

# Extraordinary General Meeting

28<sup>th</sup> December 2016

**FIRST**  **REIT**

FIRST REAL ESTATE INVESTMENT TRUST



# DISCLAIMER

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The value of units in First REIT (“Units”) and the income from them may fall as well as rise. 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.

This presentation may contain forward-looking statements that involve assumptions, risks and uncertainties based on the Manager’s current view of future events. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of risks, uncertainties and assumptions – representative examples include, without limitation, general economic and industry conditions, interest rate trends, cost of capital, capital availability, shifts in expected levels of property rental income, change in operating expenses, property expenses and government and public policy changes and continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view of future events.

The past performance of First REIT is not necessarily indicative of the future performance of First REIT.

# PROPOSED ACQUISITION



Siloam Hospitals Labuan Bajo

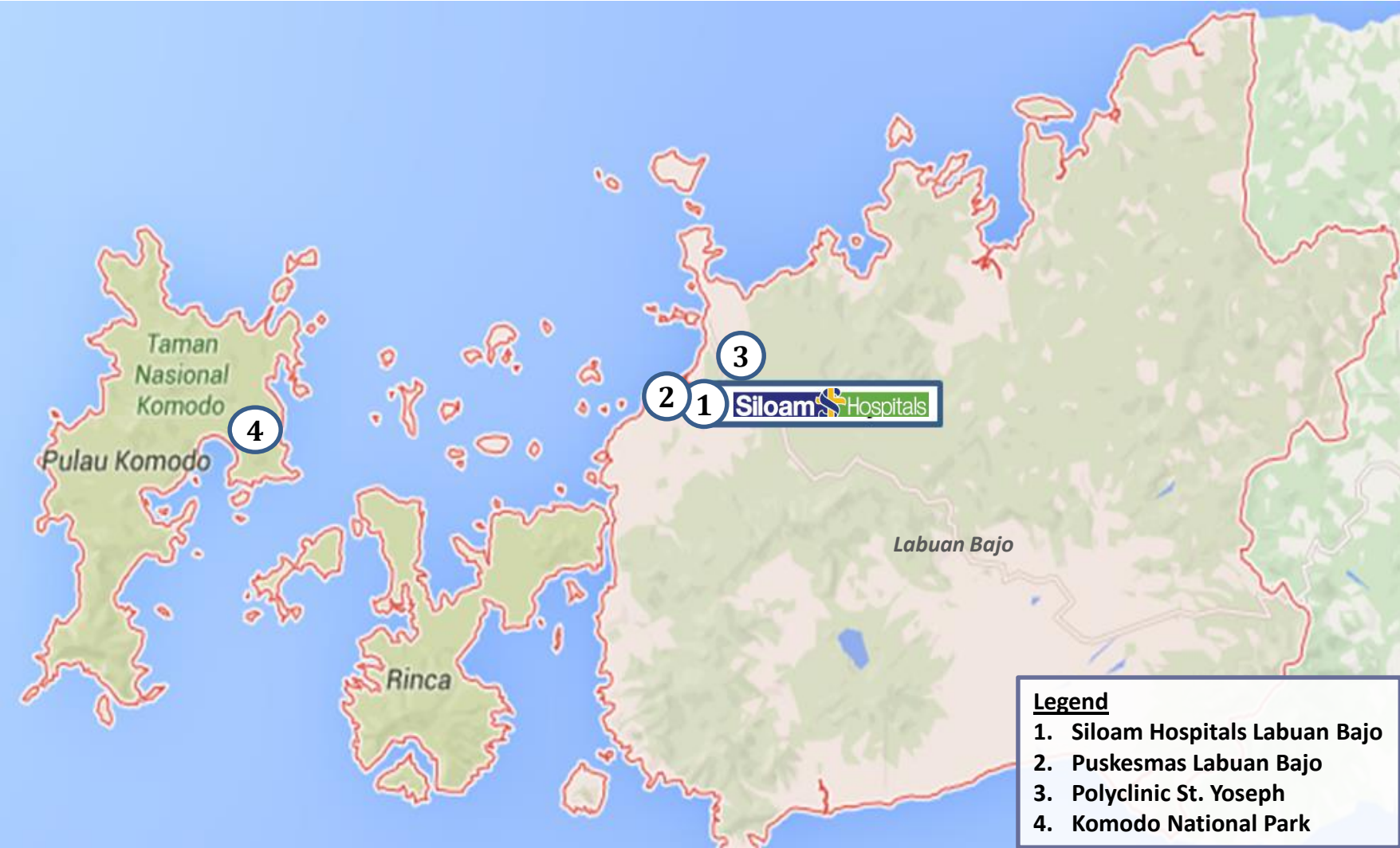
# WHERE IS LABUAN BAJO?



Previously a small fishing village, Labuan Bajo is now a busy and attractive tourist destination, being a gateway to the famous Komodo National Park (on Komodo Island), as well as Rinca Island. Its diversity of marine life has also fostered snorkelling and diving activities.

Siloam Hospitals Labuan Bajo is currently the only hospital facility in Labuan Bajo and the West Manggarai Regency.

# LABUAN BAJO – LOCATION MAP & KEY LANDMARKS



# LABUAN BAJO – TOURISM HOTSPOT



View from Komodo Island

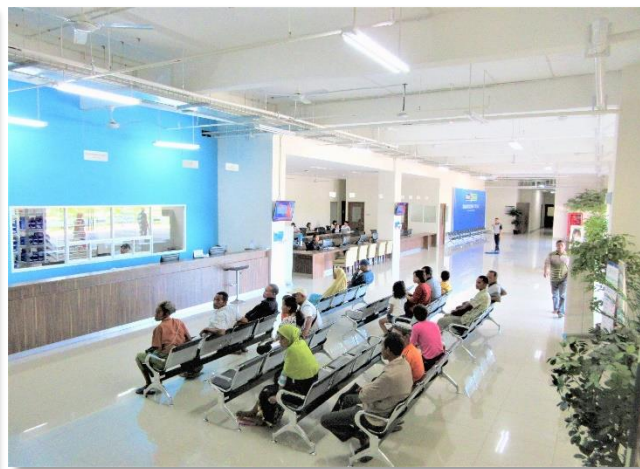


Komodo Island



Pristine Beaches with Diving Spots

# SILOAM HOSPITALS LABUAN BAJO



<b>Property Type</b>	Hospital	<b>Master Lessee</b>	PT Lippo Karawaci Tbk & PT Lintas Buana Jaya <sup>1</sup>
<b>Purchase Consideration</b>	<b>S\$20.0 million</b>	<b>Base Rent</b>	Initial base rent of S\$1.85 million per annum 9.25% gross yield
<b>Valuations</b>	<b>S\$20.50 million by Rengganis<sup>2</sup></b> <b>S\$20.58 million by Alberth<sup>3</sup></b>	<b>Base Rent Escalation</b>	Takes effect from the sixth year and for subsequent years of the SHLB Master Lease at a rate equal to 2x percentage increase of Singapore CPI, capped at 2% For each five-year period after the initial five-year period, the increase is subject to a further cap of 5%.
<b>Discount to Valuation</b>	<b>2.82%</b> <i>(based on higher of 2 valuations)</i>	<b>Variable Rent</b>	Takes effect from the sixth year and for subsequent years of the SHLB Master Lease based on SHLB Gross Operating Revenue growth
<b>Financing</b>	Drawdown of committed debt and internal cash	<b>Lease Term</b>	15 years with option to renew for a further 15 years
<b>Property Title</b>	HGB (Right to Build) title certificate expiring on 11 May 2045		

<sup>1</sup> PT Lintas Buana Jaya is a wholly owned subsidiary of PT Siloam International Hospitals Tbk

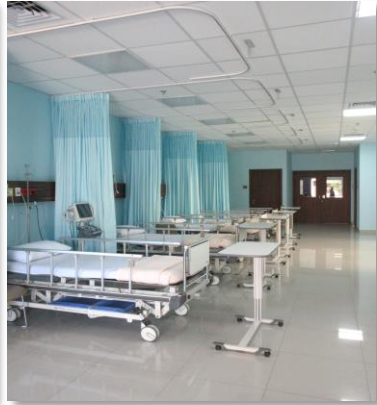
<sup>2</sup> KJPP Rengganis, Hamid & Rekan in strategic alliance with CBRE Pte. Ltd., appraised as at 19 October 2016

<sup>3</sup> KJPP Rinaldi, Alberth, Baroto & Partners., appraised as at 19 October 2016

# PROPERTY DETAILS: SILOAM HOSPITALS LABUAN BAJO

Jl. Gabriel Gampur, RT.013/RW.005, Dusun V – Desa / Kelurahan Gorontalo – Kecamatan Komodo Kabupaten Manggarai Barat, Indonesia

Established	2015	Land Area	2,837 sqm
Hospital Beds	153	Gross Floor Area	7,604 sqm
Property Classification	Hospital	Centre of Excellence	Emergency Medicine, Internal Medicine and Neuroscience

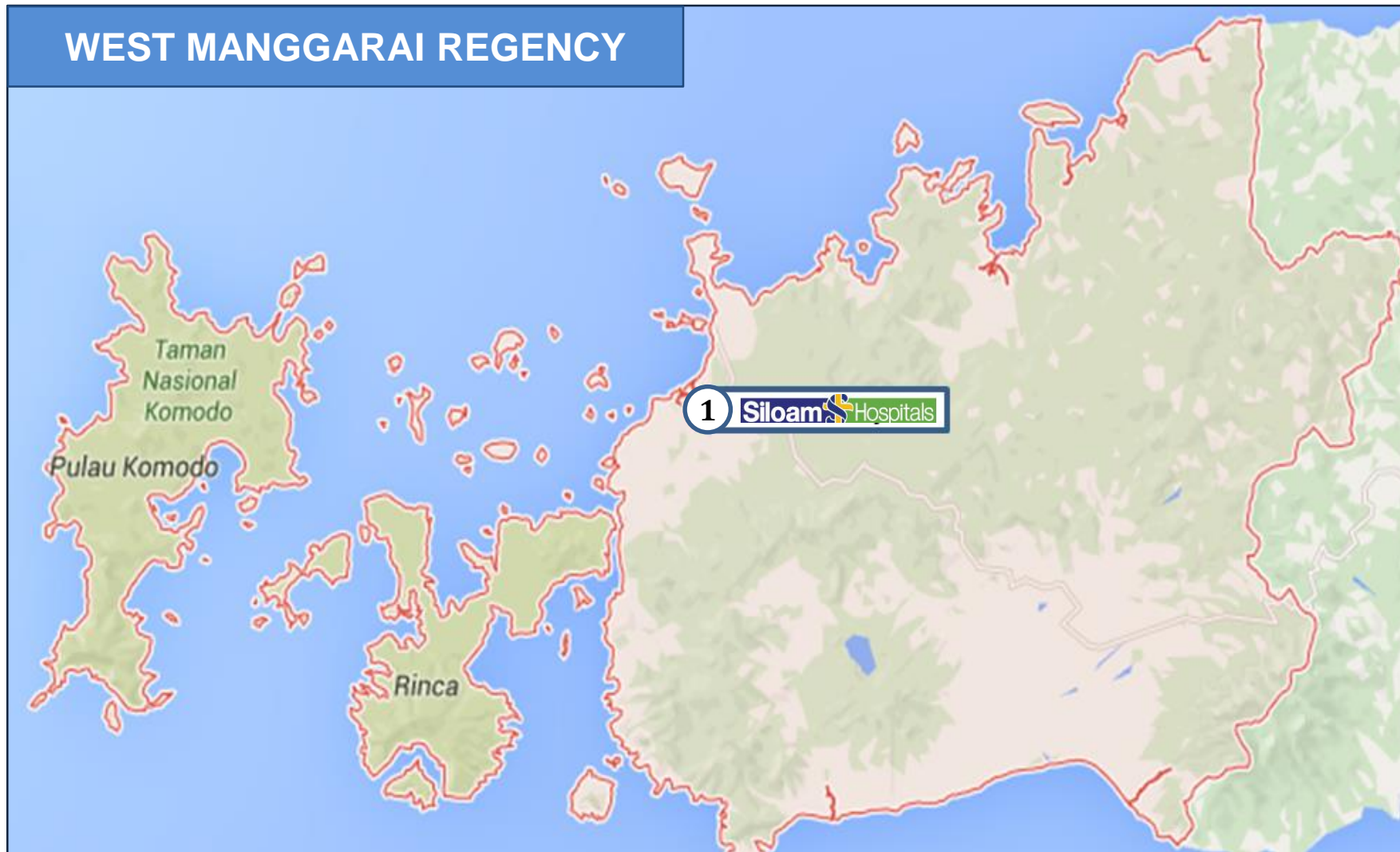


- ▶ SHLB is a newly-built three-storey hospital building which commenced operations in mid-January 2016
- ▶ Some medical facilities available include emergency rooms, operating theatres, delivery rooms, outpatient clinics, inpatient services, isolation rooms, intensive care unit, neonatal intensive care unit, X-ray machines, ultrasonography and 3-dimension echocardiography
- ▶ Various medical services offered include mammography, cardiology, dentistry, dermatology, general surgery, haemodialysis, internal medicine, paediatrics, obstetrics and gynaecology, medical rehabilitation and physiotherapy, radiology and trauma



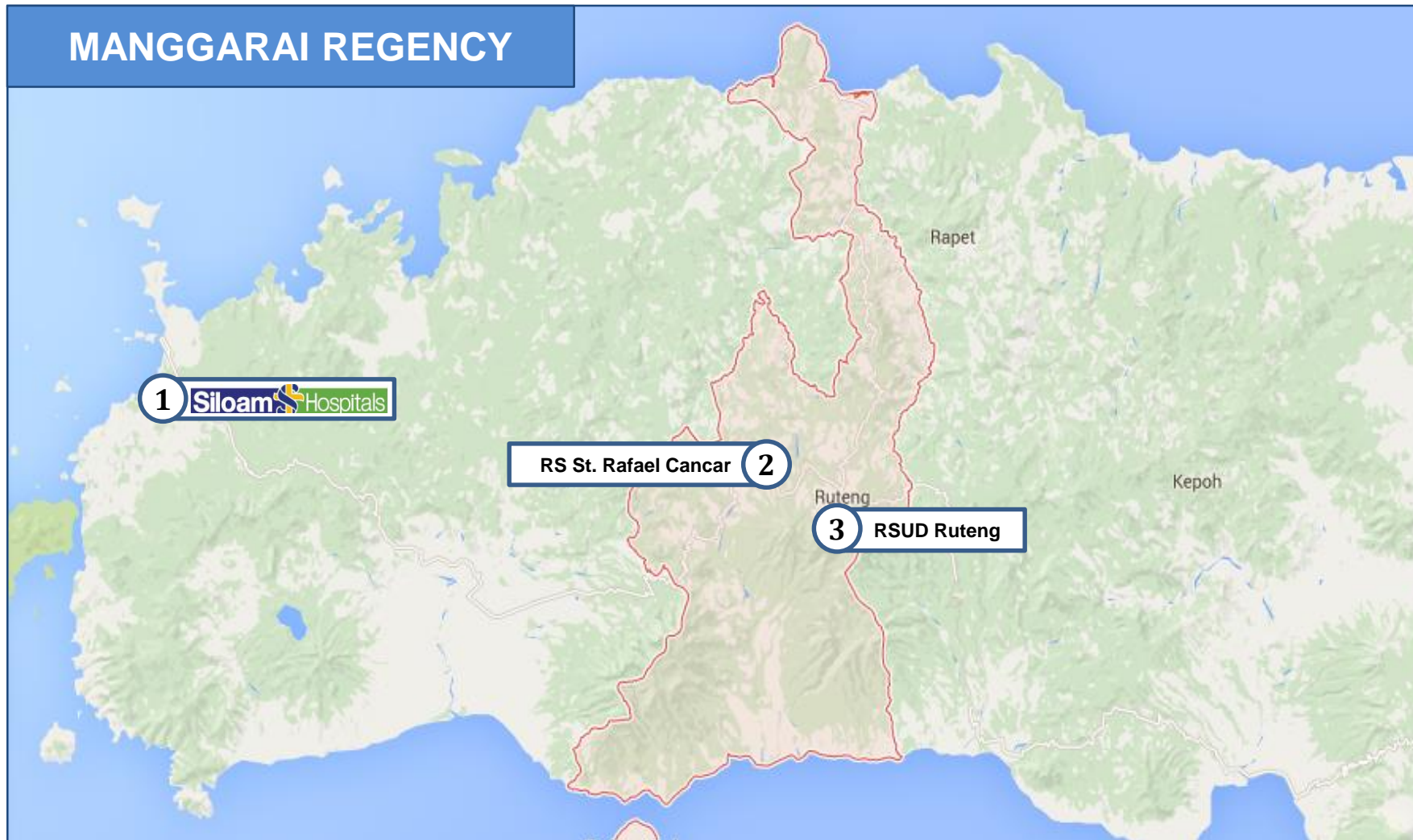
# SHLB – TARGET CATCHMENT AREA

## WEST MANGGARAI REGENCY



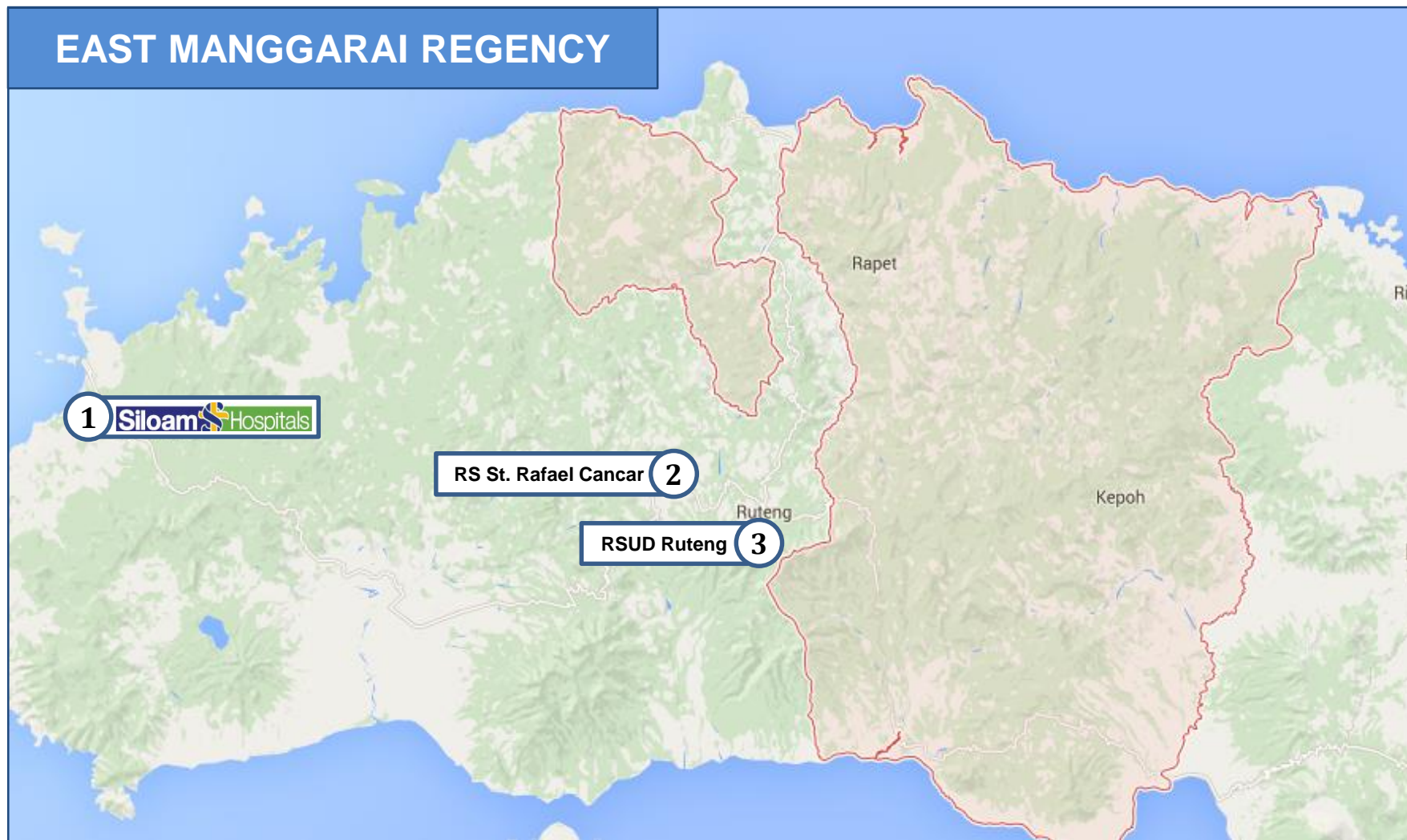
# SHLB – TARGET CATCHMENT AREA

## MANGGARAI REGENCY



# SHLB – TARGET CATCHMENT AREA

## EAST MANGGARAI REGENCY



# SHLB – TARGET CATCHMENT AREA ANALYSIS

Catchment Area	Population (2015)	Target Patients	Key Services Required
West Manggarai Regency	245,187	<ul style="list-style-type: none"> <li>• Low to high income population</li> <li>• Domestic and foreign government officials</li> <li>• Tourists</li> </ul>	<ul style="list-style-type: none"> <li>• Medical check up</li> <li>• Specialist services, including Gynaecology &amp; Obstetrics, Paediatrics and Internal Medicine</li> <li>• Diagnostic services such as CT Scan, MRI</li> <li>• Emergency &amp; Trauma</li> </ul>
Manggarai Regency	319,607	<ul style="list-style-type: none"> <li>• Mainly middle income population</li> </ul>	<ul style="list-style-type: none"> <li>• Specialist services including Gynaecology &amp; Obstetrics, Paediatrics and Internal medicine</li> <li>• Emergency &amp; Trauma</li> </ul>
East Manggarai Regency	264,979 (2013)		

## Advanced Healthcare Services by Siloam Hospitals

First and most advanced hospital in West Manggarai Regency, operated by the renown Siloam Hospitals Group.

## Growing Tourism Hotspot

Labuan Bajo is surrounded by ecotourism attractions growing in popularity and gaining international interest with direct flights from Jakarta and Bali.

## Outlook

SHLB will strengthen and maintain its first-mover position as a private hospital providing healthcare services with advanced medical technology.

# SHLB – KEY DIFFERENTIATORS



## Pillars of SHLB's differentiation strategy

### Excellence in Emergency Services

- Well-equipped Emergency & Trauma Department
- Only hospital in West Manggarai Regency with Rapid Response System
- Dedicated hotline for immediate ambulance dispatch service

### Comprehensive equipments & technologies

- Equipped with advanced diagnostic technologies including 16-slice CT scanner, X-ray machine and Haemodialysis machines
- First healthcare provider with CT Scan and Haemodialysis services in West Manggarai Regency

### Robust doctor partnership program

- SHLB provides attractive remuneration packages, employee benefits, and career development opportunities as incentives to retain its medical personnel

### Building on Siloam's existing regional infrastructure & network

- SHLB liaises with Siloam Hospitals Kupang (also located in the East Nusa Tenggara Province and already owned by First REIT) for referrals
- Doctors will be allowed to conduct consultations, assess medical diagnostic reports and provide clinical instructions remotely

# KEY MERITS OF THE SHLB ACQUISITION

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## 1. **An attractive and high quality property in the new locality of Labuan Bajo**

- Labuan Bajo is an attractive tourist destination with its marine wildlife
- Gateway to the famous Komodo National Park at Komodo Island, as well as Rinca Island
- Well-positioned for low to middle income segment of healthcare market
- Purchase consideration at 2.63% discount to average valuation

## 2. **Increased income stability through the SHLB Master Lease and increase in WALE**

- New Master Lease will provide stability to First REIT's Gross Rental Income over the next 15 years (30 years if the option to renew is exercised)
- Weighted average lease to expiry of the portfolio will increase from 10.8 years to 10.9 years

## 3. **Increased asset base will raise First REIT's profile among global investors and increased portfolio size in terms of lettable floor area, property income and number of beds will enhance competitive positioning and ability to pursue future acquisitions**

- Asset size will grow from S\$1.27 billion (as at 31 December 2015) to S\$1.29 billion
- Total GFA will grow from 306,707 sq m to 314,311 sq m
- Maximum number of hospital beds for the Indonesia properties will increase from 3,283 to 3,436

# KEY MERITS OF THE SHLB ACQUISITION

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## 4. Diversification of First REIT's portfolio across locations and medical specialisations

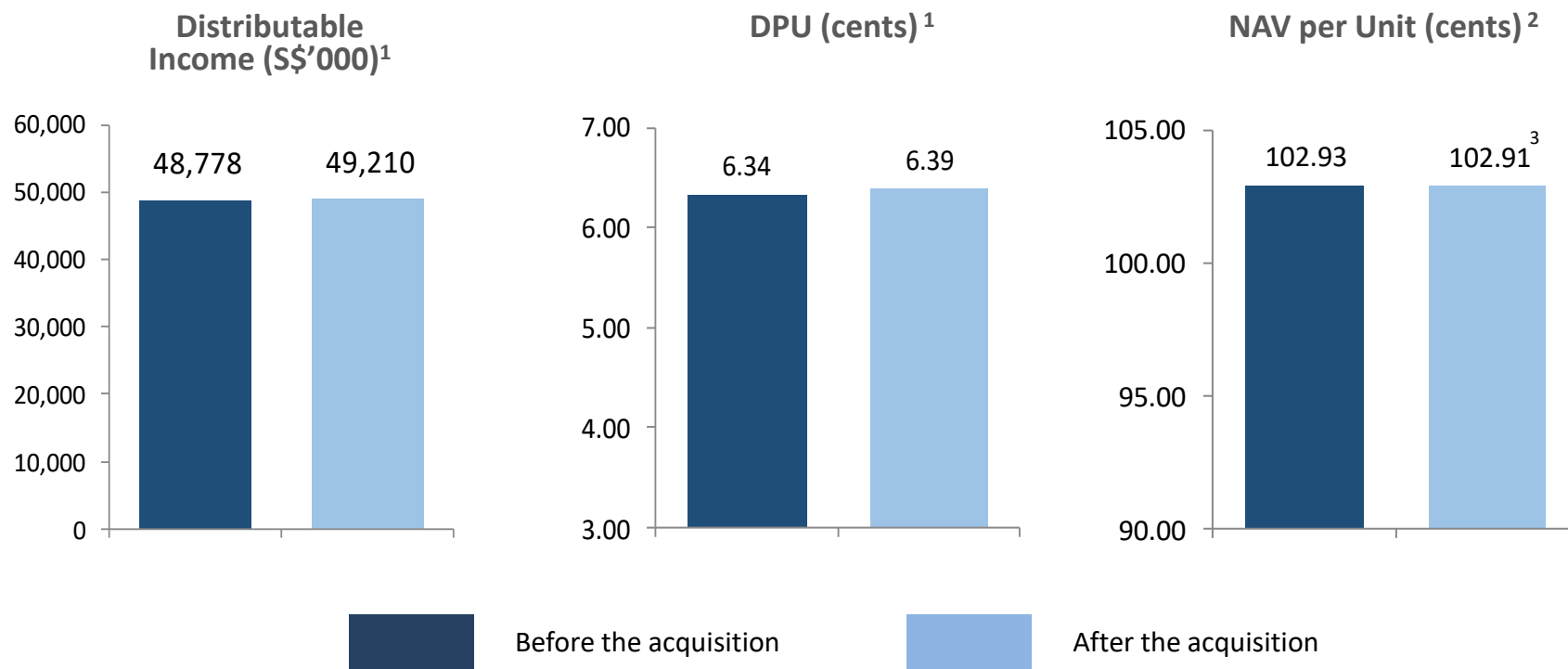
- Prior to the commencement of operations of SHLB, no other existing hospital facility in Labuan Bajo
- SHLB is modern and is fitted with medical facilities with various medical services offered

## 5. Reduction in the weighted average age of the properties in the portfolio as SHLB is newly built

- Weighted average age of properties will decrease from 9.3 years to 9.1 years

# PRO FORMA FINANCIAL EFFECTS

For nine-month period ended 30 September 2016



<sup>1</sup> As if First REIT had purchased SHLB on 1 January 2016, and held and operated SHLB through to 30 September 2016

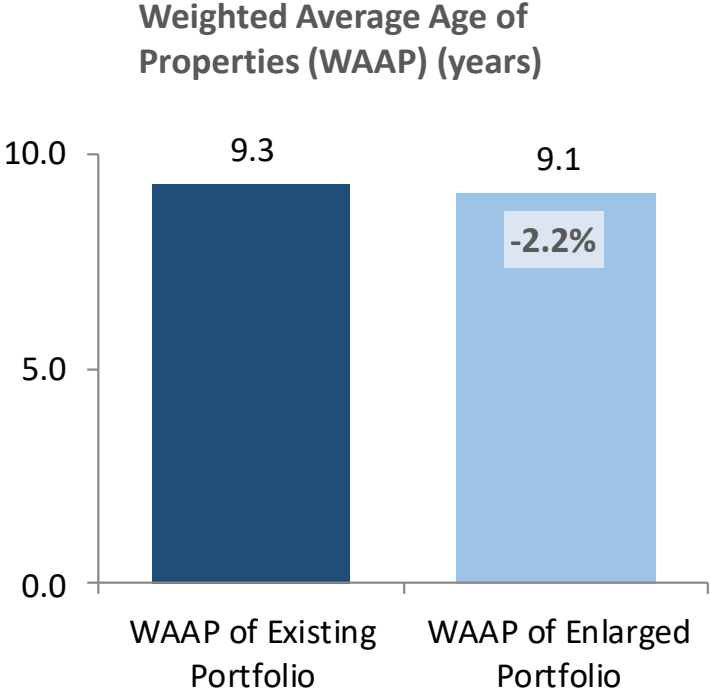
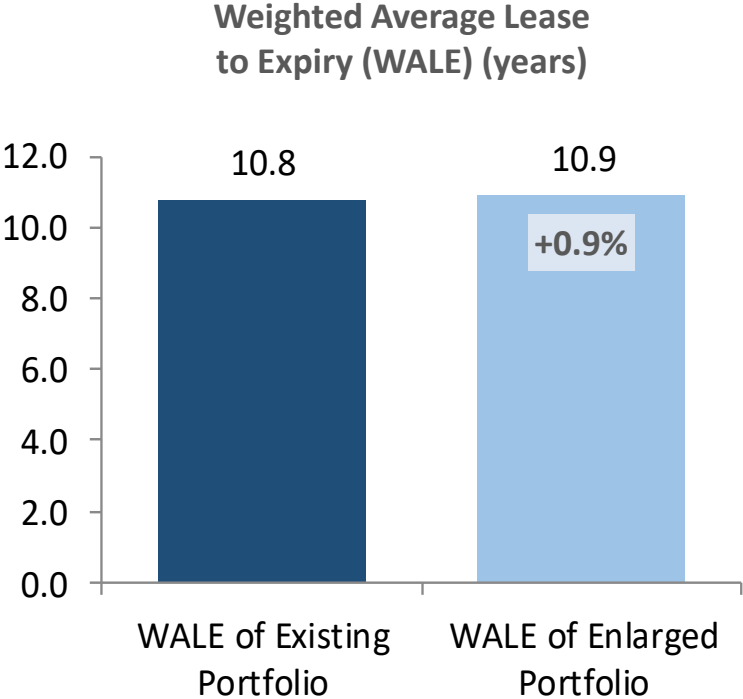
<sup>2</sup> As if First REIT had purchased SHLB on 30 September 2016

<sup>3</sup> Due to the issuance of 156,188 Units in payment of the SHLB Acquisition Fee and 39,359 Units in payment of the management fee at the assumed issued price of S\$1.2805 per Unit, being the weighted average traded price for the 10 Market Days before the Latest Practicable Date (1 December 2016)



# EFFECTS OF ENLARGED PORTFOLIO

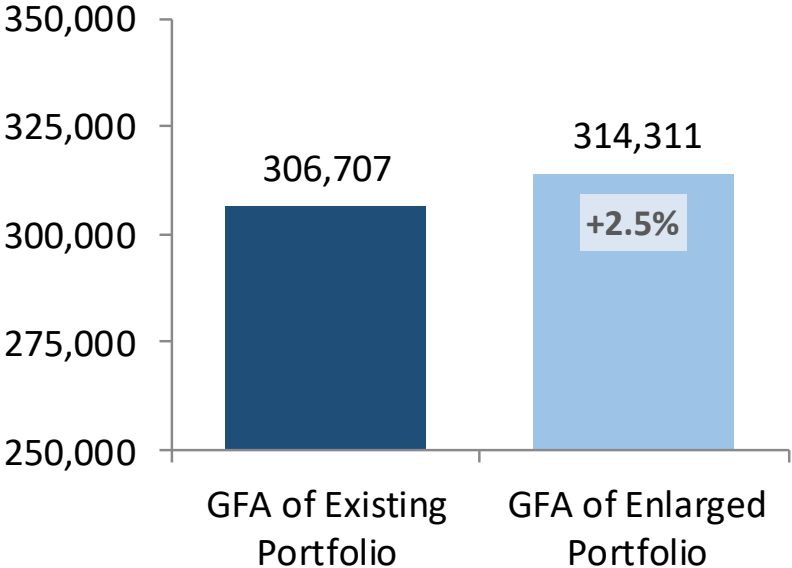
## Effects on Weighted Average Lease Expiry and Weighted Average Age of Property



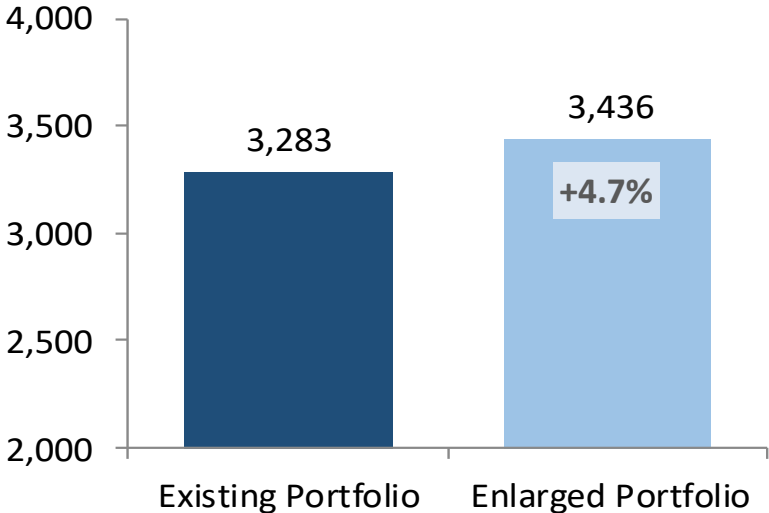
# EFFECTS OF ENLARGED PORTFOLIO

## Effects on Gross Floor Area and Number of Hospital Beds

Total Gross Floor Area (GFA) (sqm)



Total Number of Hospital Beds



# GROWTH IN ASSET SIZE

## ASSETS-UNDER-MANAGEMENT (S\$'million)



**THANK YOU**

Q&As

**FIRST**  **REIT**  
FIRST REAL ESTATE INVESTMENT TRUST



**Siloam Hospitals Lippo Village**

# PROPERTY DETAILS

**FIRST REIT**  
FIRST REAL ESTATE INVESTMENT TRUST



**Imperial Aryaduta Hotel &  
Country Club**

# FIRST REIT PROPERTY: INDONESIA



**Siloam Hospitals Kupang & Lippo Plaza Kupang**



**Siloam Sriwijaya**



**Siloam Hospitals Purwakarta**

Type	Integrated Hospital & Mall	Hospital	Hospital
Centre of Excellence	Emergency & Trauma, Obstetrics, Gynaecology and Paediatrics	Emergency & Trauma, Gastroenterology	Emergency & Trauma
Land Area	66,060 sqm	--	7,990 sqm
Gross Floor Area	55,368 sqm	15,709 sqm <sup>(2)</sup>	8,254 sqm
Purchase Price	S\$70.0 m	S\$39.16 m	S\$31.0 m
Appraised Value	S\$75.4 m <sup>(1)</sup>	S\$42.1 m	S\$39.1 m
Max no. of Beds / Saleable rooms	405	347	203
Year of Building Completion	2014	2012	2005 & 2008
Lease Commencement Date	14 December 2015	29 December 2014	28 May 2014
Lease Terms	15 years with option to renew for 15 years	15 years with option to renew for 15 years	15 years with option to renew for 15 years
Lease Expiry Date	13 December 2030	28 December 2029	27 May 2029

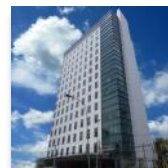
<sup>(1)</sup> Appraised by KJPP Winarta & Rekan as the valuation arm of Jones Lang LaSalle, as at 1 October 2015

<sup>(2)</sup> The strata floor area of Siloam Sriwijaya is 15,709 sqm

# FIRST REIT PROPERTY: INDONESIA



**Siloam Hospitals  
Bali**



**Siloam Hospitals  
TB Simatupang**



**Siloam Hospitals Manado &  
Hotel Aryaduta Manado**

Type	Hospital	Hospital	Integrated Hospital & Hotel
Centre of Excellence	Cardiology, Emergency & Trauma, Orthopaedics	Cardiology, Emergency & Trauma, Neuroscience, Oncology	Emergency & Trauma
Land Area	9,025 sqm	2,489 sqm	5,518 sqm
Gross Floor Area	20,958 sqm	18,605 sqm	36,051 sqm
Purchase Price	S\$97.3 m	S\$93.1 m	S\$83.6 m
Appraised Value	S\$124.8 m	S\$119.7 m	S\$104.7 m
Max no. of Beds / Saleable rooms	295	271	224 beds / 200 rooms
Year of Building Completion	2012	2013	2011
Lease Commencement Date	13 May 2013	22 May 2013	30 Nov 2012
Lease Terms	15 years with option to renew for 15 years	15 years with option to renew for 15 years	15 years with option to renew for 15 years
Lease Expiry Date	12 May 2028	21 May 2028	29 Nov 2027

# FIRST REIT PROPERTY: INDONESIA



**Siloam Hospitals  
Makassar**



**Mochtar Riady  
Comprehensive Cancer Centre**



**Siloam Hospitals  
Lippo Cikarang**

Type	Hospital	Hospital	Hospital
Centre of Excellence	Cardiology, Emergency & Trauma, Endocrinology	Emergency & Trauma, Gastroenterology, Oncology	Emergency & Trauma, Internal Medicine, Urology
Land Area	3,963 sqm	4,145 sqm	9,900 sqm
Gross Floor Area	14,307 sqm	37,933 sqm	11,125 sqm
Purchase Price	S\$59.3 m	S\$170.5 m	S\$35.0 m
Appraised Value	S\$73.4 m	S\$264.3 m	S\$46.7 m
Max no. of Beds / Saleable rooms	416	375	126
Year of Building Completion	2012	2010	2002
Lease Commencement Date	30 Nov 2012	30 Dec 2010	31 Dec 2010
Lease Terms	15 years with option to renew for 15 years	15 years with option to renew for 15 years	15 years with option to renew for 15 years
Lease Expiry Date	29 Nov 2027	29 Dec 2025	30 Dec 2025



# FIRST REIT PROPERTY: INDONESIA



**Siloam Hospitals  
Lippo Village**



**Siloam Hospitals  
Kebon Jeruk**



**Siloam Hospitals  
Surabaya**



**Imperial Aryaduta  
Hotel & Country Club**

Type	Hospital	Hospital	Hospital	Hotel & Country Club
Centre of Excellence	Cardiology, Emergency & Trauma, Neuroscience, Orthopaedics	Cardiology, Emergency & Trauma, Orthopaedics, Urology	Cardiology, Emergency & Trauma, Fertility Treatment	--
Land Area	17,442 sqm	11,420 sqm	4,306 sqm	54,410 sqm
Gross Floor Area	27,284 sqm	18,316 sqm	9,227 sqm	17,427 sqm
Purchase Price	S\$94.3 m	S\$50.6 m	S\$16.8 m	S\$21.2 m
Appraised Value	S\$161.4 m	S\$94.7 m	S\$33.3 m	S\$41.9 m
Max no. of Beds / Saleable rooms	260	201	160	197
Year of Building Completion	1995	1991	1977	1994
Lease Commencement Date	11 Dec 2006	11 Dec 2006	11 Dec 2006	11 Dec 2006
Lease Terms	15 years with option to renew for 15 years	15 years with option to renew for 15 years	15 years with option to renew for 15 years	15 years with option to renew for 15 years
Lease Expiry Date	10 Dec 2021	10 Dec 2021	10 Dec 2021	10 Dec 2021

# FIRST REIT PROPERTY: SINGAPORE & SOUTH KOREA



**Pacific Healthcare Nursing Home @ Bukit Merah**



**Pacific Healthcare Nursing Home II @ Bukit Panjang**



**The Lentor Residence**



**Sarang Hospital**

<b>Type</b>	Nursing Home	Nursing Home	Nursing Home	Hospital
<b>Land Area</b>	1,984 sqm	2,000 sqm	2,486 sqm	2,142 sqm
<b>Gross Floor Area</b>	3,593 sqm	3,563 sqm	4,005 sqm	4,982 sqm
<b>Purchase Price</b>	S\$11.8 m	S\$11.5 m	S\$12.8 m	US\$13.0 m
<b>Appraised Value</b>	S\$10.3 m	S\$10.3 m	S\$17.3 m	US\$6.3 m
<b>Max no. of Beds / Saleable rooms</b>	259	265	208	217
<b>Year of Building Completion</b>	2004	2006	1999 & 2013 (new extension building)	2010
<b>Lease Commencement Date</b>	11 Apr 2007	11 Apr 2007	8 June 2007	5 Aug 2011
<b>Lease Terms</b>	10 years with option to renew for 10 years (Tenant has exercised the option)	10 years with option to renew for 10 years (Tenant has exercised the option)	10 years with option to renew for 10 years (Tenant has exercised the option)	10 years with option to renew for 10 years
<b>Lease Expiry Date</b>	10 Apr 2027	10 Apr 2027	7 June 2027	4 Aug 2021