Securities Investors Association (Singapore)
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UEN No: S99SS0111B
GST Reg No: M90367530Y

BT: RHT Health Trust
(Trustee-manager: RHT Health Trust Manager Pte. Ltd.)

Stock code: RF1U

Meeting details:
Date: 29 July 2022
Time: 2.00 p.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

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Q1. Following the disposal of the entire asset portfolio to Fortis Healthcare Limited on 15 January 2019, the trust was deemed a cash trust with no assets and operations. A total of $0.7758 per unit was distributed to unitholders in early 2019.

The trading of the units of the business trust was suspended with effect from 28 November 2019, following a trading halt on 25 November 2019. This followed developments in the Indian courts that led the trustee-manager to adjourn the EGM that was to be held for the voluntary winding up of the trust[1].

As at 31 December 2019, the net assets attributable to unitholders were $17.0 million. This has since decreased to $15.5 million as at 30 June 2022.

(i) **Can the trustee-manager help unitholders understand the cash-burn rate of the trust given that it owns no assets or operations since January 2019?**

(ii) **Would the trustee-manager be reviewing its trustee fees given the long-drawn out court cases? Will the trustee-manager be fully waiving or extending the 50% waiver on the trustee fees which lapsed on 31 March 2022?**

(iii) The trust has cash and cash equivalents of $16.9 million. **How is the trustee-manager maximising the returns from the trust's cash holdings in the meantime?**

[1] https://links.sgx.com/FileOpen/RHT%20%20-%20Proposed%20Adjournment%20of%20EGM_28%20Nov%2019.ashx?App=Announcement&FileID=587604

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Q2. As disclosed in Note 24 (page 44; Contingent liabilities), the trust faces potential liabilities on the expenses relating to the termination of loan and swap arrangements paid to an Indian tax resident bank, estimated to be around $960,000.

(i) **When does the trustee-manager expect the decision relating to the contingent liabilities on withholding taxes (relating to the termination of loan and swap arrangements) to be reached?**

In addition, the trust also disclosed a contingent liability on capital gains related to (a) the disposal of the compulsorily convertible debentures ("CCDs") in FY2017 which could be as high as INR2,364 million or approximately S$42 million including interest and (b) the sale of investments in FY2019 which could be as high as S$72 million to S$143 million.

The India tax authorities had issued a draft assessment order on 30 September 2021 wherein they have denied the capital gains tax exemption under the India-Singapore Double Taxation Avoidance Agreement ("DTAA").

(ii) **Similarly, when does the trust expect to receive the adjudication relating to the disposal of the CCDs?**

(iii) **If an appeal and a stay of demand petition were to be filed before the Income Tax Appellate Tribunal, what is the expected time frame for the appeal?**

Separately, the Contempt Proceedings, which the trust is not a party to, are pending the pronouncement of judgment from the court. The trust maintains its intention to reconvene the EGM for the proposed voluntary winding up pending the outcome of the Contempt Proceedings.

(iv) **How will the unresolved disputes with the Indian tax authorities affect the trust's intention to proceed with the proposed voluntary winding up?**

(v) **Does the trustee-manager have a better understanding of the trust's ability to proceed with the proposed voluntary winding up than it did in November 2019 when it requested the trading suspension?**

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Q3. The trust obtained a waiver from SGX-ST in respect of Rule 707(2) to issue an annual report for FY2022. In fact, the trust has not issued an annual report since FY2020.

As shown in the audited financial statements, the directors of the trustee-manager are:

- Tan Bong Lin
- Dr Ronnie Tan Keh Poo
- Dr Wong Chiang Yin
- Loh Min Jiann
- Ashish Bhatia

(i) **How involved are the directors in the trust's disputes with the tax authorities?**

(ii) **What functions/roles have the directors played since 2019 after the sale of assets and distribution of capital?**

(iii) **Would the trustee-manager consider issuing a corporate governance report along with the audited financial statements?**

^On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so. On 9 April 2021, it was announced that the alternate arrangements for meetings ("Meetings Order") would be extend beyond 30 June 2021 until it is revoked or amended by the Ministry of Law. Accordingly, until such time, issuers may continue to utilise the Checklist issued by ACRA, MAS and SGX RegCo to guide entities on the conduct of their general meetings.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation)

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