



FIRST REAL ESTATE INVESTMENT TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 19 October 2006 (as amended))

## QUARTERLY BUSINESS UPDATE: FIRST REIT POSTS 1Q 2020 DPU OF 1.86 CENTS

The Board of Directors of Bowsprit Capital Corporation Limited, in its capacity as manager of First Real Estate Investment Trust (“**First REIT**”, and as manager of First REIT, the “**Manager**”), has today announced its inaugural quarterly business update.

### 1. Change to Semi-Annual Reporting and Continuation of Quarterly Distribution

The Manager announced on 24 April 2020<sup>1</sup> the adoption of semi-annual reporting for First REIT’s financial results with effect from the financial year ending 31 December 2020 (“**FY2020**”). For FY2020, the next financial results reporting will be for the half year period ending 30 June 2020.

Notwithstanding the cessation of quarterly reporting of First REIT’s financial results, the Manager will continue with quarterly distributions.

The Manager will continue to provide regular updates on any material developments relating to First REIT.

### 2. Financial Results and Distribution Details

The Manager today announced a distribution per unit (“**DPU**”) of 1.86 Singapore cents for the first quarter ended 31 March 2020 (“**1Q 2020**”, and the distribution for 1Q 2020, the “**1Q 2020 Distribution**”). The payment for the 1Q 2020 Distribution will be on 18 June 2020.

#### Summary of Financial Results for period ended 31 March 2020

<b>(\$’000)</b>	<b>1Q 2020</b>	<b>1Q 2019</b>	<b>Change (%)</b>
Rental and Other Income <sup>(i)</sup>	<b>28,889</b>	28,649	0.8%
Net Property and Other Income <sup>(i)</sup>	<b>28,208</b>	28,026	0.6%
Income Available for Distribution to Unitholders <sup>(ii)</sup>	<b>15,917</b>	17,053	(6.7%)
Distributable Income to Unitholders <sup>(iii)</sup>	<b>14,917</b>	17,053	(12.5%)
Applicable number of units for calculation of DPU	<b>802,343,424</b>	792,782,115	1.2%
DPU (cents) <sup>(iv)</sup>	<b>1.86</b>	2.15	(13.5%)
<b>Notes</b>			
(i) Rental and other income, as well as net property and other income, increased by 0.8% and 0.6% respectively, mainly attributed to higher variable rental component for Indonesia properties.			

<sup>1</sup> Please refer to announcement dated 24 April 2020 for more information.

- (ii) Distributable income includes management fees payable to the Manager in First REIT units of S\$1.4 million for 1Q 2020 (1Q 2019: S\$2.5 million). Distributable income has decreased due to lower management fees payable in units.
- (iii) In view of the uncertainty and challenges brought about by COVID-19 pandemic, First REIT has retained S\$1.0 million of its capital distributions for prudence and added financial flexibility.
- (iv) DPU for 1Q 2020 is 1.86 cents as a consequence of enlarged unit base.

<b>Summary of Distribution Details</b>	
Distribution	1 January 2020 to 31 March 2020
Distribution type	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
Distribution rate	Total: 1.86 cents per unit (a) Taxable income distribution: 0.07 cents per unit (b) Tax-exempt income distribution: 1.02 cents per unit (c) Capital distribution: 0.77 cents per unit
Book closure date	14 May 2020 at 5.00 pm
Ex-dividend date	13 May 2020 at 9.00 am
Payment date	18 June 2020

Under SGX Practice Note 7.7, First REIT will be allowed to rely on an exemption to continue announcing quarterly distributions without it being accompanied by the results for the relevant period, subject to the following conditions:

- (i) First REIT having a committed dividend policy to announce distributions on a quarterly basis and such policy must have been communicated to unitholders; and
- (ii) First REIT must confirm, for each distribution announced for the first or third quarter of the financial year, that after making payment of the distribution, First REIT has sufficient financial resources to fulfil its liabilities as and when they fall due.

The Manager hereby confirms that, after making payment of the 1Q 2020 Distribution, First REIT has sufficient financial resources to fulfil its liabilities as and when they fall due.

### 3. COVID-19 Update

With the ongoing COVID-19 pandemic, First REIT's tenants in Indonesia, Singapore and South Korea are enforcing stringent safety measures to protect the health and safety of patients, medical staff and all visitors. All its healthcare assets in Singapore and abroad remain operational, while two of its malls in Indonesia, Lippo Plaza Kupang and Lippo Plaza Buton, were closed in April except for essential services such as supermarkets, pharmacies and clinics which remained open with shorter operating hours<sup>2</sup>.

Meanwhile, Hotel Aryaduta Manado, as part of the Manado Property that is integrated with Siloam Hospitals Manado, closed its facilities for the month of April in support of the Indonesian Government's efforts to contain the spread of COVID-19. Imperial Aryaduta Hotel & Country Club ("**IAHCC**") comprising an integrated hotel, Aryaduta Lippo Village ("**ALV**"), and a country club, Aryaduta Country Club ("**ACC**"), has closed its country club services until further notice, in alignment with government's efforts, while ALV remains fully operational.

<sup>2</sup> Please refer to announcements dated 31 March 2020, 13 April 2020 and 29 April 2020 for more information.

On 17 April 2020, First REIT issued a statement<sup>3</sup> announcing that a resident at one of its nursing homes in Singapore, Pacific Healthcare Nursing Home II @ Bukit Panjang (“**PHNH II**”), tested positive for COVID-19 on 15 April 2020. This was the first case reported at First REIT’s homes in Singapore and PHNH II has stepped up all precautionary measures to disinfect the home and to protect the health and safety of its residents and staff.

Further to this, PHNH II has updated that additional tests showed and confirmed that the resident was not infected with COVID-19, although the initial test was positive. All residents and staff at PHNH II have also tested negative for COVID-19.

The Manager is closely monitoring the situation at all its properties and will provide further updates should there be any material developments.

#### **4. Outlook**

With the current COVID-19 pandemic straining economies and businesses across the globe, Indonesia reported its weakest gross domestic product (GDP) growth in 18 years for January to March 2020<sup>4</sup>. The real impact of the COVID-19 crisis is expected to be felt in the second quarter as disruptions only started in March with the Indonesian government imposing large-scale social restrictions.

In view of these unprecedented headwinds impacting all sectors, the Manager has taken a prudent approach to conserve cash and initiate stringent cost management strategies to navigate these uncertain times.

By Order of the Board

Tan Kok Mian Victor  
Executive Director and Chief Executive Officer  
Bowsprit Capital Corporation Limited  
(As Manager of First REIT)

6 May 2020

#### **Important Notice**

The value of unit in First REIT (the “**Units**”) and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of First REIT is not necessarily indicative of the future performance of First REIT.

This announcement 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. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s view of future events.

---

<sup>3</sup> Please refer to press statement dated 17 April 2020 for more information.

<sup>4</sup> 5 May 2020, Reuters - Indonesia's first-quarter GDP growth weakest since 2001, recession looms