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UEN No: S99SS0111B  
GST Reg No: M90367530Y

**Issuer:** RHT Health Trust Manager Pte. Ltd.

**Security:** RHT Health Trust

**Meeting details:**

Date: 30 July 2018

Time: 10.00 a.m.

Venue: Suntec Singapore Convention & Exhibition Centre, Meeting Rooms 328 and 329, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593

**Company Description**

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\$1,120.8 million as at 31 March 2017 (after adjusting for the disposal of 51% economic interests in Fortis Hospital Limited).

(Source: [http://www.sgx.com/wps/portal/sgxweb/home/company\\_disclosure/stockfacts?code=RF1U](http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=RF1U))

1. On 9 July 2018, the trustee-manager announced that its independent auditors, has included an emphasis of matter in respect of the ability of RHT Health Trust (“RHT”) to refinance the S\$120 million of bonds due in January 2019.

As at 31 March 2018, the Group’s current liabilities exceeded current assets by \$129.4 million (2017: \$104.9 million). Included in current liabilities is \$120.0 million of bonds due in January 2019. As noted by the auditors, the ability of the group to continue as a going concern is dependent on the group’s ability to obtain refinancing to repay the bonds due in January 2019 and generating cashflows from its operations.

- (i) In the opinion of the board, has the proposed disposal of assets hinder the trust’s ability to extend/or refinance the \$120 million Notes due 22 January 2019? If so, what is the board doing to resolve this?**
- (ii) What is the likelihood that the proposed disposal may be completed before the maturity of the Notes and the proceeds received to allow the trust to meet the obligations of the Notes?**

2. Based on the Letter to unitholders, the board and the trustee-manager view the proposed disposal of the assets in the trust to Fortis Healthcare Limited (‘Fortis’) as an attractive option. This was despite Fortis being embroiled in certain corporate governance issues surrounding its then Promoters which culminated in their cessation as Promoters.

Even though there were delays in the payment of the service fees and other amounts due to RHT, the directors view the proposed disposal to be favourable and is supportive of it having taken into consideration many factors including the uncertain situation at Fortis.

- (i) Did the board consider how it could achieve the full value of the trust’s assets perhaps via an auction? Were there stipulations preventing the sale of the assets to other than Fortis?**
- (ii) What were the deliberations by the board over the certainty that Fortis was able to complete any proposed deal, given their internal problems?**
- (iii) Given how difficult it was for the trustee-manager to acquire good hospital assets in the past few years, how did the board evaluate the future potential of the trust’s assets, if held for the long term?**
- (iv) For the benefit of all unitholders, can the board clarify if the special distribution of \$0.82 per unit would once again be considered as “distributable income” and thus entitling trustee-manager a 4.5% “performance fee” on the special distribution?**
- (v) If so, how did the board balance the interests of the unitholders and the potential fees earned when it was considering the proposed disposal from Fortis?**

3. In the Letter to unitholders, it was disclosed that, should the proposed disposal be approved and completed, unitholders would receive a special distribution of \$0.82 per unit and still retain their stake in the trust that may be used to invest in other assets.

- (i) Can the trustee-manager elaborate on its collective experience and track record in deal sourcing, valuation and deal structuring?**
- (ii) What are the safeguards for unitholders during the 12-month interim period as the trustee-manager looks for new investments?**
- (iii) Would unitholders be effectively funding the trustee-manager during the interim period so that the trustee-manager can have the opportunity to continue to act in its capacity as trustee-manager of the New RHT if it were successful?**
- (iv) Would it be fair to allow unitholders to determine if the trustee-manager should be given the opportunity to look for new investments?**

A copy of the questions for the Annual Report for the financial year ended 31 March 2017 could be found here:

[https://sias.org.sg/index.php?option=com\\_qaannualreports&view=qareports&filter\\_company=](https://sias.org.sg/index.php?option=com_qaannualreports&view=qareports&filter_company=)

The company's response could be found here: -----