

**Fortis Healthcare Limited**

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South City 1, Sector – 41, Gurgaon,
Haryana – 122 001 (India)

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FHL/SEC/STEX/RR/2018-19

April 17, 2018

**The National Stock Exchange of India Ltd.
Corporate Communications Department
“Exchange Plaza”, 5th Floor, Bandra-Kurla
Complex, Bandra (East), Mumbai - 400051
Scrip Symbol: FORTIS**

**BSE Limited
Corporate Services Department,
Phiroze Jeejeebhoy Towers Dalal
Street, Mumbai – 400 001
Scrip Code:532843**

**Sub: Update under Regulation 30 of SEBI (Listing Obligations and disclosure Requirements)
Regulations, 2015**

Dear Sir(s),

It is herewith informed that Fortis Healthcare Limited (“**the Company**”) today i.e. April 17, 2018 has received an **unsolicited non-binding expression of interest** from Fosun Health Holdings Limited, a wholly owned subsidiary of Fosun International Limited (“Fosun International”), a company listed on the Hong Kong Stock Exchange with a proposal of primary infusion at a price upto Rs. 156/share, subject to due diligence to be completed within three weeks, upto a total investment of USD 350 million (including a preliminary investment of upto INR 100 Cr) and further subject to certain conditions as mentioned in the offer letter.

Please find enclosed the afore-mentioned proposal.

You are kindly requested to take the same on record.

Thanking you,
Yours faithfully

For Fortis Healthcare Limited

RAHUL Digitally signed
by RAHUL
RANJAN
Date: 2018.04.17
22:29:46 +05'30'

**Rahul Ranjan
Company Secretary
M. No. ACS 17035
Encl: a/a**

FORTIS HEALTHCARE LIMITED

Regd. Office : Fortis Hospital, Sector 62, Phase – VIII, Mohali – 160062
Tel : 0172-5096001, Fax : 0172-5096221, CIN : L85110PB1996PLC045933

FOSUN

Fosun Health Holdings Limited
Room 808, ICBC Tower, 3 Garden Road,
Central, Hong Kong

Strictly Private and Confidential

Non-Binding Expression of Interest

The Board of Directors ("Board")
Fortis Healthcare Limited
Tower A, Unitech Business Park
Block F, South I, Sector 41
Gurugram, Haryana 122001
India

April 17, 2018

Dear Sirs:

On behalf of Fosun Health Holdings Limited, a wholly-owned subsidiary of Fosun International Limited ("Fosun International"), a company listed on the Hong Kong Stock Exchange with stock code 00656 (collectively with its affiliates and investment funds advised or managed by Fosun International and/or its affiliates as "Fosun" or "we"), in this letter ("Letter") we would like to express our strong desire to support Fortis Healthcare Limited (the "Company" or "Fortis") with a proposal to invest in Fortis in the following manner and subject to other terms of this Letter:

1. As we understand from the public domain that the Company is in urgent need of financial support, we would, without prejudice to our offer under paragraph 2 of this Letter, seek to identify an approach to support the Company's immediate cash needs with up to Rs 100 Cr within the next 45 days, including the option of immediately subscribing to a convertible debt instrument under customary terms and conditions within the coming days; provided that the Company agrees to provide us with a short one month period of exclusivity to undertake our diligence and negotiate the Proposal (defined below). Meanwhile,
2. We are also interested in exploring the opportunity to invest at a price of up to Rs 156/share via primary infusion, subject to a due diligence to our satisfaction which we plan to complete within 3 weeks once we are granted access. The total investment by Fosun with this Proposal will be up to US\$350m and shall not enable Fosun to hold 25% or more securities of Fortis.

(the "Transaction" or "Proposal").

FOSUN

Fosun has an in-depth understanding within the global healthcare service space from both investment and strategic perspectives, and is especially committed to the Indian healthcare sector, with over US\$1B invested to date. We are long-term investors. Fosun has a proven track record in partnering with strong local management teams, and maximizing value while providing liquidity for all shareholders.

We are aware of the Company's near-term cash requirements, strategic plans for consolidation of its real estate assets, and various alternative proposals put forth to the Board's consideration. We believe our proposal outlined in this letter will best support the Company's immediate needs, while supporting the Company and its existing investors at a fair valuation to optimize long term return.

Background on Fosun

Fosun International Limited is a family focused multinational company that has been listed on the main board of the Hong Kong Stock Exchange (00656:HK) since 2007. Founded in 1992, Fosun's total assets exceed RMB500 billion (c.US\$75 billion). With its roots in China, and through technology and innovation, Fosun's mission is to create customer-to-maker (C2M) ecosystems in health, happiness and wealth, providing high-quality products and services for families around the world.

Fosun has extensive experience and expertise in investing and operating in the healthcare ecosystem. With Fosun's capability throughout the entire healthcare value-chain: from providers: hospitals/senior care services, payers: health insurance, developers: healthcare real estate, to pharma R&D and manufacturing, wholesaler / retailer, medical devices and etc., Fosun has owned or closely cooperated with a number of outstanding international healthcare enterprises including Fosun Pharma(600196.SH/2196.HK), Gland Pharma, Sinopharm(1099.HK), United Family Hospitals, Luz Saúde, Fortress Investment, Kite Pharma JV, Intuitive Surgical JV, Henlius, and Alma Lasers (1696.HK).

Fosun believes its experience in complex cross-border transactions, understanding of the broader healthcare sector, and its execution capabilities will allow it to successfully identify and bring investment opportunities along with its investees and strategic partners.

Strategic Interest and Vision for Fortis

We are aware of the recent filings and representations made by the Company to the Stock Exchanges, as well as public news relating to actions by the Company under the former Promoters, and therefore, we request a short period of due diligence to confirm our preliminary views and ability to jointly pursue, among others, the following objectives:

FOSUN

- Opportunity for top line growth through improved services and investing towards establishing new beds
- Opportunity to review operating expenses and cost structure to improve bottom line performance
- Ability to reduce the Company's service fees by financing the strategic acquisition and consolidation of assets of RHT via a primary infusion via preferential allotment for Fosun.
- Assessment of the value and growth potential of SRL
- Ability to access debt capital markets to fund growth and operations
- Review of non-operating assets available for sale
- Settling any issues regarding Company's assets and the financial and legal liabilities relating to various investigations and transactions linked to the former Promoters of the Company

As part of the Proposal, we would also seek specific rights commensurate with our investment including, but not limited to, Board Seats proportionate to our holding.

We would also identify technologies or services being applied to our other regional hospitals groups that could benefit Fortis Operating System.

We would seek Management and Key Doctors to participate in the shared value creation in the Company by contributing at least Rs 100 Cr into the Transaction. Fosun intends to adopt an attractive management incentive plan (the "MIP"), for which the specifics will be discussed at a later date.

Further, as detailed earlier, Fosun maintains a significant holding of hard assets in the healthcare sector across Asia. As part of our Proposal, Fosun additionally would seek to align with the Board and Management on a strategic approach to fully maximize value of the existing trust, while supporting Fortis with the fundamental objective to reconsolidate RHT's assets.

Transaction Funding Consideration

Fosun has sufficient funds for the Transaction without requiring any external financing. Nevertheless, for the purposes of optimal capital, taxation, and solvency management, Fosun may contemplate a combination of internal sources and the utilization of external financing, including but not limited to the use of leveraged finance. The optimal debt level going forward shall be discussed with the management during the course of diligence.

Primary Deal Team Contacts

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Value Proposition of Fosun's Proposal

Fosun offers Fortis a simple Transaction designed to remedy the short term needs of the company while readily being able to invest significant capital and management support to unlock maximum long-term value, enabled by our strong balance sheet and deep operating capabilities across our portfolio of companies and partners.

Fosun does not anticipate making significant changes to the senior management operations or clinical excellence of Fortis, but will actively support the Company with specific plans to improve operating performance. Fosun shall seek to align local management and shareholder interests with long term objectives in mind.

Fosun encourages existing shareholders to participate in the Company's future through proposing rights issues when appropriate to support strategic acquisitions in the future. Further, given we might find additional value for Fortis' RHT transaction in comparison to other interested parties given our extensive interests in the Asian healthcare sector.

The Letter shall be considered and interpreted as an expression of interest as a whole and shall not (unless otherwise specified in this Letter) be accepted by Fortis partially, unless otherwise further agreed by Fortis and Fosun.

We believe that the Proposal is in the best interest of the Company and its shareholders, and we request the Board to consider the same. We are also sure that the Board will, bearing in mind its fiduciary duty, present our Proposal to the shareholders of the Company.

The Company and its group entities shall not disclose the terms of this Letter and/or make any public statements about the Proposal or the Transaction or this Letter without Fosun's consent, except as may be required by applicable law or as ordered by competent governmental authorities, in which case the language of any such disclosure shall, to the extent practicable, be mutually agreed to by Fosun and the Company, which consent shall not be unreasonably withheld.

FOSUN

This Letter is non-binding and not meant to be accepted or capable of acceptance to create legally binding obligations. Fosun reserves its right to withdraw or revoke this Letter at any time at its own discretion.

We would appreciate hearing your response to our Proposal by 19 April, 2018, to discuss the various topics brought up in this Letter and the approach for due diligence.

Sincerely,

Signed by

For and on behalf of

Fosun Health Holdings Limited

For and on behalf of

Fosun Health Holdings Limited

復星健康產業控股有限公司


Name: Qiyu CHEN Director/Authorised Signatory

Title: Director