



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

QUARTERLY BUSINESS UPDATE: FIRST REIT POSTS 3Q 2020 DPU OF 1.01 CENTS

The Board of Directors of First REIT Management Limited, in its capacity as manager of First Real Estate Investment Trust (“**First REIT**”, and as manager of First REIT, the “**Manager**”), today announced its business update for the third quarter ended 30 September 2020 (“**3Q 2020**”).

1. Financial Results and Distribution Details

The Manager today announced a distribution per unit (“**DPU**”) of 1.01 Singapore cents for 3Q 2020. The payment date will be on 23 December 2020.

Summary of Financial Results for the period ended 30 September 2020

<i>(S\$'000)</i>	3Q 2020	3Q 2019	Change (%)	9M 2020	9M 2019	Change (%)
Rental and Other Income ⁽ⁱ⁾	20,747	28,801	(28.0)	59,345	86,437	(31.3)
Net Property and Other Income ⁽ⁱ⁾	20,200	28,224	(28.4)	57,728	84,590	(31.8)
Distributable Income to Unitholders ⁽ⁱⁱ⁾	8,189	17,169	(52.3)	26,624	51,336	(48.1)
Applicable number of units for calculation of DPU	807,206,351	795,322,908	1.5	807,206,351	795,322,908	1.5
DPU (cents) ⁽ⁱⁱⁱ⁾	1.01	2.15	(53.0)	3.31	6.45	(48.7)

Notes

- (i) Rental and other income, as well as net property and other income, declined 28.0% and 28.4% respectively in 3Q 2020, mainly attributable to a one-month rental relief extended to the Indonesia tenants to alleviate the economic distress resulting from the continuing impact of the COVID-19 pandemic as announced on 22 October 2020.
- (ii) Distributable Income includes management fees payable to the Manager in First REIT units of S\$1.2 million for 3Q 2020 (3Q 2019: S\$2.4 million). Distributable Income has decreased due to (a) lower management fees payable in units and (b) the one-month rental relief extended to the Indonesia tenants as announced on 22 October 2020.
- (iii) DPU for 3Q 2020 is 1.01 cents as a consequence of an enlarged unit base.

Summary of Distribution Details	
Distribution	1 July 2020 to 30 September 2020
Distribution type	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
Distribution rate	Total: 1.01cents per unit (a) Taxable income distribution: 0.14 cents per unit (b) Tax-exempt income distribution: 0.12 cents per unit (c) Capital distribution: 0.75 cents per unit
Book closure date	19 November 2020 at 5.00 pm
Ex-dividend date	18 November 2020 at 9.00 am
Payment date	23 December 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 3Q 2020 distribution, First REIT has sufficient financial resources to fulfil its liabilities as and when they fall due.

2. Business Updates

On 20 September 2020, the Manager announced that it had received a non-binding proposal regarding a proposed rental restructuring from PT Lippo Karawaci Tbk ("**LPKR**"). The Board of Manager set up an independent board committee (the "**Independent Committee**") comprising all the independent directors of the Board, namely, Mr Chan Pengee Adrian, Mr Ferris Charles Bye, Mr Tan Chuan Lye and Mr Martin Lechner to carefully consider and evaluate the non-binding proposal.

On 30 September 2020, First REIT appointed Merrill Lynch (Singapore) Pte. Ltd. ("**BofA Securities**") as financial adviser to the Manager in connection with the non-binding rental restructuring proposal submitted by LPKR. The Independent Committee, in consultation with BofA Securities, is evaluating the rental restructuring proposal with an aim to achieve a maximisation of sustainable rents to provide long-term certainty to First REIT. During the course of evaluating this rental restructuring proposal, the services of various professional consultants are required, these costs will be incurred with prudence and as necessary. After accounting for these costs and the two months of rental relief extended to the Indonesia tenants, it is expected that the distributable income and DPU for 2H 2020 will decrease by a similar range as Q3 2020 as compared to the corresponding period in 2019.

On 22 October 2020, First REIT announced that it had received a request from PT. Metropolis Propertindo Utama ("**MPU**") for (a) additional rental relief for the second half of 2020; (b) flexibility in the payment of outstanding rents and (c) restructuring of the existing master lease agreements entered into with PT MPU and its subsidiary, PT Bumi Sarana Sejahtera in respect of (i) Siloam Sriwijaya; (ii) Siloam Hospitals Purwakarta; and (iii) Siloam Hospitals Kupang & Lippo Plaza Kupang. (Please refer to the announcement for more details.)

The Manager will provide an update as and when there are any material developments in accordance with the Listing Manual of Singapore Exchange Securities Trading Limited.

3. COVID-19 Updates

On 22 October 2020, First REIT announced that it is extending a further two months of rental relief to its tenants in Indonesia amounting to S\$18.9 million for September 2020 and October 2020. While the pandemic situation has largely stabilised in Singapore and South Korea where several of First REIT's healthcare assets are located, cases in Indonesia continue to escalate with the country recording the highest number of monthly cases in September 2020.

The local government has re-imposed its large-scale social restrictions in Jakarta from 14 September 2020 to 11 October 2020, which was further extended by transitional large-scale social restrictions from 12 to 25 October 2020. Taking into consideration the continuing significant impact of the COVID-19 pandemic to the revenues of First REIT's assets in Indonesia, this further rental relief is intended to tide First REIT's tenants in Indonesia through the second half of the year.

4. Outlook

Amid the prolonged challenging operating environment in Indonesia, the Indonesian parliament has approved a state budget of US\$185.25 billion for 2021, set in hopes of rebounding economic growth back to 5%. This supportive and consolidative budget will allocate IDR169.7 trillion toward healthcare spending in the upcoming year, with IDR18 trillion allocated to procure coronavirus vaccine for 60% of the country's population to create herd immunity.¹

In view of the protracted pandemic, First REIT will continue to work alongside tenants to ensure all its healthcare properties in Indonesia, Singapore and South Korea operate under strict precautionary measures that prioritise the health and safety of all its patients, medical staff and visitors. It also endeavours to maintain the resilience and long-term sustainability of its business.

By Order of the Board

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

10 November 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.

¹ 29 September 2020, Business Times, Indonesia parliament passes President Joko Widodo's US\$185b budget

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.