter and year to date is mainly due to the reversal of deferred tax liabilities on the account of depreciation and de-recognition of CCPS at the disposal value.

INR mn	FY 17 Q3	FY 16 Q3	YTD FY 17	YTD FY 16
Current tax	120	151	422	450
Deferred tax	(180)	241	(411)	54

16. 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.

17. This amount relates to the professional fees incurred in connection with the Disposal and Related Arrangements.

1(b)(i) Balance Sheets

	Notes	Group		Trust	
		31 December 2016	31 March 2016	31 December 2016	31 March 2016
		S$'000	S$'000	S$'000	S$'000
ASSETS					
Non-current assets					
Intangible assets	2	94,007	127,986	-	-
Property, plant and equipment	3	548,522	844,851	-	-
Invesment in subsidiary		-	-	12,634	12,634
Loan to a subsidiary		-	-	436,979	478,922
Investment in an associate	1	350,196	-	-	-
Financial assets	4	16,384	36,047	-	-
Deferred tax assets	5	474	6,011	-	-
Other assets	6	24,792	24,783	-	-
Total non-current assets		1,034,375	1,039,678	449,613	491,556
Current assets					
Inventories		106	130	-	-
Financial assets	4	13,424	79,783	18,685	49,090
Trade receivables	7	3,063	25,340	-	-
Other assets		1,250	983	336	65
Derivative financial instruments	10	-	891	-	-
Cash and bank balances		11,852	5,831	68	344
Total current assets		29,695	112,958	19,089	49,499
Total assets		**1,064,070**	**1,152,636**	**468,702**	**541,055**
LIABILITIES					
Non-current liabilities					
Loans and borrowings		161,223	166,598	60,000	60,000
Other liabilities	9	25,630	3,710	-	-
Deferred tax liabilities	8	72,825	143,233	-	-
Total non-current liabilities		259,678	313,541	60,000	60,000
Current liabilities					
Loans and borrowings		100,272	3,438	1,203	525
Trade and other payables		5,183	6,032	-	-
Other liabilities	9	20,835	90,017	2,147	3,103
Derivative financial instruments	10	2,297	-	-	-
Total current liabilities		128,587	99,487	3,350	3,628
Total liabilities		**388,265**	**413,028**	**63,350**	**63,628**
Net assets		**675,805**	**739,608**	**405,352**	**477,427**
Unitholders' funds					
Represented by:					
Units in issue (net of unit issue cost)		518,114	510,399	518,114	510,399
Capital reserve	11	210,216	210,216	-	-
Foreign currency translation reserve		(21,694)	(82,469)	-	-
Revaluation reserve		35,788	142,911	-	-
Other reserves	12	33	33	-	-
Accumulated losses		(66,652)	(41,482)	(112,762)	(32,972)
Total unitholders' fund		**675,805**	**739,608**	**405,352**	**477,427**

1(b)(i) Balance Sheets (Cont'd)

Notes to Balance Sheets

1. Investment in an associate

The Group has retained a 49% interest in FHTL and upon completion of the dilution of its 51% interest, FHTL is accounted for as an associate. In addition, balances with FHTL are no longer eliminated and are recognised on the date of disposal. These balances include CCD interest receivable from an associate recognised under current financial assets (see note 4), NCD liabilities recognised under loans and borrowings (see 1(b)(ii)), and NCD interest payable recognised under non-current other liabilities (see note 9).

2. Intangible assets

Intangible assets comprises of:

(i) Customer related intangible – arose from the Hospital and Medical Services Agreements which RHT Group entered into with the Sponsor, Fortis Healthcare Limited, to provide medical and Clinical Establishment services.

(ii) Rights to use "Fortis" brand – The two Operating Hospitals owned by RHT Group will continue to use the "Fortis" brand name for a period of 15 years from the date of transfer.

(iii) Goodwill – Goodwill mainly arose from the recognition of the deferred tax liability, being the difference between the tax effect of the value of acquired assets and liabilities and their respective tax bases. The balance of goodwill comprises the value of synergies arising from the acquisition.

Apart from the impact of diluting 51% interest in FHTL, the decrease in intangible is due to the amortisation of intangible assets for the period. The decrease is slightly offset by the appreciation of the closing INR against SGD.

3. Property, plant and equipment

Property, plant and equipment comprise of the land and buildings, plant and machinery, medical equipment and other assets of the Clinical Establishment and the 2 Operating Hospitals.

Excluding the impact of diluting 51% interest in FHTL, property, plant and equipment has increased due to the additions during the period and appreciation of the closing INR against SGD. The increase is offset by the depreciation charges during the period.

4. Financial assets

The non-current financial assets mainly relate to accrued income on straight-lining of the base service fee and security deposits paid. The financial assets has increased mainly due to the recognition of accrued income on straight-lining of base service fee for the period after excluding the impact of the dilution of 51% interest in FHTL.

The current financial assets mainly relate to CCD interest receivable from an associate, investment in quoted mutual funds and fixed deposits. The decrease is mainly due to the sale of compulsory convertible preference shares (CCPS) of a related party in connection with the disposal of FHTL and sale of quoted mutual funds during the period. The decrease is offset by the recognition of CCD interest receivable from an associate.

5. Deferred tax assets

Deferred tax assets are made up of Minimum Alternate Tax (MAT) credit paid to the India tax authorities. If the tax liability computed under the normal provisions of the India Income Tax Act is less than 18.5% of the book profits shown in the profit or loss account, after making certain specified adjustments, an entity is to pay minimum alternate tax at an effective rate of around 21.34% of the book profits. MAT paid during the financial year is creditable for a period of 10 years against future tax liabilities arising under the normal provisions of the India Income Tax Act.

6. Other non-current assets

Other non-current assets comprise of prepaid taxes deducted at source on service fee, hospital income and interest income on inter-company debt instrument. Excluding the dilution of 51% interest in FHTL, the increase is mainly due to prepaid taxes deducted during the period.

1(b)(i) Balance Sheets (Cont'd)

Notes to Balance Sheets (Cont'd)

Note: All the analysis below does not include results of FHTL.

7. Trade receivables

Trade receivables comprises of service fees receivable from the Operators, rent receivables and receivables from corporate clients of the 2 operating hospitals.

Excluding the dilution of 51% interest in FHTL, the increase is mainly due to the recognition of service fees and hospital income during the period.

8. Deferred tax liabilities

The deferred tax liabilities arose from the fair value adjustments arising on acquisition of subsidiaries at time of initial public offering, revaluation of land, differences in depreciation and accrued income for tax purpose. The decrease is mainly due to reversal of deferred tax liability excluding impact of diluting 51% in FHTL.

9. Other liabilities

Other non-current liabilities comprise mainly of interest payable on NCD owing to an associate and retention amounts owing to creditors (capital in nature) as a result of ongoing capital expenditure for expansion and upgrading projects. Excluding the impact of diluting 51% interest in FHTL, the increase is mainly due to the recognition of NCD interest payable to an associate and some of these retention amounts becoming current.

Other current liabilities comprise of statutory dues and other creditors. The current liabilities has decreased mainly due to de-recognition of amount owing to a related party for the purchase of 51% interest in FHTL.

10. Derivative financial instruments

RHT Group has entered into forward contracts to hedge its Indian Rupees denominated cash flows from India. The forward contracts are carried at fair value.

11. Capital reserve

The capital reserve represents the excess of interest of associates in the fair value of the net identifiable assets and liabilities transferred over the consideration paid. This reserve in substance represents the Sponsor's contribution to the Group for the Sponsor's retained interest. Please refer to page A-9 of the Prospectus dated 15 October 2012 for more details.

12. Other reserves

Other reserves comprise of:

(i) Capital redemption reserve is a statutory reserve created in accordance with India's Companies Act 2013 in connection to redemption of preference shares of an India subsidiary company. The reserve is not considered a free reserve for distribution of dividend and can be utilised only for the purpose of issuing bonus shares.

(ii) 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.

1(b)(ii) Group's Borrowings and Debt Securities

	31 December 2016		31 March 2016	
	Secured	Unsecured	Secured	Unsecured
	S$'000	S$'000	S$'000	S$'000
Amount Repayable in One Year or Less, or on Demand	99,069	1,203	2,913	525
Amount Repayable after One Year	18,727	142,496	103,312	63,286

Details of Collateral

Singapore

Secured

The Group has loan facilities with DBS Bank Ltd and Deutsche Bank AG, Singapore Branch for an amount of S$32.5 million from each of the bank, in connection with the acquisition of the Mohali Clinical Establishment. The loan facilities are due on 2 May 2017. In the third quarter of the last financial year, the Group fully utilised a S$30 million facility with United Overseas Bank for the acquisition of land and expansion projects. The loan is due on 30 June 2017.

Each term loan facility is secured by an irrevocable pledge on the shares of Fortis Global Healthcare Infrastructure Pte Ltd (“FGHIPL”) on a pari passu basis, a non-disposal undertaking on the hospital infrastructure companies owned by FGHIPL on a pari passu basis and a first pari passu legal assignment over the interest, benefits and rights over all existing and future loans granted by the borrower to its subsidiaries.

The amount of unamortised upfront fees as of 31 December 2016 and 31 March 2016 are S$0.41 million and S$ 1.74 million respectively.

Unsecured

On 22 July 2015, the Trustee-Manager issued a S$60 million 4.50% fixed rate notes due and payable semi-annually in arrears and will mature on 22 July 2018. The notes constitute direct, unconditional, unsubordinated and unsecured obligations of the RHT Health Trust and at all times rank pari passu and rateably, without any preference or priority amount themselves, and pari passu with all other present and future secured obligations (other than subordinated obligations and priorities created by law) of RHT Health Trust.

India

Secured

The Group had entered into two INR term loan facilities with Axis Bank Limited. Each of the term loans are secured by BG Road Clinical Establishment 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. The amount utilised as of 31 December 2016 is INR 815.3 million (S$17.4 million).

The Group had drawdown a bank overdraft facilities with DBS India amounting INR 170.7 million (S$ 3.6 million) as of 31 December 2016. The overdraft facilities are secured by a corporate guarantees and the Malar Clinical Establishment.

One of the subsidiary company has a loan amounting to INR 69.9 million (S$1.5 million) secured against the asset purchased from the lender for which INR 5.7 million (S$0.1 million) is repayable in one year or less.

Unsecured

The Group has received an unsecured and interest-free loan amounting to INR 168.3 million (S$3.6 million) from the Sponsor for the development of the Ludhiana Greenfield Clinical Establishment. This loan is repayable on the completion of the Ludhiana Greenfield Clinical Establishment.

At the time of initial public offering, unsecured and interest bearing 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 during the quarter, such the liability of the subsidiary which amounted to INR 3,706.8 million (S$78.9 million) is no longer eliminated. In addition, the NCDs are subordinated to all other creditors of the subsidiary whether secured or unsecured.

1(c) Consolidated Cash Flow Statement

		Group		Group	
		FY 17 Q3 S$'000	FY 16 Q3 S$'000	FY 17 YTD S$'000	FY 16 YTD S$'000
Profit before tax from continuing operation		**101,069**	**5,673**	**110,930**	**18,459**
Profit before tax from discontinued operation		**1,493**	**9,679**	**22,055**	**28,631**
Adjustments for:					
Depreciation and amortisation expense		3,125	4,065	10,296	11,993
Finance income		(3,619)	(321)	(4,321)	(510)
Finance expenses		3,836	2,440	8,579	6,086
Unrealised gain on financial assets		(3)	(3)	(10)	(10)
Fair value loss/(gain) on financial derivatives		1,564	(2,248)	3,188	(5,275)
Gain on dilution of 51% interest in a subsidiary		(96,029)	-	(96,029)	-
Share of results of an associate		(2,424)	-	(2,424)	-
Foreign exchange (gain)/loss		-	(997)	-	78
Foreign currency alignment		256	67	(229)	339
Operating cash flow before working capital changes		**9,268**	**18,355**	**52,035**	**59,791**
Changes in working capital:					
Decrease/(increase) in trade receivables		4,788	9,762	(63)	10,776
Decrease/(increase) in financial assets and other assets		21,249	(12,747)	18,306	(18,539)
Increase in inventories		-	(18)	-	(9)
Increase in trade and other payables and other liabilities		12,282	11,062	14,797	14,365
Cash flow generated from operations		**47,587**	**26,414**	**85,075**	**66,384**
Interest received		264	317	966	500
Tax paid		(7,498)	(7,409)	(19,775)	(16,683)
Net cash generated from operating activities		**40,353**	**19,322**	**66,266**	**50,201**
Cash flow from investing activities					
Purchase of property, plant and equipment		(5,607)	(4,136)	(13,341)	(11,748)
Net cash flow from dilution of 51% interest in a subsidiary	Note 1	201,255	-	201,255	-
Sale of short term investments		(2,010)	(11,417)	2,585	(9,833)
Net cash gernated from/(used in) investing activities		**193,638**	**(15,553)**	**190,499**	**(21,581)**
Cash flow from financing activities					
Distribution paid to unitholders	Note 2	(227,261)	(31,050)	(257,739)	(60,532)
Interest paid		(2,849)	(1,852)	(6,648)	(4,789)
Net proceeds from borrowings		2,205	33,813	13,643	41,309
Net cash (used in)/generated from financing activities		**(227,905)**	**911**	**(250,744)**	**(24,012)**
Net increase in cash and cash equivalents		**6,086**	**4,680**	**6,021**	**4,608**
Cash and cash equivalent at beginning of period		5,766	4,098	5,831	4,170
Cash and cash equivalents at end of period		**11,852**	**8,778**	**11,852**	**8,778**

Note 1

Net cash flow from dilution of interest in a subsidiary	**S$'000**
Cash consideration	301,047
Less: repayment of interest and partial redemption of NCD owing to an associate	(99,745)
Less: cash and cash equivalent of a subsidiary	(47)
	201,255

Note 2

	S$'000
Cash consideration from the dilution of interest in a subsidiary	301,047
Less: repayment of interest and partial redemption of NCD owing to an associate	(99,745)
Less: transaction costs	(3,002)
Special distribution	198,300
Add: FY171H distribution	28,961
	227,261

1(d)(i) Statement of Changes in Unitholders' Funds

Group S$'000	Units in issue (net of units issue cost)	Capital reserve	Foreign currency translation reserve	Revaluation reserve	Capital redemption reserve	(Accumulated losses)/ Revenue reserves	Total
At 1 April 2016	**510,399**	**210,216**	**(82,469)**	**142,911**	**33**	**(41,482)**	**739,608**
Profit for the period	-	-	-	-	-	10,666	**10,666**
Other comprehensive income							
Foreign currency translation	-	-	(16,578)	-	-	-	**(16,578)**
Depreciation transfer for land and building	-	-	-	(1,740)	-	1,740	**-**
Total comprehensive income	-	-	(16,578)	(1,740)	-	12,406	**(5,912)**
Payment of Trustee-Manager fees in units	1,658	-	-	-	-	-	**1,658**
Distribution on units in issue	-	-	-	-	-	(30,478)	**(30,478)**
At 30 June 2016	**512,057**	**210,216**	**(99,047)**	**141,171**	**33**	**(59,554)**	**704,876**
Profit for the period	-	-	-	-	-	11,283	**11,283**
Other comprehensive income							
Foreign currency translation	-	-	21,899	-	-	-	**21,899**
Net surplus revaluation of land and buildings	-	-	-	(287)	-	287	**-**
Total comprehensive income	-	-	21,899	(287)	-	11,570	**33,182**
At 30 September 2016	**512,057**	**210,216**	**(77,148)**	**140,884**	**33**	**(47,984)**	**738,058**
Profit for the period	-	-	-	-	-	103,497	**103,497**
Other comprehensive income							
Foreign currency translation	-	-	23,202	-	-	-	**23,202**
Dilution of 51% interest in a subsidiary				(104,845)		104,845	**-**
Net surplus revaluation of land and buildings	-	-	-	(251)	-	251	**-**
Total comprehensive income	-	-	23,202	(105,096)	-	208,593	**126,699**
Dilution of 51% interest in a subsidiary	-	-	32,252	-	-	-	**32,252**
Payment of Trustee-Manager fees in units	6,057	-	-	-	-	-	**6,057**
Distribution on units in issue	-	-	-	-	-	(227,261)	**(227,261)**
At 31 December 2016	**518,114**	**210,216**	**(21,694)**	**35,788**	**33**	**(66,652)**	**675,805**

1(d)(i) Statement of Changes in Unitholders' Funds

Group S$'000	Units in issue (net of units issue cost)	Capital reserve	Foreign currency translation reserve	Revaluation reserve	Capital redemption reserve	(Accumulated losses)/ Revenue reserves	Total
At 1 April 2015	**507,180**	**210,216**	**(23,854)**	**101,396**	**69**	**(25,874)**	**769,133**
Profit for the period	-	-	-	-	-	12,295	**12,295**
Other comprehensive income							
Foreign currency translation	-	-	(31,366)	-	-	-	**(31,366)**
Depreciation transfer for land and building	-	-	-	(793)	-	793	**-**
Total comprehensive income	-	-	(31,366)	(793)	-	13,088	**(19,071)**
Payment of Trustee-Manager fees in units	1,582	-	-	-	-	-	**1,582**
Distribution on units in issue	-	-	-	-	-	(29,482)	**(29,482)**
At 30 June 2015	**508,762**	**210,216**	**(55,220)**	**100,603**	**69**	**(42,268)**	**722,162**
Profit for the period	-	-	-	-	-	10,991	**10,991**
Other comprehensive income							
Foreign currency translation	-	-	20,386	-	-	-	**20,386**
Depreciation transfer for land and building				(205)	-	*205*	**-**
Total comprehensive income	-	-	20,386	(205)	-	11,196	31,377
At 30 September 2015	**508,762**	**210,216**	**(34,834)**	**100,398**	**69**	**(31,072)**	**753,539**
Profit for the period	-	-	-	-	-	11,231	**11,231**
Other comprehensive income							
Foreign currency translation	-	-	(12,984)	-	-	-	**(12,984)**
Depreciation transfer for land and building				(198)	-	198	**-**
Changes in revaluation reserve	-	-	-	-	-	-	**-**
Total comprehensive income	-	-	(12,984)	(198)	-	11,429	**(1,753)**
Payment of Trustee-Manager fees in units	1,637	-	-	-	-	-	**1,637**
Distribution on units in issue	-	-	-	-	-	(31,050)	**(31,050)**
At 31 December 2015	**510,399**	**210,216**	**(47,818)**	**100,200**	**69**	**(50,693)**	**722,373**

1(d)(i) Statement of Changes in Unitholders' Funds (Cont'd)

	Units in issue (net of unit issue cost)	Revenue reserves/ (Accumulated losses)	Total
	S$'000	S$'000	S$'000
Trust			
At 1 April 2016	**510,399**	**(32,972)**	**477,427**
Loss for the period, representing total comprehensive income for the period	-	(12,044)	**(12,044)**
Payment of Trustee-Manager fees in units	1,658	-	**1,658**
Distribution on units in issue	-	(30,478)	**(30,478)**
At 30 June 2016	**512,057**	**(75,494)**	**436,563**
Profit for the period, representing total comprehensive income for the period	-	43,705	**43,705**
At 30 September 2016	**512,057**	**(31,789)**	**480,268**
Profit for the period, representing total comprehensive income for the period	-	146,288	**146,288**
Contributions by and distributions to owners			
Distribution on units in issue	-	(227,261)	**(227,261)**
Payment of Trustee-Manager fees in units	6,057	-	**6,057**
Total transactions with owners in their capacity as owners	6,057	(227,261)	**(221,204)**
At 31 December 2016	**518,114**	**(112,762)**	**405,352**

	Units in issue (net of unit issue cost)	Revenue reserves/ (Accumulated losses)	Total
	S$'000	S$'000	S$'000
Trust			
At 1 April 2015	**507,180**	**14,427**	**521,607**
Loss for the period, representing total comprehensive income for the period	-	(19,000)	**(19,000)**
Payment of Trustee-Manager fees in units	1,582	-	**1,582**
Distribution on units in issue	-	(29,482)	**(29,482)**
At 30 June 2015	**508,762**	**(34,055)**	**474,707**
Profit for the period, representing total comprehensive income for the period	-	40,839	**40,839**
At 30 September 2015	**508,762**	**6,784**	**515,546**
Loss for the period, representing total comprehensive income for the period	-	(9,390)	**(9,390)**
Distribution on units in issue	-	(31,050)	**(31,050)**
Payment of Trustee-Manager fees in units	1,637	-	**1,637**
At 31 December 2015	**510,399**	**(33,656)**	**476,743**

1(d)(ii) Units in issue

	FY 17			FY 16	
	Number of units			Number of units	
	'000	S$'000		'000	S$'000
Balance as at 1 April	**797,842**	**510,399**		**794,633**	**507,180**
Issue of new units					
- Payment of Trustee-Manager fees in units	1,753	1,658		1,542	1,582
Balance as at 30 June and September	**799,595**	**512,057**		**796,175**	**508,762**
Issue of new units					
- Payment of Trustee-Manager fees in units	6,737	6,057		1,667	1,637
Balance as at 31 December	**806,332**	**518,114**		**797,842**	**510,399**

2 Audit

The figures in this announcement have not been audited or reviewed by our auditor.

3 Auditors' Report

Not applicable.

4 Accounting Policies

The Group has applied the same accounting policies and methods of computation as in the Group's 31 March 2016 annual financial statement dated 24 June 2016 except for the adoption of all new and revised IFRS that are effective for annual periods beginning 1 April 2016. The changes in accounting standards do not have a material impact to the Group and its financial statements.

5 Changes in Accounting Policies

There is no change in the accounting policies and methods of computation adopted except as mentioned above.

6 Earnings Per Unit ("EPU") and Distribution Per Unit ("DPU")

	Group			
	FY 17 Q3	FY 16 Q3	FY 17 YTD	FY 16 YTD
Weighted number of units	801,822,085	796,428,618	800,403,769	795,873,664
Total units	806,331,994	797,841,944	806,331,994	797,841,944
EPU (cents)				
Net profit	103,497	11,231	125,446	34,517
Based on weighted number of units as at 31 December (cents)	**12.908**	**1.410**	**15.673**	**4.337**
DPU based on income available for distribution (cents)				
Distributable income	10,645	15,263	40,978	46,322
Distribution	10,113	15,263	38,929	46,322
Based on total units as at 31 December (cents)*	**1.254**	**1.913**	**4.828**	**5.806**
Special distribution	198,300	-	198,300	-
Based on total units as at 21 October 2016 (cents)	**24.800**	**-**	**24.800**	**-**

Diluted EPU is the same as the basic EPU as there were no dilutive instruments in issue during the financial period.

*The lower DPU for both the current quarter and year-to-date is on the account of;
(i) distribution of 95% of the distributable income compared to 100% in the corresponding quarter and year-to-date;
(ii) dilution of 51% interest in FHTL on 12th October 2016; and
(iii) the corporate tax expense in an India subsidiary.

Had the dilution of FHTL occurred for comparative periods-:

	FY 17 Q3	FY 16 Q3	FY17 YTD	FY 16 YTD
Distributable Income (S$'000)	10,645	11,571	40,978	42,630

Please see paragraph 8 for more details.

The DPU provided is for illustration purpose only. Please see paragraph 11 for information on distribution to unitholders.

7 Net Asset Value

	Group	
	31 December 2016	31 March 2016
NAV	**675,805,000**	**739,608,000**
No. of units in issue at end of period	**806,331,994**	**797,841,944**
NAV per unit (S$)	**0.838**	**0.927**

The decrease in NAV per unit by around 9.6% is mainly a result of the dilution of 51% interest in FHTL and distributions to Unitholders. The decrease is offset by the appreciation of closing INR against SGD from 49.17 to 46.96.

8 Review of Group Performance

Quarter analysis

Portfolio							
	FY 17 Q3	FY 17 Q2	Variance		FY16 Q3	Variance	
	S$'000	S$'000	S$'000	%	S$'000	S$'000	%
Total Revenue (excluding straight lining)	22,544	22,823	(279)	(1.2)	22,196	348	1.6
Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation)	12,781	12,604	177	1.4	13,252	(471)	(3.6)
	INR'000	INR'000	INR'000	%	INR'000	INR'000	%
Total Revenue (excluding straight lining)	1,072,630	1,123,678	(51,048)	(4.5)	1,040,505	31,125	3.1
Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation)	608,280	620,561	(12,281)	(2.0)	621,249	(12,969)	(2.1)

FHTL(1)							
	FY 17 Q3	FY 17 Q2	Variance		FY16 Q3	Variance	
	S$'000	S$'000	S$'000	%	S$'000	S$'000	%
Total Revenue (excluding straight lining)	12,981	12,712	269	2.1	12,590	391	3.1
Net Service Fee (excluding straight-lining, depreciation and amortisation)	10,795	10,528	267	2.5	10,379	416	4.0
	INR'000	INR'000	INR'000	%	INR'000	INR'000	%
Total Revenue (excluding straight lining)	617,921	625,943	(8,022)	(1.3)	590,252	27,669	4.7
Net Service Fee (excluding straight-lining, depreciation and amortisation)	513,920	518,342	(4,422)	(0.9)	486,607	27,313	5.6

Group(2)							
	FY 17 Q3	FY 17 Q2	Variance		FY16 Q3	Variance	
Adjusted net service fee margin	63%(3)	65%		(2.0)	68%		(5.0)
Distributable Income (S$'000)	10,645(4)	15,199	(4,554)	(30.0)	15,263	(4,618)	(30.3)
Distributable Income had the dilution occurred for comparative periods (S$'000)		11,643	(998)	(8.5)	11,571	(926)	(8.0)

Note:

(1) The table showing FHTL's results represent the performance of FHTL on 100% basis before RHT's share. On 12 October 2016, the Group diluted 51% of its interest in FHTL and consequentially shares of 49% of the results of FHTL going forward. Please refer to Note 1 of Para 1(a) for actual contribution from FHTL to the Group.
(2) This table takes into account the performance of FHTL which was accounted as an associate.
(3) Considering 100% of FHTL, the adjusted net service fee margin would have been at around 66%.
(4) Excludes special distribution of S$198.3million distributed on 28th October 2016.

FY 17 Q3 against FY 17 Q2

Exchange rate

The foreign exchange rates used to translate the results of the India subsidiary companies are INR/SGD 47.57 and INR/SGD 49.23 for the quarter ended 31 December 2016 and 30 September 2016 respectively.

8 Review of Group's Performance (Cont'd)

Total Revenue
Total Revenue for FY 17 Q3 in INR terms decreased by 4.5% from FY 17 Q2 mainly due to lower variable fee as a result of lower operating revenue recorded by Fortis and lower hospital income recorded in the two operating hospital. This is evident by lower occupancy and lower ARPOB as compared to FY17 Q2. The drop in ARPOB and occupancy is mainly attributed to the demonetisation policy that was announced in early November 2016.

Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation)
Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation) in INR terms is lower compared to the trailing quarter due to the decrease in revenue. The impact of the decrease in Net Service Fee and Hospital Income is offset by the absence of the professional fees in relation to upgrading of the IT system incurred in the last quarter.

Contribution from FHTL
FHTL's Total Revenue for FY 17 Q3 in INR terms was similarly impacted negatively by the demonetisation policy. Net Service Fee recorded in FHTL is lower than the trailing quarter due to the lower Total Revenue and higher cost resulting from an increase in headcount.

Adjusted net service fee margin
The drop in adjusted net service fee margin is mainly due to the dilution of 51% interest in FHTL.

Distributable Income
Distributable income is lower compared to trailing quarter mainly due to the impact of the dilution of 51% interest in a subsidiary resulting in lower net service fee offset by lower withholding tax. In addition, hedging cost is higher this quarter with the contracted INR to SGD rate at 52.03 compared to 49.35 in the last quarter.

FY 17 Q3 against FY 16 Q3

Exchange rate
The foreign exchange rates used to translate the results of the India subsidiary companies are SGD/INR 47.57 and SGD/INR 46.88 for the quarter 31 December 2016 and 31 December 2015 respectively.

Total Revenue
Total revenue for FY 17 Q3 in INR terms grew 3.1% against FY 16 Q3 mainly due to the contractual increase in base fee and higher variable fee as a result of higher operating revenue recorded by Fortis. The higher operating revenue of Fortis was a result of higher ARPOB by the increase in number of high value operations in medical programmes such as Cardiology and Orthopaedics. However, the increase was negatively impacted by the demonetisation policy.

Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation)
Despite the increase in Total Revenue for the quarter, Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation) dropped by 2.1% in INR terms due to higher total operating expenses. This is due to the result of inflationary increase in fixed cost such as personnel cost, security expenses, as well as repair and maintenance expense. In addition, there was also a corresponding increase in variable expenses such as medical consumables and doctor charges. Management is monitoring and working to control cost increases.

Contribution from FHTL
FHTL's Total Revenue for FY 17 Q3 in INR terms grew 4.7%. The reason for increase is similar to those of the Portfolio. The higher Total Revenue resulted in higher Net Service Fee recorded but was slightly impacted by higher cost resulting from increase in headcount.

Adjusted net service fee margin
The drop in adjusted net service fee margin is mainly due to the dilution of 51% interest in FHTL and inflationary increase in fixed cost.

8 Review of Group's Performance (Cont'd)

Distributable Income

The lower distributable income for the quarter was mainly due to the dilution of 51% interest in FHTL. In addition, FHTL started to transition to a corporate tax paying position. The hedging cost was higher in the current quarter (INR to SGD of 52.03 compared to 49.58).

Year-to-date analysis

	Group			
	FY17 YTD	FY16 YTD	Variance	
	S$'000	S$'000	S$'000	%
Total Revenue (excluding straight lining)	67,352	67,146	206	0.3
Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation)	37,865	39,665	(1,800)	(4.5)
	INR'000	INR'000	INR'000	%
Total Revenue (excluding straight lining)	3,283,343	3,154,382	128,961	4.1
Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation)	1,854,903	1,863,402	(8,499)	(0.5)

	FHTL(1)			
	FY17 YTD	FY16 YTD	Variance	
	S$'000	S$'000	S$'000	%
Total Revenue (excluding straight lining)	38,245	37,485	760	2.0
Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation)	31,701	30,675	1,026	3.3
	INR'000	INR'000	INR'000	%
Total Revenue (excluding straight lining)	1,864,379	1,760,954	103,425	5.9
Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation)	1,545,388	1,441,026	104,362	7.2

	Group(2)			
	FY17 YTD	FY16 YTD	Variance	
Adjusted net service margin	65%(3)	67%		(2.0)
Distributable Income ($'000)	40,978(4)	46,322	(5,344)	(11.5)
Distributable Income had the dilution occurred for comparative periods (S$'000)		42,630	(1,652)	(3.9)

Note:

(1) The table showing FHTL's results represent the performance of FHTL on 100% basis before RHT's share. On 12 October 2016, the Group diluted 51% of its interest in FHTL and consequentially shares of 49% of the results of FHTL going forward. Please refer to Note 1 of Para 1(a) for actual contribution from FHTL to the Group.
(2) This table takes into account the performance of FHTL which was accounted as an associate.
(3) Considering 100% of FHTL, the adjusted net service fee margin would have been at around 66%.
(4) Excludes special distribution of S$198.3million.

FY 17 YTD against FY 16 YTD

Exchange rate

The foreign exchange rates used to translate the results of the India subsidiary companies are SGD/INR 48.75 and SGD/INR 46.98 for the period ended 31 December 2016 and period ended 31 December 2015 respectively.

Total Revenue

The total revenue for FY 17 YTD in INR terms grew 4.1% against previous period mainly due to the contractual 3% increase in base fee, higher variable fee as a result of higher operating revenue recorded by Fortis and higher hospital income recorded in the two operating hospital. However, the increase was negatively impacted by the demonetisation policy.

8 Review of Group's Performance (Cont'd)

Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation)

Net Service Fee and Hospital Income (excluding straight-lining, depreciation and amortisation) in INR terms dropped by 0.5% despite the increase in total revenue as a result of higher total operating expenses. This is due to the inflationary increase in fixed costs such as personnel costs, security expenses, as well as repair and maintenance expenses. In addition, there were also corresponding increase in variable expenses such as medical consumables and doctor charges. Management is monitoring and working to control cost increases.

Contribution from FHTL

FHTL's Total Revenue for FY 17 in INR terms grew 5.9%. The reason for increase is similar to those of the Portfolio. The higher Total Revenue resulted in a higher Net Service Fee.

Adjusted net service fee margin

The drop in adjusted net service fee margin is mainly due to the dilution of 51% interest in FHTL and inflationary increase in fixed cost.

Distributable Income

Distributable income for FY 17 YTD is 12% lower than FY 16 YTD mainly due to the dilution of 51% interest in FHTL. In addition, FHTL started to transition to a corporate tax paying position and there was higher finance expenses compared to the previous period. RHT distributed the proceeds from dilution of 51% of its interest in FHTL for 24.8 cents per unit to its Unitholders.

9 Variance from Forecast

No forecast has been provided.

10 Market and Industry Information

The potential room for growth in the Indian healthcare sector industry is attractive. The country's large, expanding and increasingly affluent population has led to an increase in demand for more sophisticated medical treatments. At the same time, the number of existing hospital beds is not sufficient to meet this demand. We expect the private sector to play a key role in filling the demand for these medical services. At the same time, the potential for growth in the industry leads to increasing competition from new entrants. This may lead to increase in cost of potential acquisitions for RHT, as well as increased competition for RHT's operator.

11 Information on Distribution

Any distribution declared for:

Current financial period

Yes. A special distribution of 24.8 Singapore cents per Unit was paid on 28 October 2016.

Corresponding period of the immediately preceding year

Not applicable.

12 Distribution

Please refer to paragraph 11.

13 Interested Person Transactions

The Group has not obtained any interested person transactions mandate from the Unitholders.

14. Confirmation by Board

The Board of Directors of RHT Health Trust Manager Pte. Ltd. has confirmed that, to the best of their knowledge, nothing has come to their attention which may render these interim financial results to be false or misleading in any material aspect.

15. Confirmation by Issuer

The issuer has procured undertakings from all its directors and executive officers under Rule 720(1).

Disclaimer:

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

By Order of the Board
RHT Health Trust Manager Pte. Ltd.

Gurpreet Singh Dhillon
Executive Director & Chief Executive Officer
6 February 2017