

# Proposed acquisition of Mochtar Riady Comprehensive Cancer Centre and Siloam Hospitals Lippo Cikarang, and Rights Issue

10 November 2010

Joint Lead Managers and Underwriters



Independent Financial Adviser to the Independent Directors of Bowsprit Capital Corporation Limited



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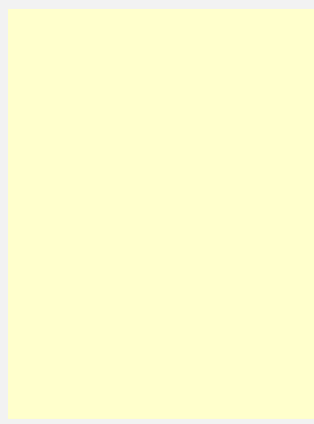
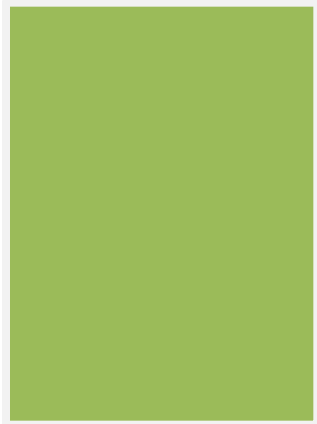
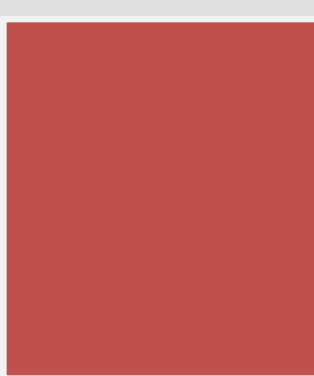
**Rights Issue and Debt Financing**

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**Pro Forma Financials**

**Appendix: Overview of First REIT**

# 1. Summary



## Proposed Acquisitions

- ▶ Purchase of the following properties in Indonesia:
  - **Mochtar Riady Comprehensive Cancer Centre (MRCCC)** for a purchase consideration of **S\$170.5 million**
  - **Siloam Hospitals Lippo Cikarang (SHLC)** for a purchase consideration of **S\$35.0 million**

## Rights Issue

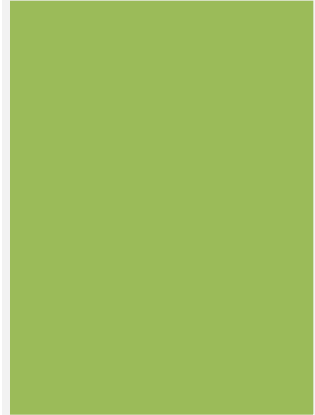
- ▶ Issuance of **345,664,382** Rights Units by First REIT
- ▶ Gross proceeds of S\$172.8 million from the fully underwritten **Rights Issue** to be used as follows:
  - To partially finance the Acquisition of MRCCC
  - To fully finance the Acquisition of SHLC

## Debt Financing

- ▶ **Debt financing** of up to S\$50.0 million
  - To partially finance the Acquisition of MRCCC

Upon completion of the Acquisitions, First REIT's sponsor, PT Lippo Karawaci Tbk, will be the master tenant of both the properties

## 2. Proposed Acquisitions



# 1. Mochtar Riady Comprehensive Cancer Centre (MRCCC)

Location: Jalan Garnisun Dalam RT. 010/001 Kelurahan Karet Semanggi, Kecamatan Setiabudi, South Jakarta, Indonesia



- ▶ A 29-storey, 160-bed hospital with two basement levels
- ▶ Expected to be Indonesia's first private comprehensive cancer treatment centre equipped with state of the art cancer treatment and diagnostic facilities
- ▶ Located near Plaza Semanggi, the Aryaduta Suites Hotel Semanggi and other international five-star hotels in the central business district, South Jakarta
- ▶ First facility in Indonesia to offer Positron Emission Tomography (PET) scanning, High Intensity Focused Ultrasound (HIFU) and Radio-immunotherapy (RIT)

## Property Summary

<b>Property Use</b>	<b>A 29-storey hospital with two basement levels and a hospital</b>
<b>Master title details</b>	HGB (Right to Build) No. 277/Karet Semanggi expiring 27 August 2015 <sup>1</sup>
<b>Hospital beds</b>	160 to be expanded to maximum of 375
<b>Parking Bays</b>	303 carpark lots
<b>Lease Term</b>	15 years and a renewal for a further term of 15 years on terms to be agreed (subject to renewal of HGB title)
<b>Age of building</b>	Building expected to be completed in December 2010
<b>Commencement base rent</b>	S\$18,635,000 per annum
<b>Gross Floor Area ("GFA") (sq m)</b>	37,933 (excluding parking area of 14,769), subject to survey
<b>Valuation by KJPP Willson &amp; Rekan<sup>2</sup></b>	S\$216.0 million
<b>Valuation by KJPP Rengganis, Hamid &amp; Partners<sup>3</sup></b>	S\$208.5 million

<sup>1</sup> The vendor of MRCCC, Wincatch Limited has, at its cost, initiated the process of renewal of the HGB title for at least 20 years

<sup>2</sup> As at 6 September 2010

<sup>3</sup> As at 6 September 2010

# 1. Mochtar Riady Comprehensive Cancer Centre (MRCCC)

Indonesia's first international standard private cancer centre and treatment facilities with the most complete state of the art equipment and the latest generation of smart IT-systems





## 2. Siloam Hospitals Lippo Cikarang

Location: Jalan Mohammad Husni Thamrin Kav.105, Lippo Cikarang, Bekasi 17550, Indonesia



- ▶ A six-storey, 75-bed hospital situated in the growing residential and industrial areas of East Jakarta
- ▶ Offers a broad range of quality general and specialist services, including A&E services, with Centres of Excellence in Urology, Internal Medicine and Trauma
- ▶ Also offers general, orthopedic, neurology, urology, thorax and cardiovascular surgery
- ▶ Well-respected for its Pediatric Neonatal Intensive Care Unit which treats pre-mature and sick babies

### Property Summary

<b>Property Use</b>	<b>A six-storey hospital with a basement and covered roof space</b>
<b>Master title details</b>	HGB title expiring 5 May 2023
<b>Hospital beds</b>	75 to be expanded to a maximum of 126
<b>Parking Bays</b>	80 carpark lots and 300 motorcycle lots
<b>Lease Term</b>	15 years and a renewal for a further term of 15 years on terms to be agreed (subject to renewal of HGB title)
<b>Age of building</b>	Approximately eight years
<b>Commencement base rent</b>	S\$3,768,000 per annum
<b>Gross Floor Area ("GFA") (sq m)</b>	11,125, subject to survey
<b>Valuation by KJPP Willson &amp; Rekan<sup>1</sup></b>	S\$40.0 million
<b>Valuation by KJPP Damianus Ambur<sup>2</sup></b>	S\$41.3 million

<sup>1</sup> As at 6 September 2010

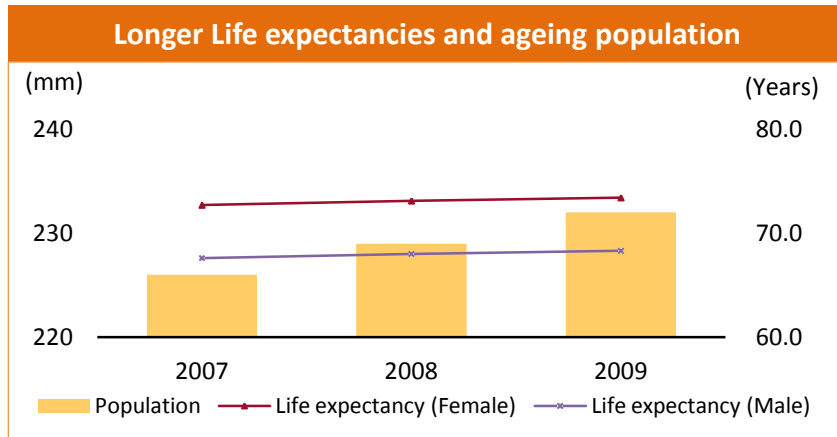
<sup>2</sup> As at 6 September 2010

# 2. Siloam Hospitals Lippo Cikarang

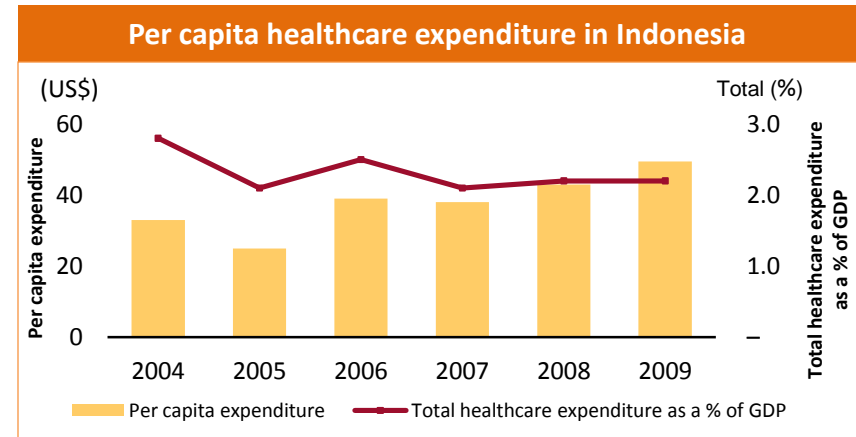
Committed to providing a broad range of quality general and specialist services, including Accident and Emergency services



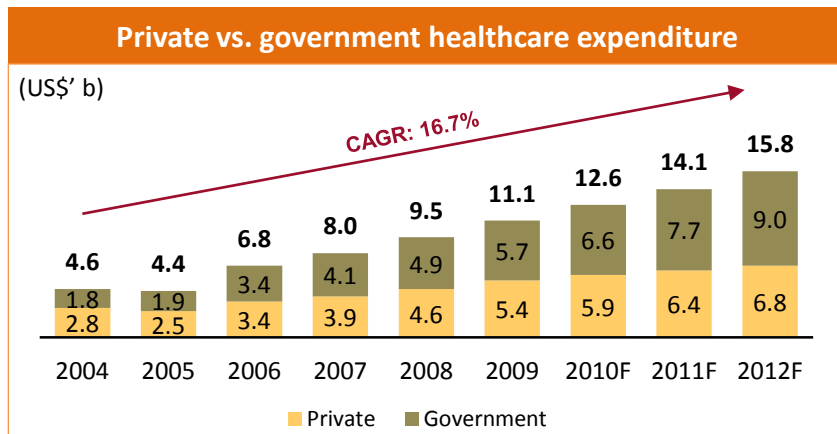
# Indonesia's healthcare market



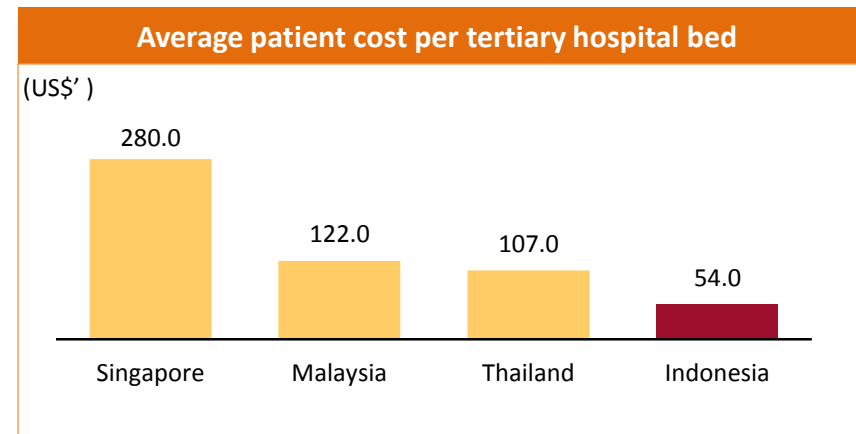
Source: IMF, CIA World Fact Book, Indonesian Department of Health, Frost & Sullivan.



Source: WHO, Frost & Sullivan.



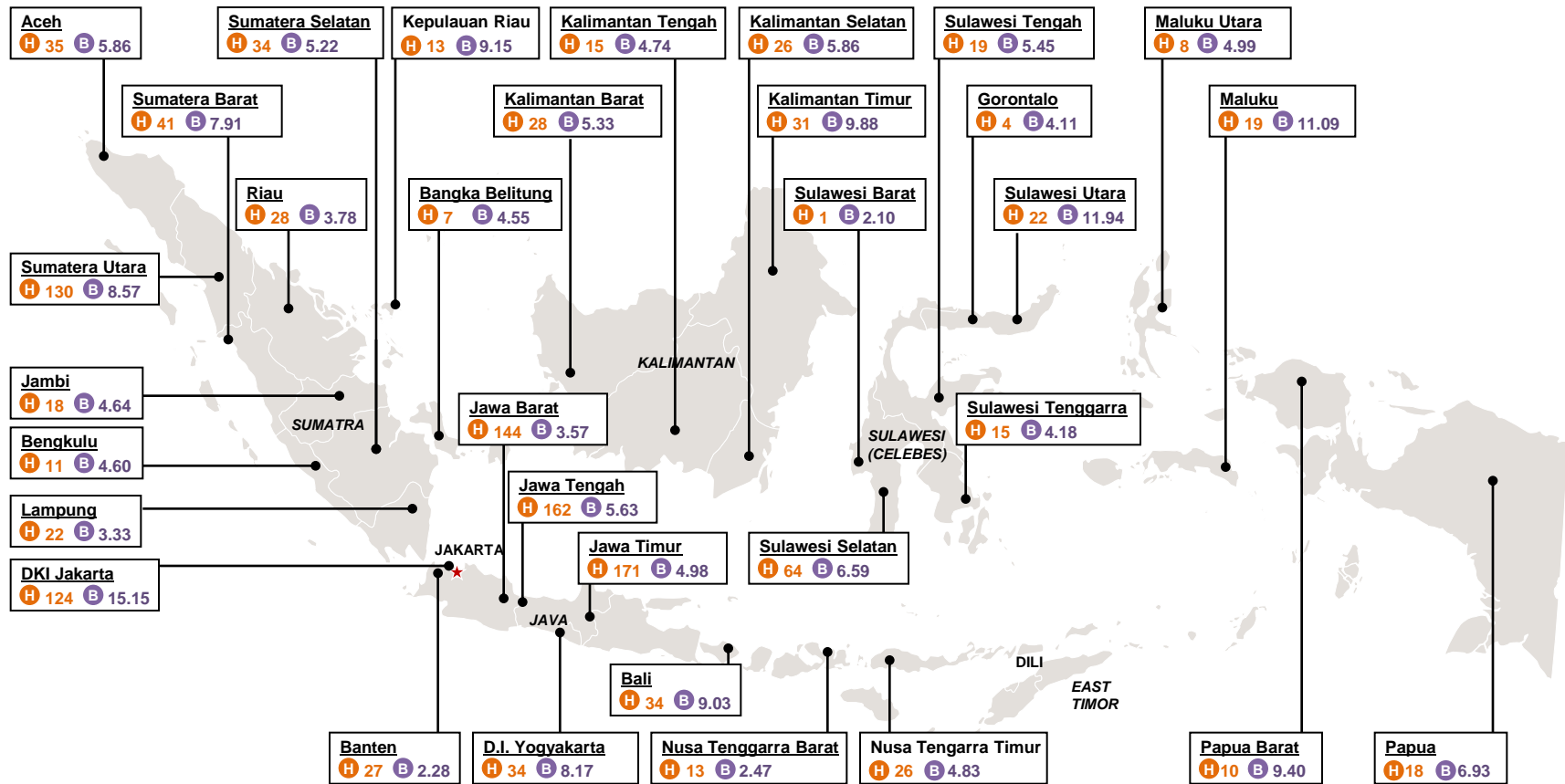
Source: WHO, World Bank, Frost & Sullivan.



Source: Frost & Sullivan.

**Macroeconomic fundamentals support strong growth for the Indonesian healthcare sector**

# Healthcare infrastructure in Indonesia



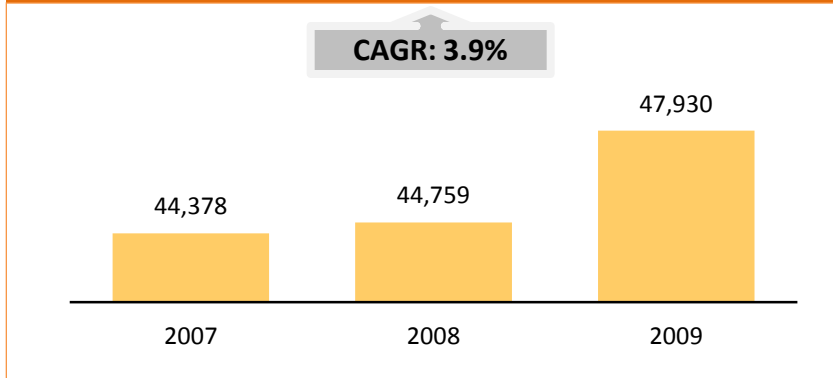
**H** Hospitals **B** General beds per 10,000 population

Source: IMF Indonesian Department of Health, Frost & Sullivan.

**Gap in healthcare infrastructure between developed and under-developed areas of Indonesia have yet to be effectively addressed**

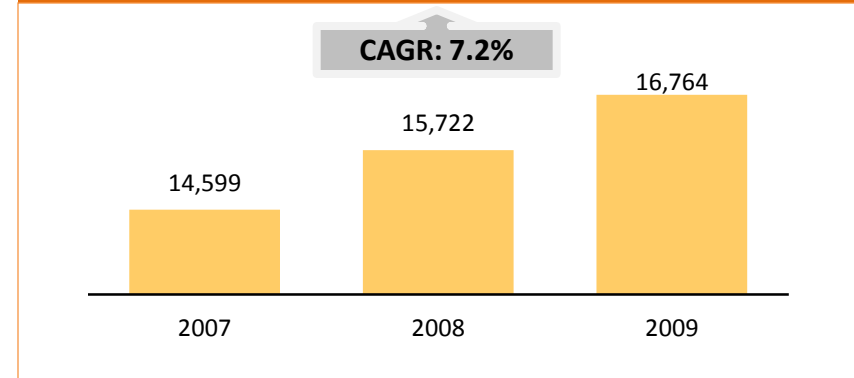
# Healthcare infrastructure in Indonesia

## Healthcare manpower targets – General doctors



Source: IMF, Indonesian Department of Health, Frost & Sullivan.

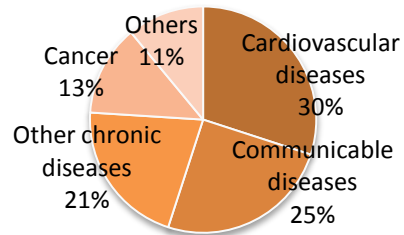
## Healthcare manpower targets - Specialists



Source: IMF, Indonesian Department of Health, Frost & Sullivan.

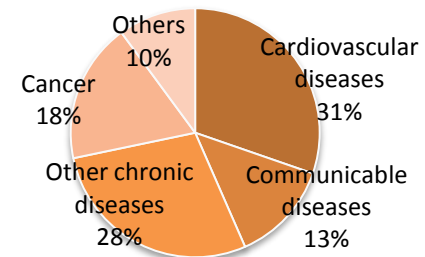
## Prevailing non-communicable and life-style related diseases

### WHO data on the major cause of death in Indonesia (2005)



Source: World Health Organisation, 2009.

### Projected major cause of death in Indonesia (2030)



**Critical shortage of healthcare infrastructure in Indonesia provides vast opportunities for expansion**

# Cost of proposed acquisitions

## MRCCC

**Purchase Consideration** S\$170.5 million

**MRCCC Acquisition Fee** S\$1.7 million

**Professional and other fees and expenses** S\$2.4 million<sup>1</sup>

**Total Acquisition Cost** S\$174.6 million

Purchase consideration represents a **discount of 19.7%** to the average of the 2 independent valuations of S\$212.3 million

<sup>1</sup> It is expected that most of the professional and other fees and expenses in connection with the MRCCC Acquisition will be incurred by First REIT even if the Manager does not proceed with the MRCCC Acquisition

## SLHC

**Purchase Consideration** S\$35.0 million

**SHLC Acquisition Fee** S\$0.35 million<sup>2</sup>

**Professional and other fees and expenses** S\$0.55 million<sup>3</sup>

**Total Acquisition Cost** S\$35.9 million

Purchase consideration represents a **discount of 13.8%** to the average of the 2 independent valuations of S\$40.6 million

<sup>2</sup>As the SHLC Acquisition will constitute an Interested Party Transaction under guidelines for real estate investment trusts as found in Appendix 2 of the Code on Collective Investment Schemes issued by the MAS (the “**Property Funds Appendix**”), the SHLC Acquisition Fee payable to the Manager will be in the form of the SHLC Acquisition Fee Units, which shall not be sold within one year from the date of issuance, in accordance with Paragraph 5.6 of the Property Funds Appendix.

<sup>3</sup>It is expected that most of the professional and other fees and expenses in connection with the SHLC Acquisition will be incurred by First REIT even if the Manager does not proceed with the SHLC Acquisition

# Long-term master lease agreements

## Salient terms of MRCCC and SHLC Master Lease Agreements

### ▶ Lease terms

- 15 years with an option to renew for a further term of 15 years

### ▶ Annual Base Rent

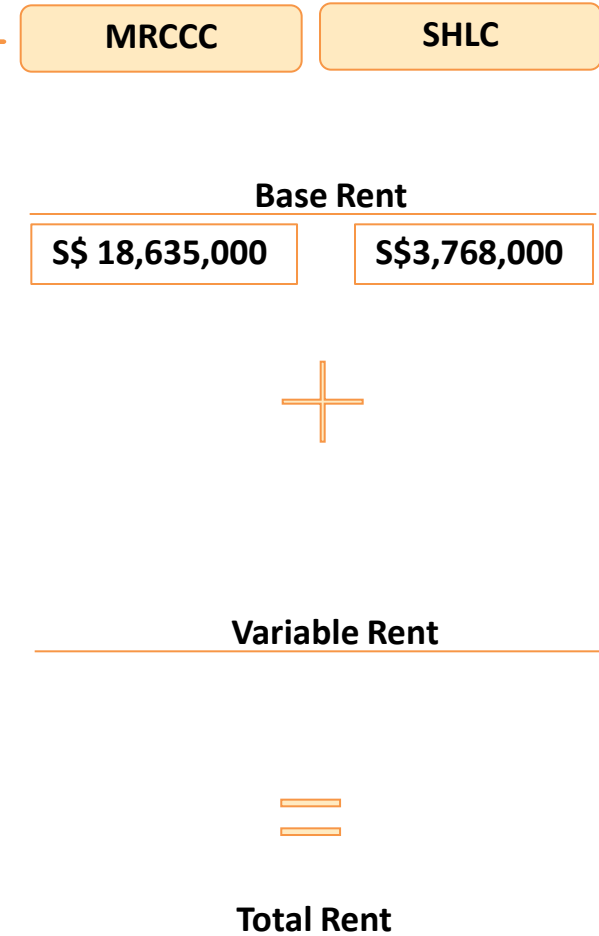
- Payable quarterly in advance
- Subject to increase every year thereafter at a rate equal to 2X percentage increase of Singapore's CPI for the preceding calendar year, subject to a floor of 0% and a cap of 2.0%.
- No variable rent in year 1

### ▶ Variable rent : years 2 – 4

- Variable rent in the 2<sup>nd</sup>, 3<sup>rd</sup>, and 4<sup>th</sup> years at a percentage of the audited gross revenue growth in the preceding financial year of MRCCC and SHLC respectively

### ▶ Variable rent : year 5 onwards

- Calculated based on the aggregate gross revenue growth of MRCCC and SHLC in the preceding financial year.
- No currency risk as exchange rate is fixed at S\$1.00 = Rp. 6,600

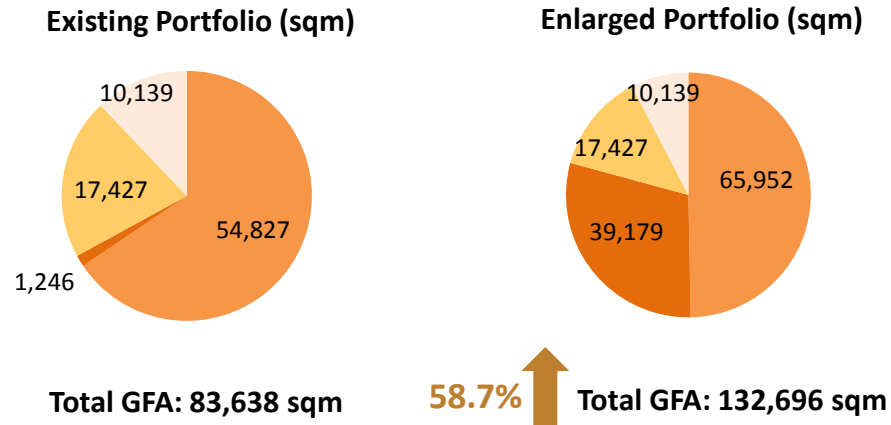


# Enlarged portfolio

## GFA by Business Sectors

- Hospital
- Hospital / Specialist Centre
- Hotel + Country Club
- Nursing Home

As at 30 September 2010

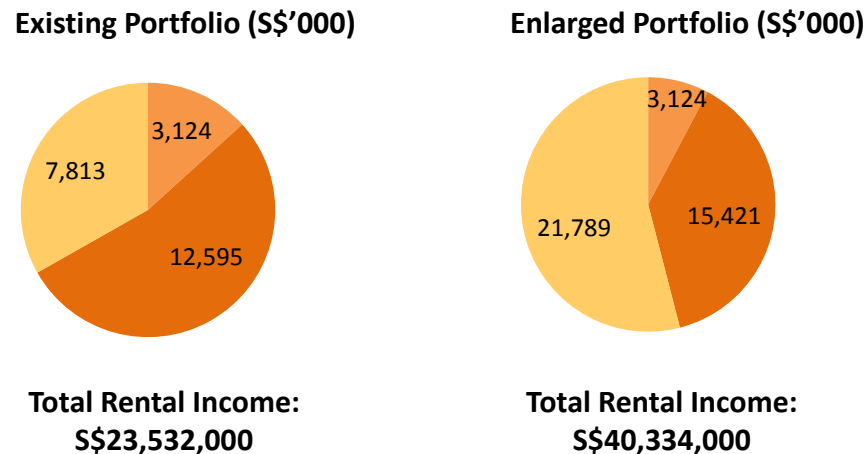


Greatest increase in the GFA of the Hospital and Hospital / Specialist Centre business segments by **1.9 times** from 56,073 sqm to 105,131 sqm

## Gross Rental Income by Geographical Location

- Singapore
- Indonesia OCR (Outside Core Region)
- Indonesia CCR (Core Central Region)

For 9 months ended 30 September 2010

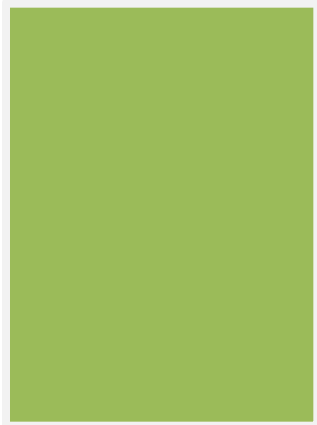
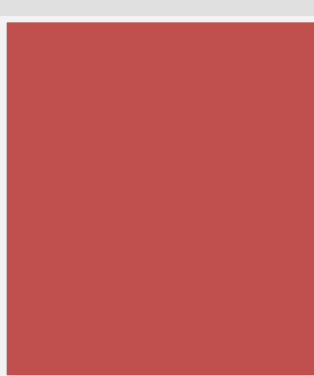


**179.0% increase** from the Indonesian CCR from S\$7.8 m to S\$21.8 m

**22.4% increase** from the Indonesian OCR from S\$12.6 m to S\$15.4 m



### 3. Key benefits to the Proposed Acquisitions



# Summary of key benefits

1

Unique opportunity to purchase attractive and high quality hospitals at prices below valuation in Jakarta, Indonesia

2

Increased income stability of First REIT through the MRCCC Master Lease Agreement and the SHLC Master Lease Agreement and increase in First REIT's weighted average lease to expiry

3

Increased absolute size of First REIT's asset base which may raise the profile of First REIT among global investors and increased portfolio size which enhances First REIT's competitive positioning and ability to pursue future acquisitions

4

Increased market capitalisation and potential increased liquidity through the Rights Issue

5

Enables First REIT to grow through the acquisition of a portfolio of hospitals which enhances the diversification of First REIT's portfolio across locations and medical specialisations

6

Yield accretive acquisition with expected increase in distribution yield to unitholders from Projection Year 2011

7

Increase in attractiveness of the enlarged portfolio given the reduction in the weighted average age of the properties in the enlarged portfolio after the completion of the Acquisitions

1

Unique opportunity to purchase **two attractive and high quality hospitals** at prices below valuation in Jakarta

## MRCCC

- Purchase consideration of S\$170.5 m
- Average valuation of S\$212.3 m<sup>1</sup>
- Discount of **19.7%**



Well-positioned for the **upper-income segment** of the market

## SHLC

- Purchase consideration of S\$35.0 m
- Average valuation of S\$40.6 m<sup>1</sup>
- Discount of **13.8%**



Well positioned for the growing **residential and industrial** areas of East Jakarta

<sup>1</sup> Average of two independent valuations

# Income stability & extended WALE

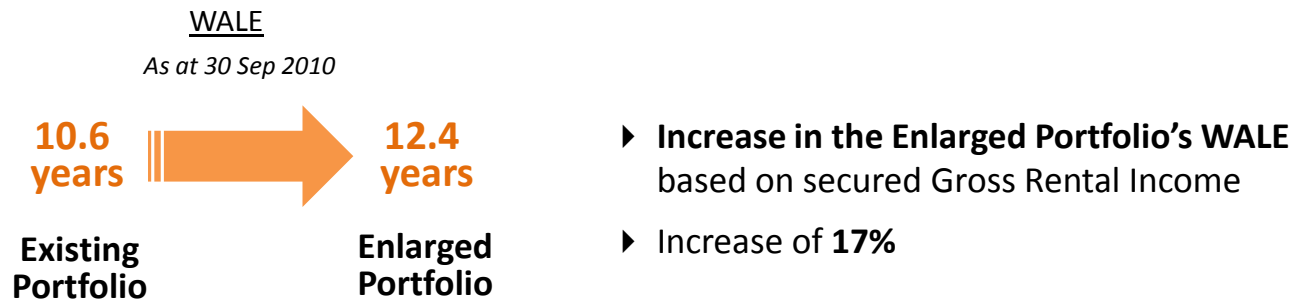
## 2 Increased **income stability** and **increase in weighted average lease expiry (“WALE”)**

**SHLC  
Master  
Lease  
Agreement**

**MRCCC  
Master  
Lease  
Agreement**

▶ **Stability in Gross Rental Income** over the next 15 to 30 years.

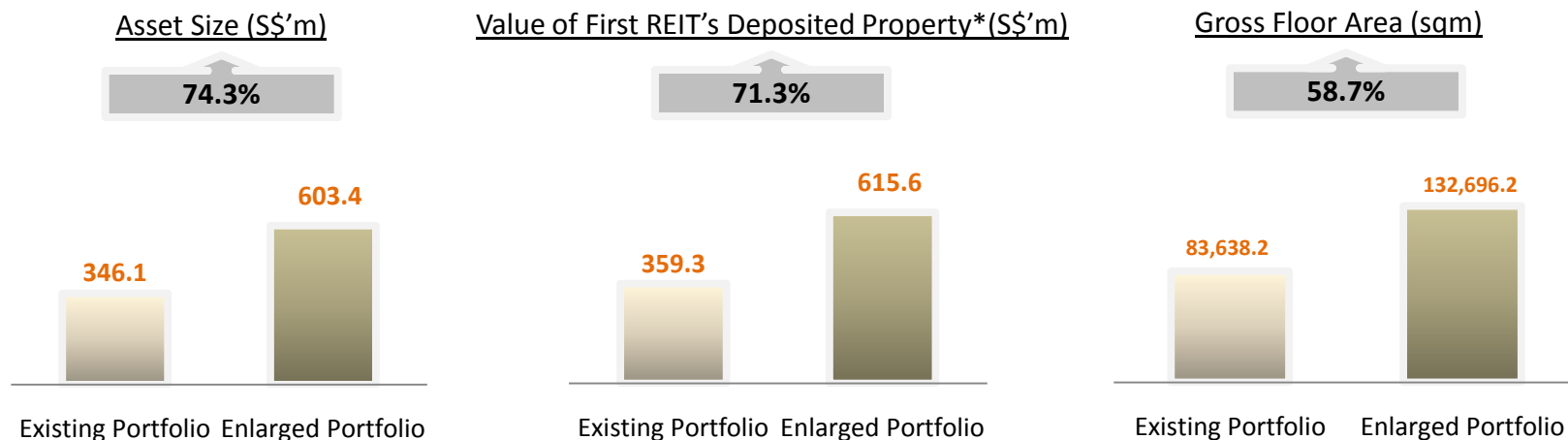
▶ Step-up feature of the base and variable rental components provide **locked-in organic growth** in First REIT’s cash flow.



▶ In line with the Manager’s strategy of acquiring assets that will provide **stable cash flows and returns** relative to First REIT’s cost of capital and opportunities for future income and capital growth.

# Enlarged asset base

3 Increased absolute size of asset base will **enhance First REIT's profile and competitive positioning**



• As at 30 September 2010

\* Refers to the gross assets of First REIT, including the properties and the authorised investments of First REIT for the time being held or deemed to be held upon the trusts under the trust deed dated 19 October 2006 constituting First REIT entered into between HSBC Institutional Trust Services (Singapore) Limited in its capacity as trustee of First REIT and the Manager.

- ▶ Expected to enhance First REIT's overall capital management flexibility, and facilitate future acquisitions by First REIT.
- ▶ Expected to benefit First REIT by improving diversification of Gross Rental Income.
- ▶ The operator of MRCCC and SHLC will also enjoy greater operating synergies in the long term which would indirectly benefit First REIT through higher variable rent.

## 4 Increased market capitalisation and potential increased liquidity through the Rights Issue

- ▶ To part finance the Acquisitions, up to 345,664,382 Rights Units will be issued.
- ▶ The issue of the Rights Units is expected to increase the market capitalisation of First REIT and will increase the number of Units in issue.
- ▶ Facilitates improvement in the trading liquidity of the Units on the SGX-ST.

5

Enhances the **diversification** of First REIT's portfolio across locations and medical specialisations as well as property and economic cycles

- ▶ The Properties are located in Indonesia in which First REIT already operates and are an extension of First REIT's Existing Portfolio.

- The 1<sup>st</sup> private comprehensive cancer treatment centre and treatment facilities.
- Most complete state-of-the-art equipment and the latest generation of smart IT-systems in Indonesia.
- Located in the central business district, South Jakarta, highly accessible and surrounded by major hotels.



MRCCC

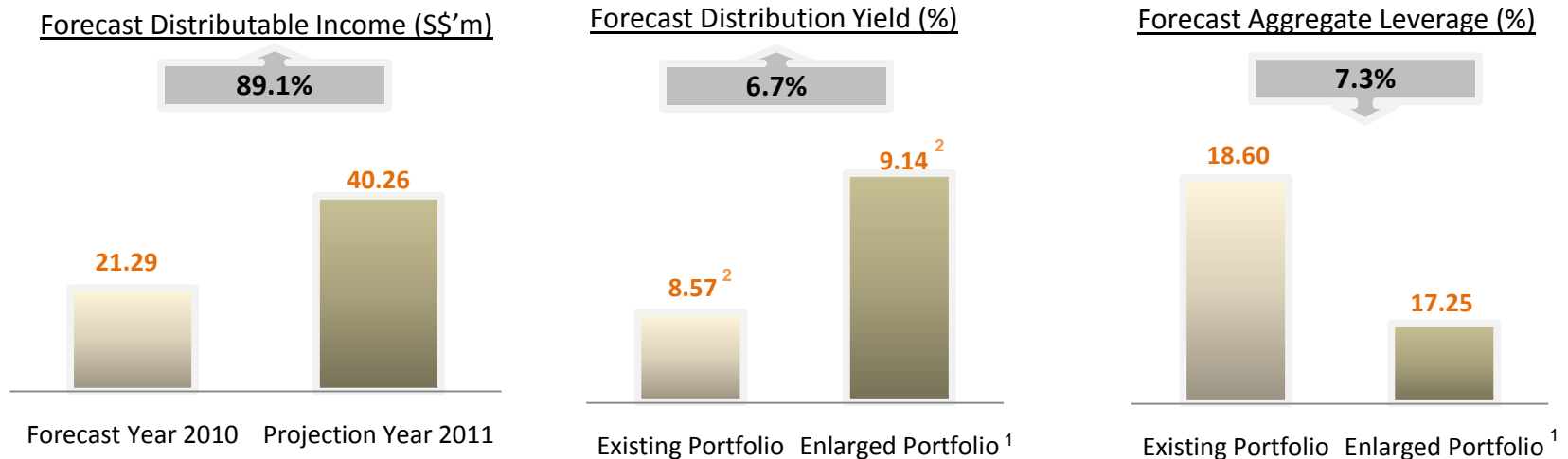
SLHC



- Providing a broad range of quality general and specialist services, including Accident and Emergency services with Centres of Excellence in Urology, Internal Medicine and Trauma.
- Located in east Jakarta, caters to the growing residential and industrial segments in that area.

# Expected increase in distribution yield

## 6 Yield accretive acquisitions with expected increase in distribution yield to unitholders from Projection Year 2011



<sup>1</sup> Assuming the Acquisitions and Rights Issue are completed on 1 January 2011

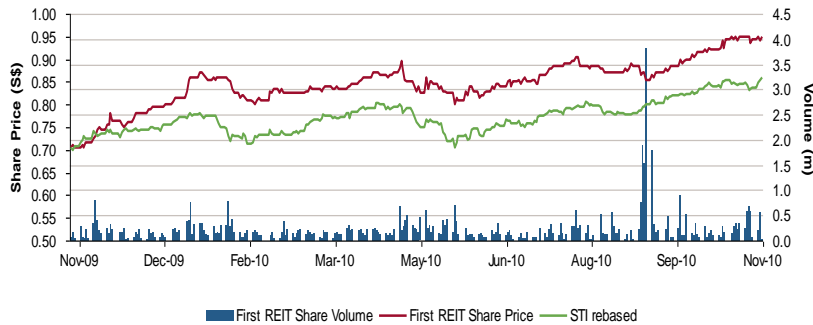
<sup>2</sup> Distribution yield before the Acquisitions and Rights Issue is calculated based on share price of S\$0.95 per unit as at 4 Nov 2010 whereas the distribution yield after the Acquisitions and the Rights Issue is based on the TERP of S\$0.70 per unit

- ▶ New Rights subscribers will be entitled to distribution for the period October to December 2010.
- ▶ Strengthens First REIT's financial position with sufficient capability for debt financing should the need arise in the future.



# First REIT offers attractive yield and has outperformed the STI

## First REIT vs. Straits Times Index

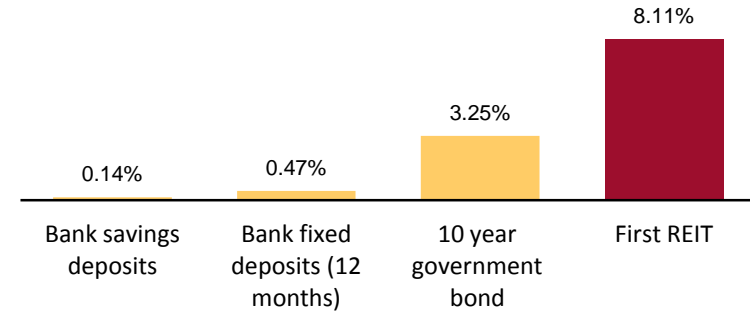


Source: Bloomberg.

Note: (1) Reflects First REIT's LTM share price performance against the STI as of 4 November 2010.

(2) STI Index rebased to First REIT's unit price on 3 November 2009.

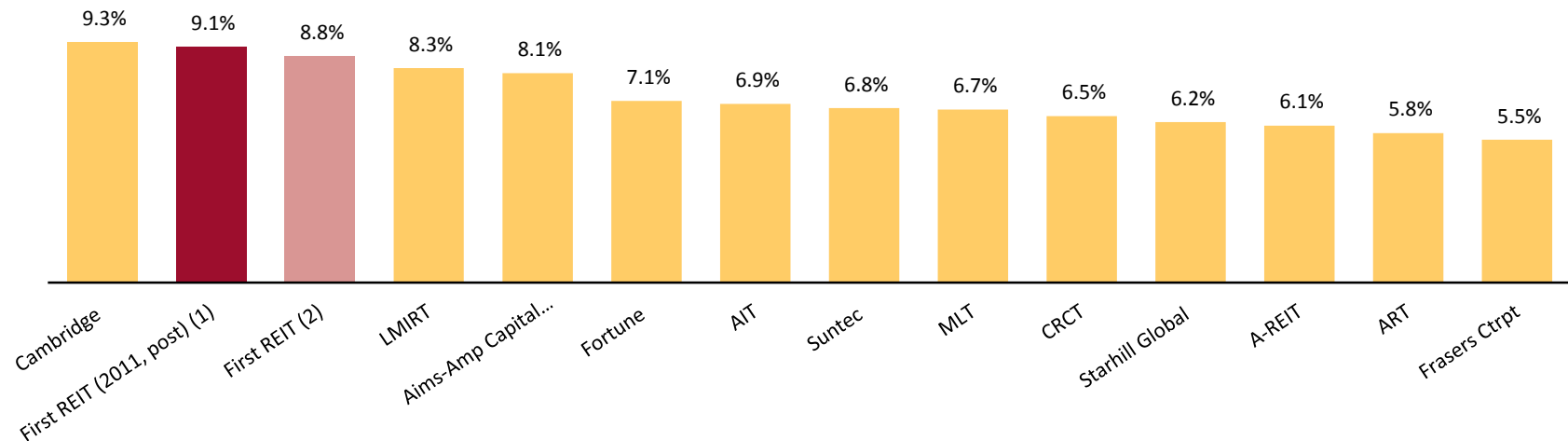
## Current yield comparison across financial instruments



Source: MAS website as at 4 November 2010.

Note: (1) Based on annualised DPU of 7.70 cents as reported in First REIT's 3Q 2010 presentation.

## Selected S-REITS dividend yield comparison (12 month trailing)



Source: IFA Report, Stirling Coleman

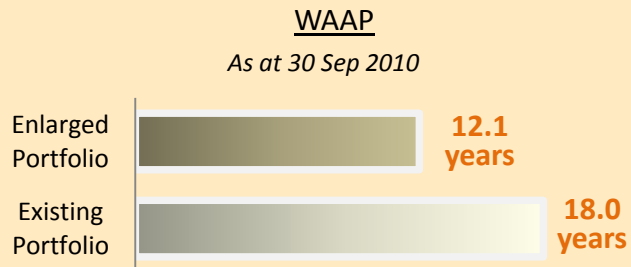
Note: (1) "First REIT (2011, post)" is the projected yield for projection year 2011, assuming the transactions are completed on 1 January 2011.

(2) Based on the pro forma distribution yield for the year ended 31 December 2009.

## 7 Increased attractiveness of the Enlarged Portfolio: reduction in the weighted average age of the properties (“WAAP”)

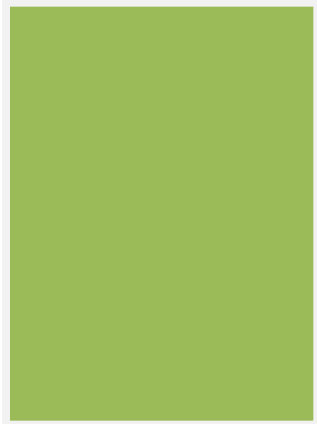
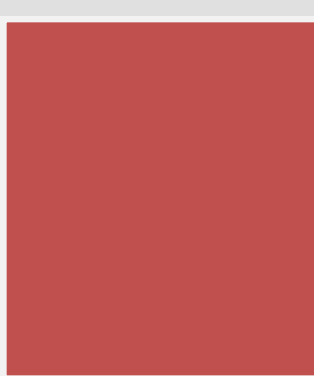
### New Properties

- ▶ MRCCC will begin operations in December 2010
- ▶ SHLC began operations in 2002



- ▶ As at 30 September 2010, the **WAAP will decrease 33%** from 18.0 years to 12.1 years

## 4. Rights Issue & Debt Financing



## Rights Issue

Size	▶ S\$172.8 million
Rights Issue Price	▶ S\$0.50 per Rights Unit
Rights Units	▶ 345,664,382
Rights Ratio	▶ 5 for 4
Implied TERP	▶ S\$0.70 per Unit
Discount to TERP	▶ 28.57%
Discount to Closing Price <sup>1</sup>	▶ 47.37%
Joint Lead Managers & Underwriters	▶ Credit Suisse ▶ OCBC Bank
Use of Net Proceeds	▶ To part finance the Acquisition of MRCCC ▶ To fully finance the Acquisition of SHLC

<sup>1</sup> Closing price of S\$0.95 as at 4 Nov 2010

## Rationale for Rights Issue

**The Manager believes that a rights issue is the most appropriate method of part-financing the Acquisitions**

- ▶ Broadens First REIT's capital base.
- ▶ Unitholders can subscribe for their pro rata entitlement to the Rights Units at an Issue Price of S\$0.50, a discount of 47.37% to the Closing Price<sup>1</sup>.
- ▶ The Issue Price is at a discount of 34.21% to the pro forma net asset value per Unit of S\$0.76 after completion of the Transactions<sup>2</sup>.

<sup>2</sup> Proforma as at 30 Sep 2010

## Debt Financing

<b>New Facility</b>	▶ S\$50.0 million
<b>Lender</b>	▶ OCBC Bank
<b>Use of Proceeds</b>	▶ To part finance the acquisition of MRCCC

- ▶ New term loan facility of up to S\$50.0 million from OCBC Bank
- ▶ S\$40.4 million is required to part finance the acquisition of MRCCC

# Rights Issue fully underwritten

- ▶ Right Issue of 345,664,382 units, or 125% of existing units
- ▶ Fully underwritten by Credit Suisse and OCBC Bank

## Lippo's Commitment

- ▶ The sponsor, PT Lippo Karawaci Tbk has committed to:
  - Take up its pro rata entitlement of 21.74%<sup>1</sup> of the Rights Issue, of 75,164,382 Units
  - Subscribe for up to 50% of the difference between its pro rata entitlement and the total number of Rights Issue Units ie up to 135,250,000

<sup>1</sup> PT Lippo Karawaci Tbk is deemed to be interested in 60,131,506 units through (i) 55,000,000 units held by its wholly-owned subsidiary, Bridgewater International Ltd and (ii) 5,131,506 units held by the Manager of First REIT

▶ An EGM is schedule for 29 November 2010 to seek unitholders' approval for the following resolutions:-

## 1 The MRCCC Acquisition

- ▶ The MRCCC Master Lease between First REIT and the sponsor will constitute an Interested Person Transaction requiring unitholder approval.
- ▶ The MRCCC Acquisition is not an Interested Person Transaction, nonetheless, the Manager is seeking the approval of the MRCCC Acquisition so as to take unitholders' views of the MRCCC Acquisition into account.

## 2 The SHLC Acquisition

- ▶ The SHLC Acquisition will constitute an Interested Person Transaction and also an Interested Party Transaction.
- ▶ The SHLC Master Lease will also constitute an Interested Party Transaction.
- ▶ Unitholder approval will be required for both the acquisition and the master lease.

## 3 The Rights Issue

- ▶ The Manager proposes to issue 345,664,382 Rights Units through the fully underwritten and renounceable Rights Issue to Eligible Unitholders on a pro rata basis of 5 units for every 4 units held.

## 4 The Whitewash Resolution

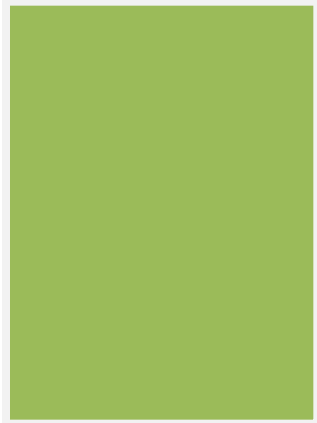
- ▶ Unitholder approval sought to enable the sponsor to (i) subscribe for the Proportionate Rights Units and the Commitment Rights Units, (ii) apply for the Excess Rights Units and/or (iii) acquire "nil-paid" rights.
- ▶ SIC has granted a waiver of the requirement by the sponsor and parties acting in concert with it to make a Mandatory Offer for units as a result of (i), (ii) or (iii) above.

# Indicative timetable

Event	Key Dates
▶ Last date and time for lodgement of Proxy Forms	27 November 2010 at 2.00 p.m.
▶ Date and time of Extraordinary General Meeting	29 November 2010 at 2.00 p.m.
▶ Place of the Extraordinary General Meeting	Mandarin Ballroom 2, Level 6, Main Tower, Mandarin Orchard Singapore, 333 Orchard Road, Singapore 238867
▶ Date on which the Transfer Books and Register of Unitholders of First REIT will be closed to determine the provisional allotments of Eligible Unitholders under the Rights Issue	3 December 2010
▶ Commencement of “nil-paid” rights trading period	8 December 2010
▶ Close of “nil-paid” rights trading period	16 December 2010
▶ Close of the Rights Issue	22 December 2010
▶ Expected date of issue of the Rights Units	30 December 2010
▶ Completion of the MRCCC Acquisition and the SHLC Acquisition	31 December 2010
▶ Expected date of commencement of trading of the Rights Units on the SGX-ST	31 December 2010



## 5. Pro Forma Financials



# Pro Forma DPU and Distribution Yield

## FY 2009

	Before the Transactions <sup>(1)</sup>	After the Transactions
Distributable income (S\$'000)	20,964	38,542
Units in issue and to be issued ('000)	275,474	624,104
DPU (Singapore cents)	7.62	6.18
<b>Distribution yield (%)</b>	<b>8.02<sup>(2)</sup></b>	<b>8.83<sup>(3)</sup></b>

- 1) Based on the FY2009 Audited Consolidated Financial Statements.
- 2) Based on the actual DPU divided by the Closing Price of S\$0.95 per Unit as at 4 Nov 2010.
- 3) Based on the adjusted DPU divided by the TERP of S\$0.70 per Unit.

## For the nine months ended 30 Sep 2010

	Before the Transactions <sup>(1)</sup>	After the Transactions
Distributable income (S\$'000)	15,900	29,579
Units in issue and to be issued ('000)	276,281	624,911
DPU (Singapore cents)	5.76	4.73
<b>Distribution yield (%)</b>	<b>6.06<sup>(2)</sup></b>	<b>6.76<sup>(3)</sup></b>

- 1) Based on the 9M2010 Unaudited Financial Statements.
- 2) Based on the actual DPU divided by the Closing Price of S\$0.95 per Unit as at 4 Nov 2010.
- 3) Based on the adjusted DPU divided by the TERP of S\$0.70 per Unit.

# Pro Forma NAV per Unit

## As at 31 Dec 2009

	Before the Transactions <sup>(1)</sup>	After the Transactions
NAV (S\$'000)	271,027	474,200
Units in issue and to be issued ('000)	275,474	624,104
<b>NAV per Unit (S\$)</b>	<b>0.98</b>	<b>0.76</b>

1) Based on the FY2009 Audited Consolidated Financial Statements.

## As at 30 Sep 2010

	Before the Transactions <sup>(1)</sup>	After the Transactions
NAV (S\$ '000)	270,122	473,295
Units in issue and to be issued ('000)	276,281	624,911
<b>NAV per Unit (S\$)</b>	<b>0.98</b>	<b>0.76</b>

1) Based on the 9M2010 Unaudited Financial Statements.

# Pro Forma Capitalisation

## As at 31 Dec 2009

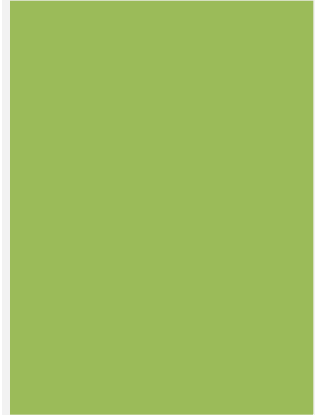
(S\$'000)	Actual	As Adjusted for the Transactions
Total debt	52,301	91,723
Total Unitholders' funds	271,027	474,200
<b>Total Capitalisation</b>	<b>323,328</b>	<b>565,923</b>

## As at 30 Sep 2010

(S\$'000)	Actual	As Adjusted for the Transactions
Total debt	56,847	96,269
Total Unitholders' funds	270,122	473,295
<b>Total Capitalisation</b>	<b>326,969</b>	<b>569,564</b>

- ▶ No short-term debt
- ▶ No refinancing until mid-2012

## Appendix: Overview of First REIT



1

## Investment Mandate

- A diversified portfolio of income-producing real estate and/or real estate related assets in Asia that are primarily used for healthcare and/or healthcare-related purposes

2

## Asset Size and Class

- S\$346.1 million (as at 30 Sep 2010)
- 3 hospitals and 1 hotel and country club in Indonesia
- 3 nursing homes and 1 hospital / specialist centre in Singapore

3

## Geographical Location

- Currently Indonesia and Singapore

4

## Leasing Tenancy Arrangement

- Long lease terms of minimum 10 years up to 15 years with step up escalation

5

## Financing Arrangement

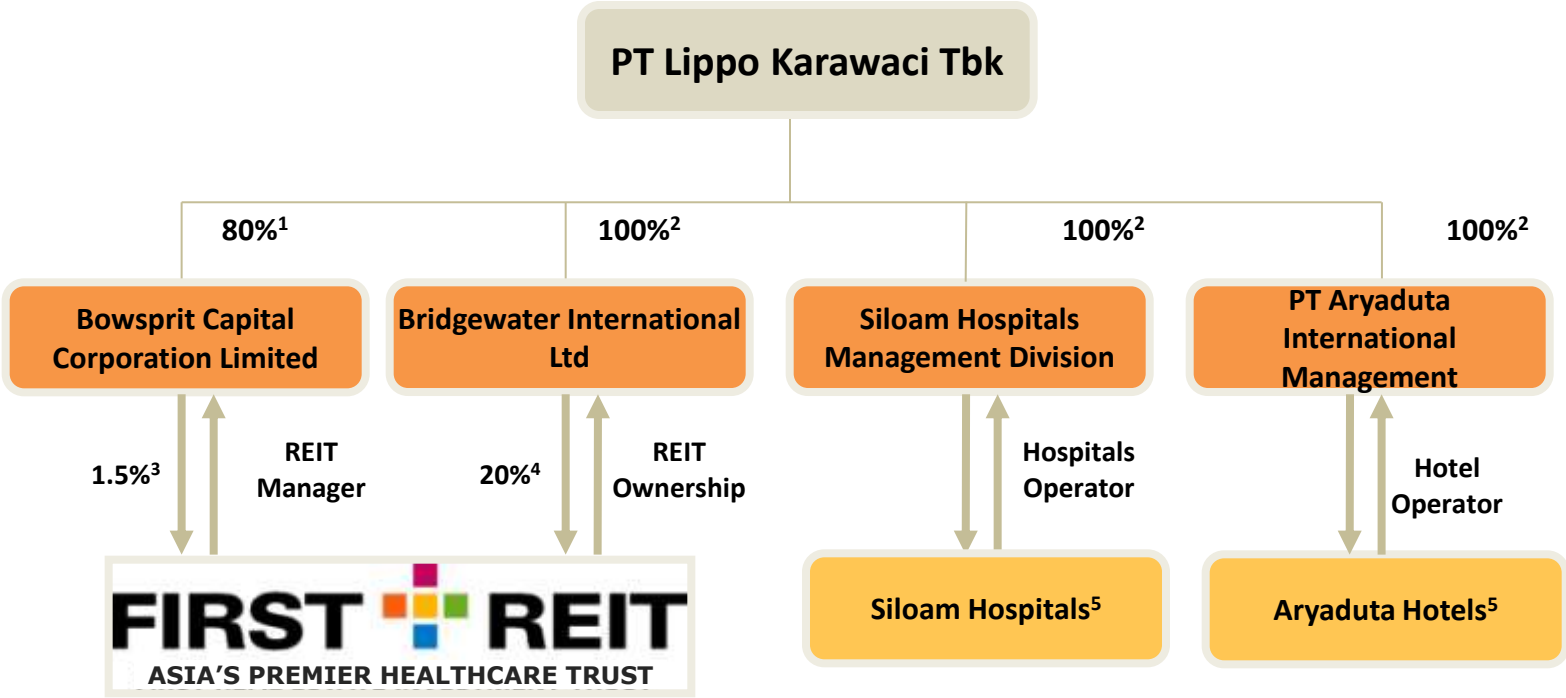
- Existing S\$70 million facility with OCBC Bank

6

## Institutional vs retail investors

- 75% vs 25% (estimated)

# Corporate Structure



<sup>1</sup> PT Lippo Karawaci Tbk owns 80% of Bowsprit Capital Corporation Limited

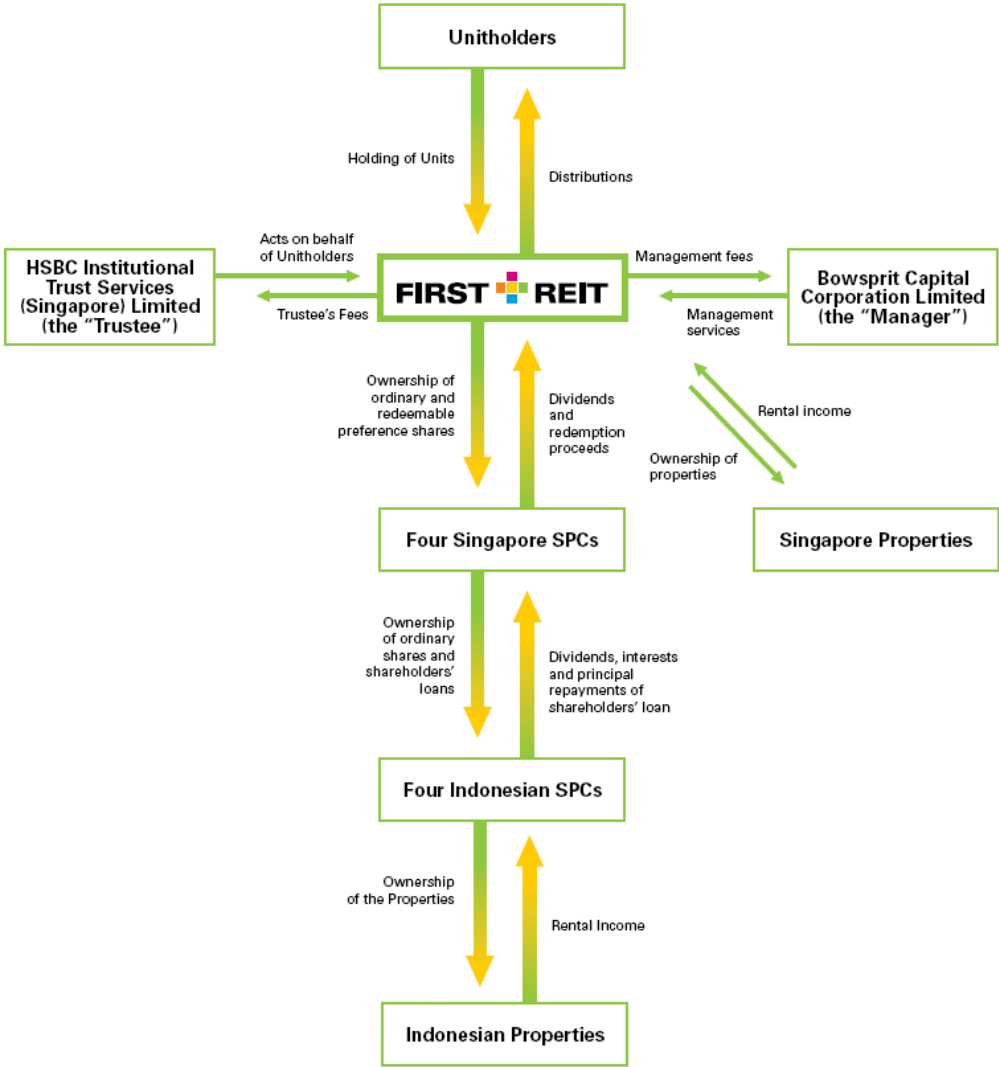
<sup>2</sup> PT Lippo Karawaci Tbk owns 100% of Bridgewater International Ltd, Siloam Hospitals Management Division, and PT Aryaduta International Management

<sup>3</sup> Bowsprit Capital Corporation Limited owns 1.5% of First REIT

<sup>4</sup> Bridgewater International Ltd owns 20% of First REIT

<sup>5</sup> First REIT owns 3 of Siloam Hospitals and 1 of Aryaduta Hotels & Country Club

# Trust Structure







## Premier Indonesian Property Company

- ▶ Created in 2004 through a strategic decision to merge 8 property-related companies
- ▶ The **largest listed property company in Indonesia** with revenues of Rp2.6tn (US\$285mm) for FY2009 and market capitalization of Rp9.1tn (approximately US\$1bn as at 13 September 2010)
- ▶ One of the **largest listed residential developers** in Indonesia
- ▶ Approximately 51% of revenue is recurring
- ▶ Dominates Indonesia's **Retail Malls** and **Hospitals**
  - **4 hospitals with 615 beds** under the Siloam Hospitals network
  - **20 hospitals** in the pipeline within the next 5 years
  - **National and international** accreditation
- ▶ Sustainable and diversified landbank of 1,601 ha and development rights of 7,266 ha (as at 30 June 2010)

# Portfolio highlights



## Indonesia

- 3 hospital properties with 537 beds
- 1 hotel and country club with 197 saleable rooms

- **15-year leases** with option to renew for 15 years
- Nearest date of renewal: Dec 2021


## Singapore

- 3 nursing homes with 672 beds
- 1 new hospital / specialist centre\* to be completed by mid-2011

- **10-year leases** with option to renew for 10 years
- Nearest date of renewals: Apr 2017



\* Currently under asset enhancement

	<b>Siloam Hospitals Lippo Village</b> 	<b>Siloam Hospitals Kebon Jeruk</b> 	<b>Siloam Hospitals Surabaya</b> 	<b>Imperial Aryaduta Hotel &amp; Country Club</b> 
<b>Type</b>	Hospital	Hospital	Hospital	Hotel & Country Club
<b>Land Area</b>	17,442 sqm	11,420 sqm	6,862 sqm	54,410 sqm
<b>Gross Floor Area ("GFA")</b>	27,284 sqm	18,316 sqm	9,227 sqm	17,427 sqm
<b>Purchase Price</b>	S\$94.3 million	S\$50.6 million	S\$16.8 million	S\$21.2 million
<b>Appraised Value<sup>1</sup></b>	S\$146.8 million	S\$81.2 million	S\$27.4 million	S\$30.9 million
<b>Annual Rental</b>	S\$12,613,000	S\$7,149,000	S\$2,827,000	S\$3,467,000
<b>No. of Beds / Saleable rooms</b>	188 <sup>2</sup>	192	157	197
<b>No. of Staff</b>	205 full time & part time doctors and 361 nurses & medical staff	212 specialist doctors and 314 nurses & medical staff	108 full time & part time doctors and 238 nurses & medical staff	--
<b>Year of Building Completion</b>	1995	1991	1977	1994
<b>Centre of Excellence</b>	Neuro-science centre, Heart centre	Urology centre, Orthopaedics	Fertility centre, Stroke centre	--
<b>Lease Terms</b>	15 years with option to renew for 15 years wef 11 Dec 2006	15 years with option to renew for 15 years wef 11 Dec 2006	15 years with option to renew for 15 years wef 11 Dec 2006	15 years with option to renew for 15 years wef 11 Dec 2006

- 1: Appraised by KJPP Hendra Gunawan & Rekan in association with Colliers International as at 26 December 2009
- 2: The full capacity of the hospital is 250 beds

	Pacific Healthcare Nursing Home @ Bukit Merah	Pacific Healthcare Nursing Home II @ Bukit Panjang	The Lentor Residence	Pacific Cancer Centre @ Adam Road*
				
<b>Type</b>	Nursing Home	Nursing Home	Nursing Home	Hospital / Cancer Centre
<b>Land Area</b>	1,984 sqm	2,000 sqm	2,486 sqm	1,818 sqm
<b>Gross Floor Area ("GFA")</b>	3,593 sqm	3,563 sqm	2,983 sqm	-
<b>Purchase Price</b>	S\$11.8 million	S\$11.5 million	S\$12.8 million	-
<b>Appraised Value<sup>1</sup></b>	S\$11.4 million	S\$11.1 million	S\$12.5 million	S\$19.6 million
<b>Annual Rental</b>	S\$952,000	S\$928,000	S\$1,030,000	S\$1,196,000
<b>No. of Beds</b>	259	265	148	-
<b>Year of Building Completion</b>	2004	2006	1999	To be completed in mid-2011
<b>Title</b>	30 years leasehold from 22 Apr 2002	30 years leasehold from 14 May 2003	99 years leasehold from 20 Aug 1938	Freehold
<b>Lease Terms</b>	10 years with option to renew for 10 years wef 11 Apr 2007	10 years with option to renew for 10 years wef 11 Apr 2007	10 years with option to renew for 10 years wef 8 Jun 2007	New 10-year lease with option to renew for 10 years from date of completion

• 1: Appraised by CB Richard Ellis (Pte) Ltd as at 26 December 2009

\* Formerly known as Adam Road Hospital, currently under redevelopment

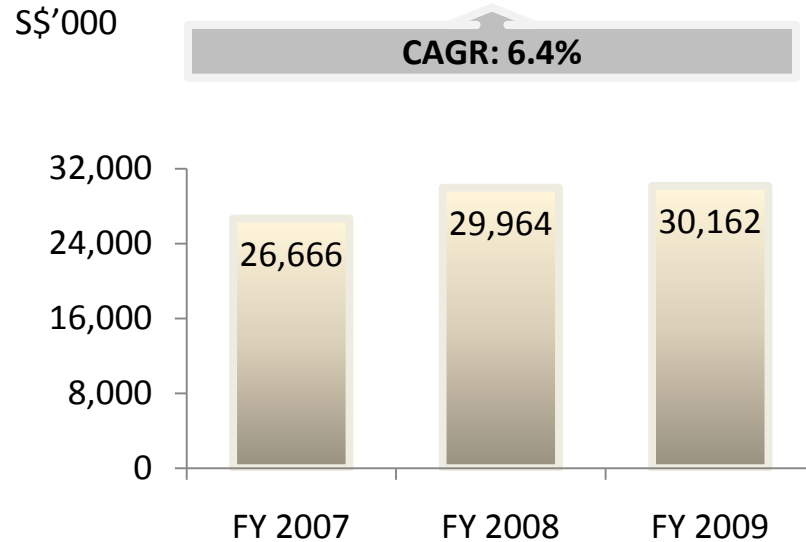
# Portfolio breakdown

Description	Country	Valuation (S\$m)				
		2006	2007	2008	2009	% (2009)
Siloam Hospitals Lippo Village	Indonesia	132.5	139.0	138.5	146.8	43%
Siloam Hospitals Kebon Jeruk	Indonesia	71.2	75.1	74.1	81.2	24%
Siloam Hospitals Surabaya	Indonesia	23.6	25.8	26.2	27.4	8%
Imperial Aryaduta Hotel & Country Club	Indonesia	29.8	31.8	32.2	30.9	9%
Subtotal		<u>257.1</u>	<u>271.7</u>	<u>271.0</u>	<u>286.3</u>	<u>84%</u>
Pacific Healthcare Nursing Home @ Bukit Merah	Singapore	-	12.0	12.0	11.4	3%
Pacific Healthcare Nursing Home II @ Bukit Panjang	Singapore	-	11.4	11.4	11.1	3%
The Lentor Residence	Singapore	-	13.0	13.0	12.5	4%
Pacific Cancer Centre @ Adam Road	Singapore	-	17.5	17.5	19.6	6%
Subtotal		-	<u>53.9</u>	<u>53.9</u>	<u>54.6</u>	<u>16%</u>
Grand Total		<u>257.1</u>	<u>325.6</u>	<u>324.9</u>	<u>340.9</u>	<u>100%</u>

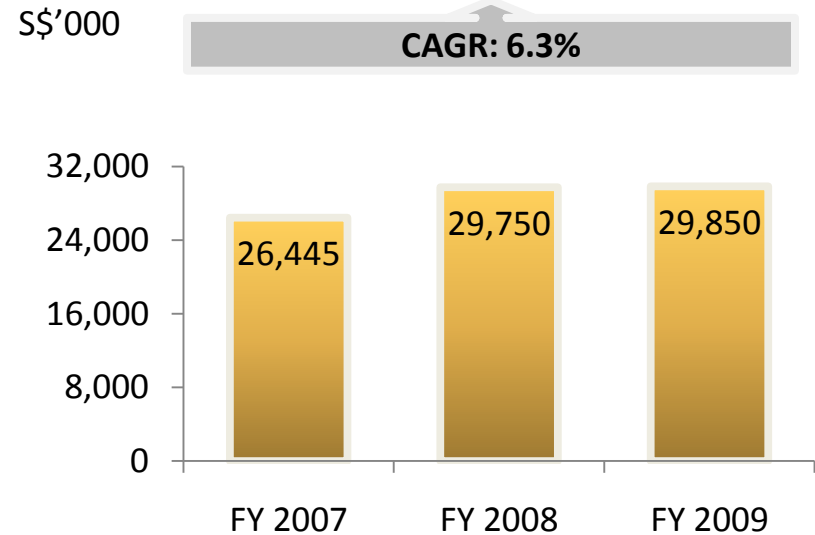
# Financial overview

Year ended 31 December

## Gross Revenue



## Net Property Income

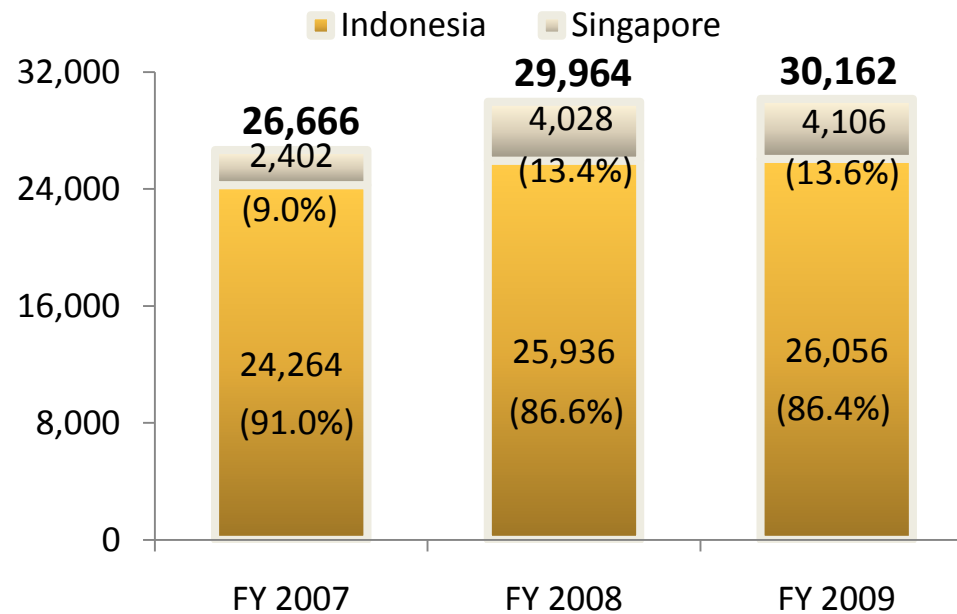


- ▶ Steady rental structure:
  - ❖ Fixed yearly rental increment for Singapore properties; base (2x percentage increase of Singapore CPI, capped at 2%) plus variable components (function of turnover growth) for Indonesia properties
- ▶ Long term leases denominated in Singapore dollars

# Rental income: breakdown by geography

Proportion of contributions from Indonesian and Singaporean properties remains consistent

S\$'000



- ▶ Higher revenue to be generated from Indonesia:
  - ❖ First REIT to enjoy a variable rental growth component of 1.25% of total gross revenue of the four Indonesian assets in FY 2010, in addition to the annual escalation based on 2 times Singapore CPI (capped at 2%)

Thank You

