FIRST REIT
FIRST REAL ESTATE INVESTMENT TRUST

ANCHORING VALUE
FOR **SUSTAINABLE** GROWTH

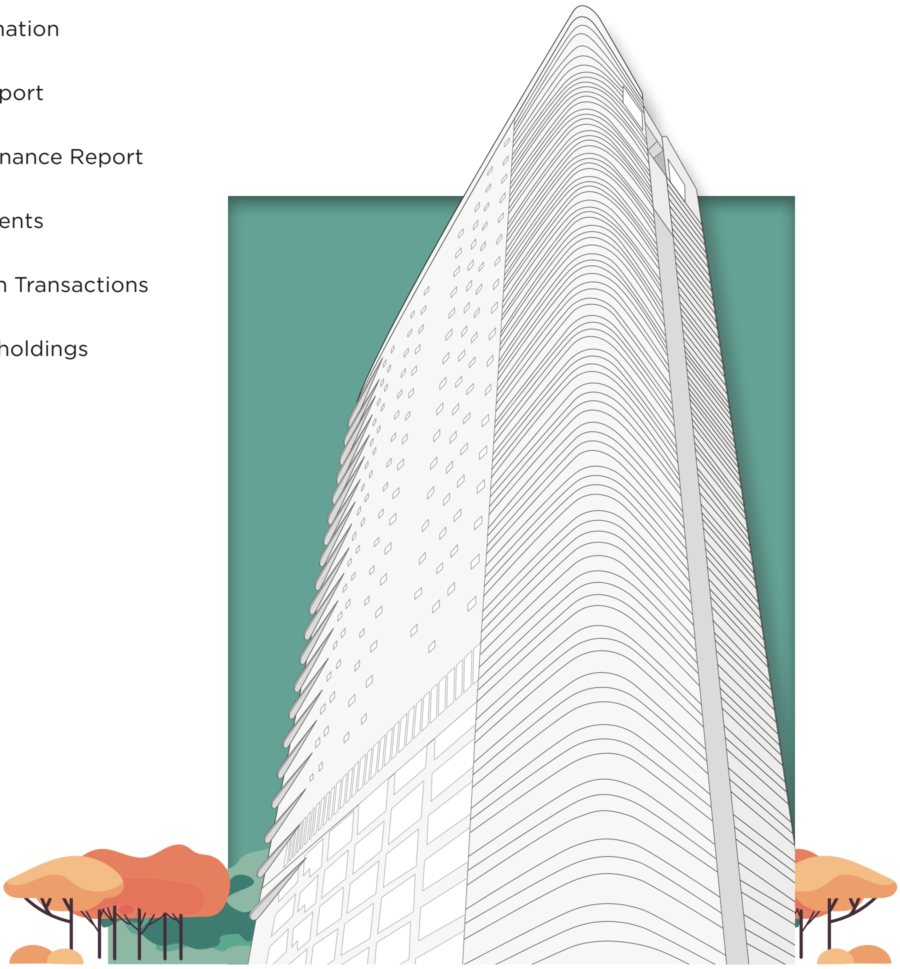
Annual Report 2019

ANCHORING VALUE
FOR SUSTAINABLE GROWTH

20 properties across Asia
16 in Indonesia, 3 in Singapore, 1 in South Korea

Anchored by a strong portfolio of high-quality healthcare assets, First Real Estate Investment Trust ("**First REIT**" or the "**Trust**") has continued to deliver stable earnings and consistent returns over the past year. Achieving long-term sustainable growth remains a key focus as the Trust continues to explore acquisition opportunities. The groundwork in new markets within Asia is being laid, driven by the access to an expanded Pan-Asian healthcare network through OUE Lippo Healthcare Limited ("**OUELH**"). These new possibilities, on top of the right-of-first-refusal ("**ROFR**") to a pipeline of healthcare assets in Indonesia granted by PT Lippo Karawaci Tbk ("**Lippo Karawaci**"), allow the Trust to ride on the growing demand of quality and affordable healthcare in Asia Pacific.

CONTENT



CORPORATE
PROFILE

TOTAL ASSETS-UNDER-MANAGEMENT
S$1.34 billion

TOTAL GFA OF PROPERTIES
350,850 sqm

TOTAL COMMITTED OCCUPANCY
100%

TOTAL NO. OF BEDS / SALEABLE ROOMS
5,092

WEIGHTED AVERAGE LEASE EXPIRY
7.5 years

NET ASSET VALUE PER UNIT
99.6S¢

First REIT is Singapore's first healthcare real estate investment trust, focused on investing in diverse yield-accretive healthcare and healthcare-related real estate assets throughout Asia. Executing well-developed strategies, First REIT harnesses exclusive investment opportunities in this resilient asset class to generate attractive and stable returns.

Managed by Bowsprit Capital Corporation Limited ("**Bowsprit**" or the "**Manager**"), the Trust has a portfolio of 20 properties across Asia, with a total asset value of S$1.34 billion. These include 16 properties in Indonesia comprising 12 hospitals, two integrated hospitals & malls, an integrated hospital & hotel and a hotel & country club, as well as three nursing homes in Singapore and one hospital in South Korea.

In Indonesia, the underlying healthcare properties are operated by PT Siloam International Hospitals Tbk ("**Siloam**"), Indonesia's most progressive and innovative healthcare provider. Siloam is a subsidiary of Lippo Karawaci, who has a healthy pipeline of hospitals to which First REIT has the ROFR to. With OUE Limited ("**OUE**") and OUELH's acquisition of Bowsprit in October 2018 and OUELH's stake in First REIT, the Trust has another ROFR from OUELH, and opportunities to tap on its growing healthcare network across Pan-Asia.

Siloam Hospitals Yogyakarta

AT A GLANCE

RIGHT-OF-FIRST-REFUSAL AGREEMENTS

- First REIT has the ROFR to Lippo Karawaci's pipeline of healthcare properties in Indonesia to be operated by Siloam
- Siloam is the largest and most prominent hospital group in Indonesia, currently operating more than 30 state-of-the-art hospitals across Indonesia
- First REIT also has another ROFR from OUELH, and opportunities to tap on its growing healthcare network across Pan-Asia

DIVERSIFIED PORTFOLIO OF 20 PROPERTIES VALUED AT S$1.34 BILLION

- Indonesia: 12 hospitals, 2 integrated hospital & malls, 1 integrated hospital & hotel and 1 hotel & country club
- Singapore: 3 nursing homes
- South Korea: 1 hospital

HIGH QUALITY HEALTHCARE PROPERTIES

- Indonesia hospitals are strategically located within large catchment areas of potential patients and each has a "Centre of Excellence"
- Singapore properties are well-run nursing homes staffed by well-qualified, dedicated and experienced healthcare professionals
- In South Korea, Sarang Hospital is centrally located and is one of the largest rehabilitation treatment and nursing healthcare services in Yeosu City

TRIPLE-NET LEASES

- Leases for Indonesia properties are pegged to SGD to mitigate forex volatility
- Leases for Singapore properties are denominated in SGD
- Lease for South Korea property is denominated in USD
- Master lessees bear all operating costs relating to the properties including maintenance, insurance and certain taxes

STABLE AND STRONG DISTRIBUTION MODEL

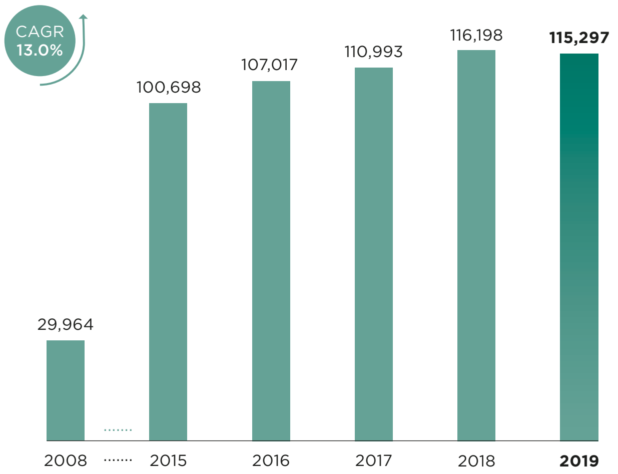
- Stable cash distributions and committed to distribute 100% of taxable income

WELL-DEFINED ACQUISITION STRATEGY

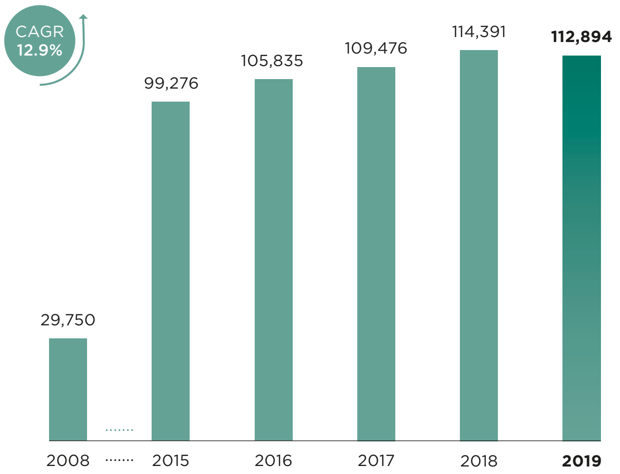
- Focused on growing portfolio by acquiring yield-accretive properties in the healthcare and healthcare-related industry across Asia

FINANCIAL **HIGHLIGHTS**

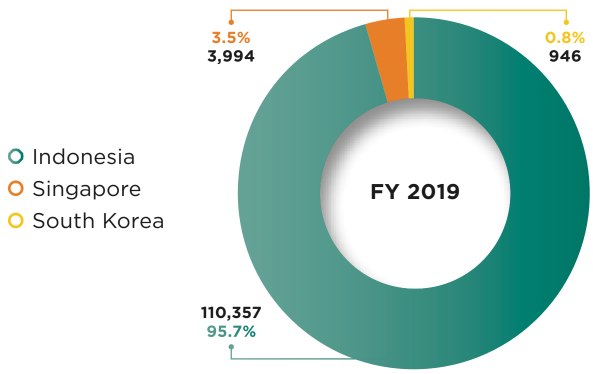
RENTAL AND OTHER INCOME
(S$'000)

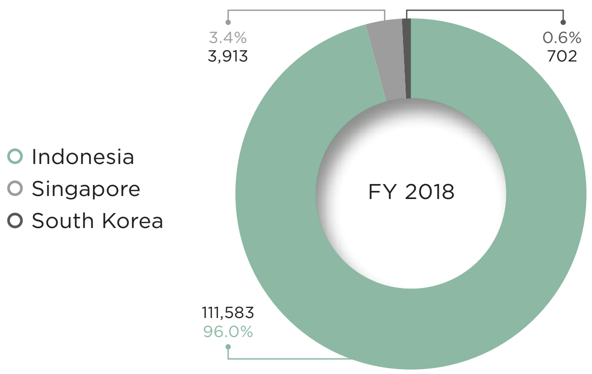


NET PROPERTY AND OTHER INCOME
(S$'000)

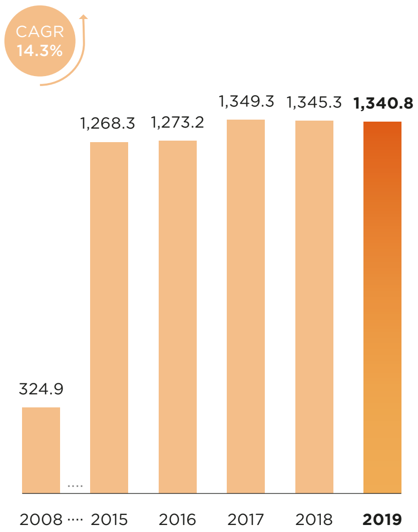


RENTAL AND OTHER INCOME
Breakdown by Geography (S$'000)

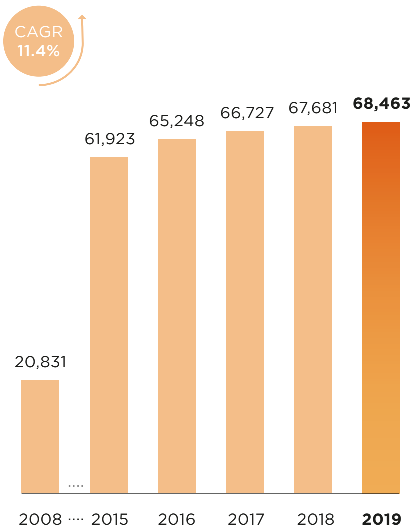




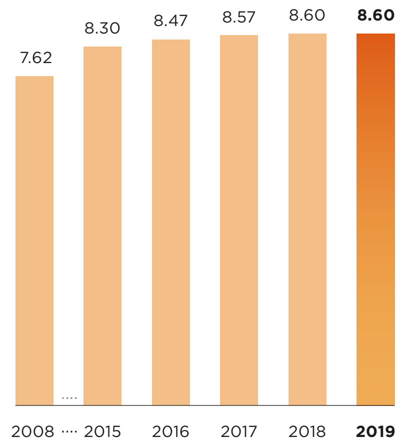
ASSETS-UNDER-MANAGEMENT
(S$'million)



DISTRIBUTABLE AMOUNT
(S$'000)



DISTRIBUTION PER UNIT
(S$'cents)



BALANCE SHEET

In S$'000	As at 31 December 2019	As at 31 December 2018
Total Assets	1,427,136	1,438,774
Total Liabilities	571,422	569,621
Unitholders' Funds	794,836	808,275
NAV Per Unit	99.64¢	102.51¢

GEARING

	As at 31 December 2019	As at 31 December 2018
Total Debt *	S$492.7 million	S$503.0 million
Interest Cover	5.0 times	4.7 times
Debt-to-Deposited Property	34.5%	35.0%

EARNINGS PER UNIT

	As at 31 December 2019	As at 31 December 2018
Earnings Per Unit	5.74¢	9.23¢
Number of Units	797,674,515	788,479,925
Weighted Average No. of Units	793,375,888	785,322,205

RENTAL INCOME

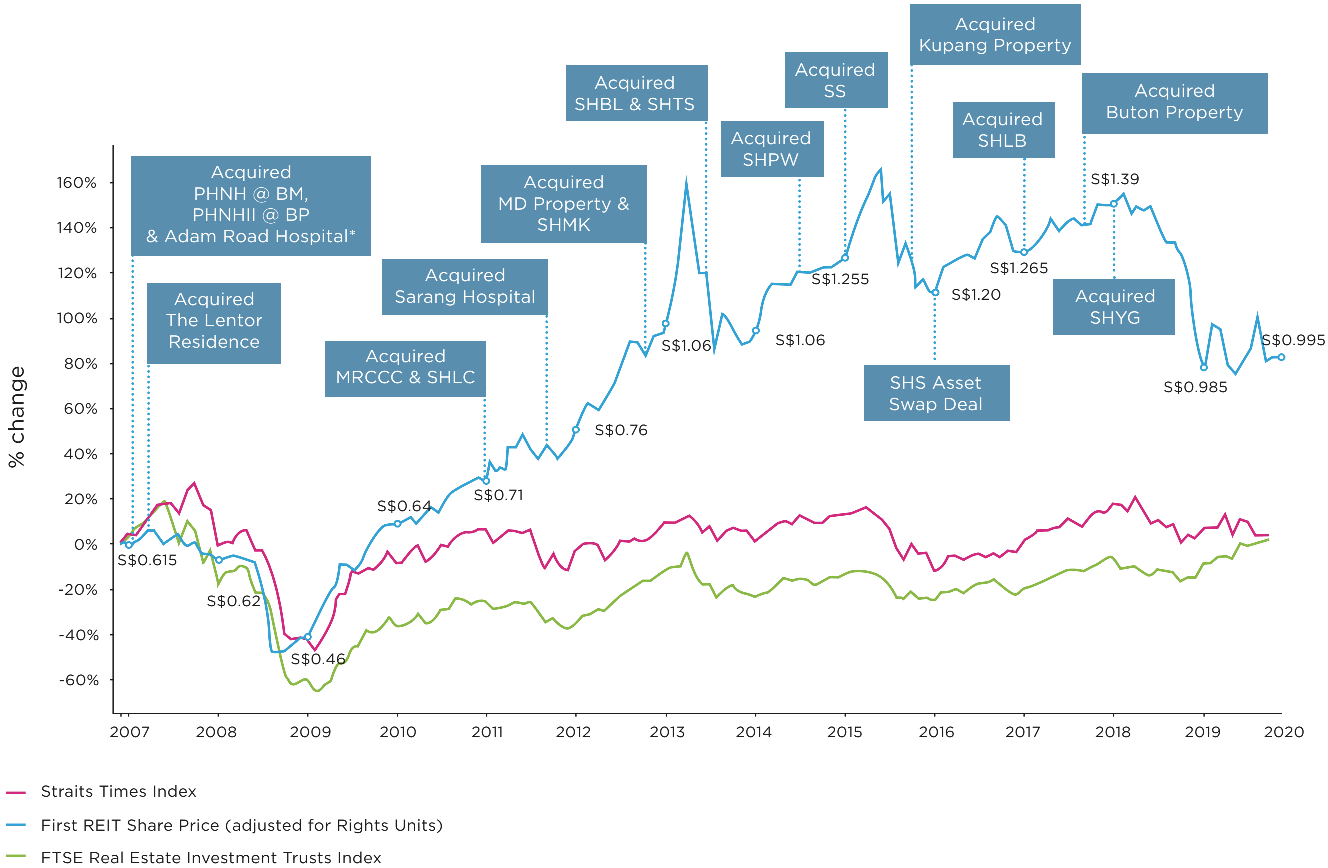
Tenant	%
PT Lippo Karawaci Tbk and subsidiaries[1]	81.59
PT Metropolis Propertindo Utama and subsidiaries[2]	12.45
Subsidiaries of PT Siloam International Hospitals Tbk[3]	1.68
The Lentor Residence Pte. Ltd.	1.47
Pacific Healthcare Nursing Home Pte. Ltd.	1.01
Pacific Eldercare and Nursing Pte. Ltd.	0.98
Dr. Park Ki Ju	0.82

* Before transaction costs
1. The subsidiaries of PT Lippo Karawaci Tbk include PT East Jakarta Medika and PT Andromeda Sakti.
2. The subsidiaries of PT Metropolis Propertindo Utama include PT Bumi Sarana Sejahtera.
3. The subsidiaries of PT Siloam International Hospitals Tbk are PT Bina Bahtera Sejati, PT Lintas Buana Jaya and PT Taruna Perkasa Megah.

FINANCIAL **HIGHLIGHTS**

SHARE PRICE PERFORMANCE

First REIT vs Benchmark Indices



* Adam Road Hospital was divested on 25 March 2011

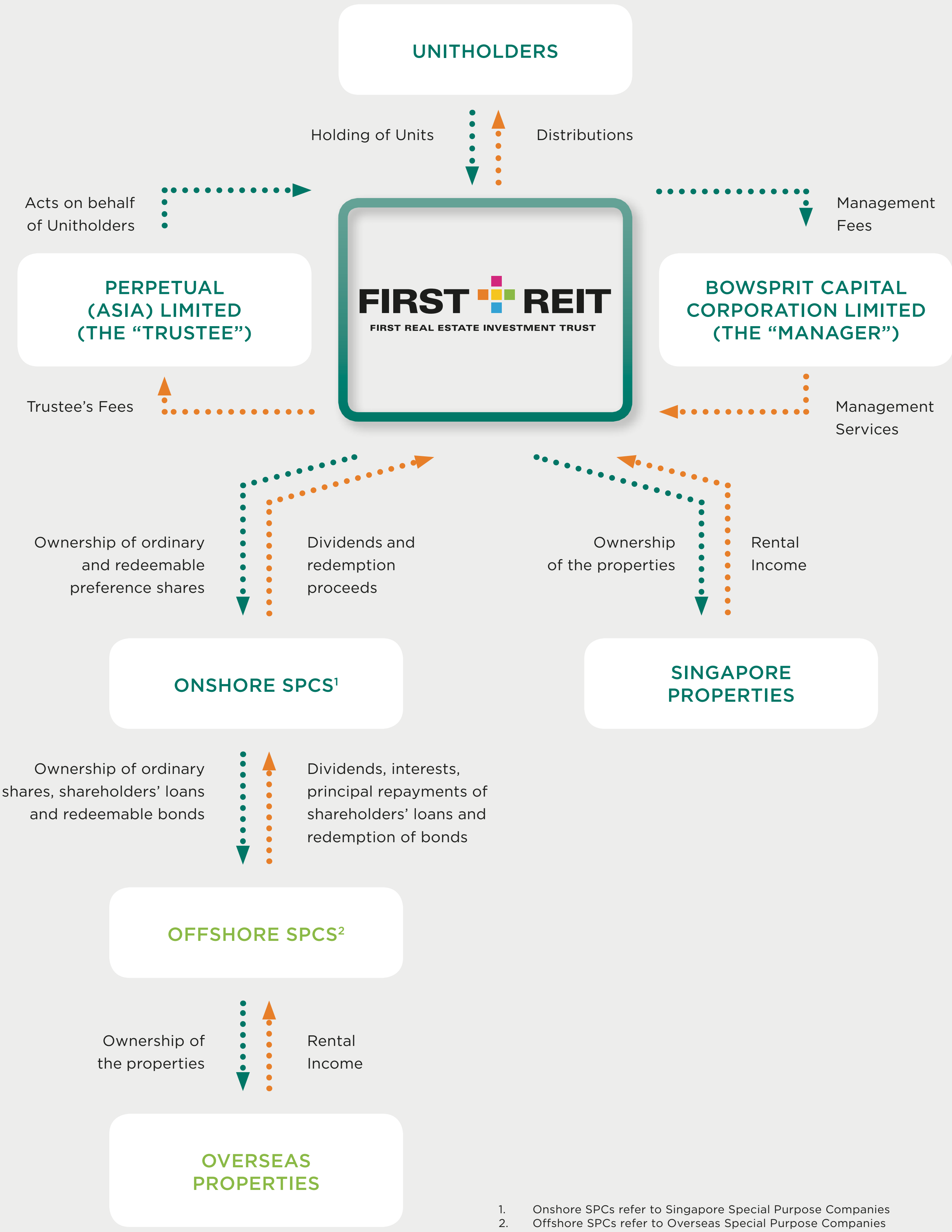
UNIT PRICE PERFORMANCE

	2019
IPO Offering Price (December 2006)	S$0.710
As at last trading day of the year	S$0.995
Highest	S$1.140
Lowest	S$0.935
Trading Volume (million units)	465.367

AS AT 31 DECEMBER 2019

Number of Units in Issue	797,674,515
Market Capitalisation	S$793.7 million

TRUST **STRUCTURE**



1. Onshore SPCs refer to Singapore Special Purpose Companies
2. Offshore SPCs refer to Overseas Special Purpose Companies

LETTER
TO UNITHOLDERS

"As the world grapples with the rapidly spreading COVID-19 virus, our hospitals abroad and nursing homes in Singapore remain vigilant. Our tenants are enforcing stringent safety measures to protect the health and safety of the patients, medical staff and all visitors. We are monitoring the situation in Indonesia, South Korea and Singapore closely and will make further announcements should there be any material developments."

DEAR UNITHOLDERS

First REIT turned in a creditable report card for the financial year ended 31 December 2019 ("**FY 2019**") with a stable annualised distribution per unit ("**DPU**") of 8.60 Singapore cents on the back of distributable income edging up 1.2% to S$68.5 million from S$67.7 million in the preceding year ("**FY 2018**"). Based on the closing price of S$0.995 as of 31 December 2019, the distribution translates to an attractive yield of 8.6%.

Rental and other income for the year dipped by a marginal 0.8% to S$115.3 million from S$116.2 million in FY 2018 due mainly to lower variable rental component for Indonesian properties, while net property and other income slid 1.3% to S$112.9 million from S$114.4 million in FY 2018 on higher property expenses incurred for South Korean and Indonesian properties.

COVID-19

As the world grapples with the rapidly spreading COVID-19 virus, our hospitals abroad and nursing homes in Singapore remain vigilant. Our tenants are enforcing stringent safety measures to protect the health and safety of the patients, medical staff and all visitors. We are monitoring the situation in Indonesia, South Korea and Singapore closely and will make further announcements should there be any material developments.

ANCHORING VALUE FOR SUSTAINABLE GROWTH

First REIT is anchored with a current portfolio of 20 income-producing properties located in Indonesia, Singapore and South Korea with total asset value of S$1.34 billion as at 31 December 2019. All of the Trust's Siloam-operated hospitals in Indonesia are strategically located in high catchment areas and reputed for their respective centres of excellence and state-of-the-art healthcare facilities.

Out of the 16 Indonesian properties, the master leases of four of the Trust's initial assets comprising three hospitals - Siloam Hospitals Lippo Village ("**SHLV**"), Siloam Hospitals Kebon Jeruk ("**SHKJ**") and Siloam Hospitals Surabaya ("**SHS**"), and a hotel and country club - Imperial Aryaduta Hotel & Country Club ("**IAHCC**"), are up for renewal come December 2021. The lease of Sarang Hospital in South Korea is also due for renewal by August 2021.

The three flagship hospitals in Indonesia are well-established hospitals delivering excellent patient care, with SHLV located in West Jakarta and SHS located in Surabaya, reputed for their world-class trauma centres and SHKJ located in West Jakarta, renowned for its authority in the diagnosis and treatment of disorders of the urinary tract or urogenital system. All three are profitable hospitals with high patient loads annually.

IAHCC is just a stone's throw away from SHLV and sits on a large plot of land measuring 54,410 square metres and gross floor area of 17,427 square metres, presenting a huge redevelopment potential to further optimise its value when the opportunity arises. Discussions on the leases for all five properties are under way with our stakeholders and we are evaluating all options, to arrive at mutually beneficial terms that we anticipate will continue to contribute a steady income stream for our Unitholders.

We are also currently evaluating our options available for the new SHS, where development works have halted since the road subsidence that

Mr Christopher James Williams
Chairman and Non-Independent Non-Executive Director

Mr Tan Kok Mian Victor
Executive Director and Chief Executive Officer

occurred at the highway near the construction site in December 2018. An update will be provided in due course.

In light of our current roadmap to rebalance our assets, the Trust is also looking at opportunities to unlock value to boost our financial resources to pursue more yield-accretive assets, as well as exploring asset enhancement initiatives to optimise the value of our existing portfolio.

First REIT is able to leverage on OUE and OUELH to entrench its network and affiliations in the Asia Pacific region to pursue new avenues of growth and collaborations in the future. Notably, OUELH's expanding Pan-Asian healthcare network spanning Japan, China, Myanmar and other parts of Asia, presents unprecedented opportunities for First REIT to rebalance its assets and diversify its income streams geographically.

This is in addition to the pipeline of healthcare assets in Indonesia from Lippo Karawaci, which are operated by Siloam, Indonesia's most progressive and innovative healthcare provider that has set the benchmark for high quality healthcare services in Indonesia. Listed on the Indonesian Stock Exchange since 2013, Siloam operates 37 hospitals, including those owned by First REIT, and has a medical team of 650 general practitioners, 2,250 specialist doctors and 4,989 nurses, serving more than 3 million patients in 2019.

PRUDENT CAPITAL MANAGEMENT

With our disciplined capital management approach, First REIT closed the year with total debt of S$492.7 million, down from S$503.0 million as at 31 December 2018. Gearing ratio stood at a healthy 34.5% with interest cover at 5.0 times and weighted average cost of debt at 4.1% per annum. 60.2% of our debt is hedged to mitigate fluctuating interest rates.

LETTER TO UNITHOLDERS

In April, the Trust secured a S$100.0 million syndicated term loan facility (the "**Facility**") from CIMB Bank Berhad, Labuan Offshore Branch and Oversea-Chinese Banking Corporation Limited (together, the "**Banks**"), which First REIT has drawdown to refinance its S$100.0 million term loan facility that was due in May. Subsequent to this refinancing, the Trust has no refinancing requirements until 2021. This Facility may also allow First REIT to increase the Facility amount by an additional S$30.0 million, subject to the Banks' consent and other conditions, giving the Trust ample financial resources to pursue higher yield growth.

MOVING FORWARD

The global healthcare landscape is rapidly evolving, driven by key healthcare trends such as the growing ageing population, rising prevalence of chronic diseases as well as the rapid digitalisation and trend towards telemedicine. The changing healthcare trends, and increasingly, the emergence of novel diseases such as the ongoing COVID-19 outbreak, represent high demand for healthcare and healthcare-related businesses, further underscore the resilience of the healthcare industry.

One of the key drivers for rising healthcare demand is the rapidly ageing population worldwide. According to data from the United Nations, World Population Prospects 2019[1], by 2050, one in six people in the world will be over age 65 (16.0%), up from one in 11 in 2019 (9.0%). In 2018, for the first time in history, persons aged 65 or above outnumbered children under five years of age globally. The number of persons aged 80 years or over is projected to triple, from 143 million in 2019 to 426 million in 2050, with Asia on track to have the oldest population in the world in the next few decades.

In Indonesia, healthcare is a priority in the national development agenda, especially with the elderly population expected to grow more than 40.0% by 2025, making Indonesia one of Asia's fastest ageing countries. With rising demand for healthcare services, the Indonesian government continues to encourage private sector involvement in developing hospitals[2] and is also allocating a healthcare budget of IDR132.2 trillion for 2020, doubling the 2015 healthcare budget of IDR69.3 trillion[3].

With rising healthcare demands in Indonesia and around the Asia Pacific region, we will continue to seek quality healthcare assets to boost our portfolio to achieve long-term sustainable returns for our Unitholders.

APPRECIATION

In closing, on behalf of the Board of Directors, we would like to extend our deepest appreciation to Mr Ketut Budi Wijaya, who retired as a Board member in April 2019. Mr Wijaya has served on the Board since 2012 and has been invaluable with his knowledge of the local regulations and policies in Indonesia. At the same time, we would like to welcome Ms Minny Riady as Non-Independent Non-Executive Director of the Board. A veteran in the real estate industry, we look forward to her expertise and guidance.

We would also like to thank our fellow Board members, management team and staff for their commitment and hard work. To our Sponsors, business partners, bankers and tenants, thank you for their unwavering support.

Lastly, to our valued Unitholders, thank you for your faith in First REIT through this season, as we continue to lay the groundwork and seek out yield-accretive opportunities to grow our portfolio and deliver sustainable returns to all our stakeholders.

MR CHRISTOPHER JAMES WILLIAMS
Chairman

MR TAN KOK MIAN VICTOR
Chief Executive Officer

Bowsprit Capital Corporation Limited
As Manager of First REIT

1. United Nations – World Population Prospects 2019 https://population.un.org/wpp/
2. October 2019, Export.Gov – Healthcare Resource Guide: Indonesia
3. 16 August 2019, Ministry of State Secretariat of the Republic of Indonesia – In addition to education, 2020 state expenditures are used to strengthen healthcare programs

BOARD OF DIRECTORS

1
Mr Christopher James Williams
Chairman and Non-Independent Non-Executive Director

2
Mr Tan Kok Mian Victor
Executive Director and Chief Executive Officer

3
Mr Chan Pengee Adrian
Lead Independent Director

4
Mr Ferris Charles Bye
Independent Director

5
Mr Tan Chuan Lye
Independent Director

6
Mr Martin Lechner
Independent Director

7
Ms Minny Riady
Non-Independent Non-Executive Director

1

2

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BOARD OF DIRECTORS

MR CHRISTOPHER JAMES WILLIAMS

Chairman and Non-Independent Non-Executive Director
Appointed on 26 October 2018

Mr Christopher James Williams is the Chairman and Non-Independent Non-Executive Director of the Board of the Manager.

Mr Williams is a founding partner of Howse Williams, Hong Kong, which he co-founded in 2012 as an independent Hong Kong law firm. Mr Williams was responsible in particular for establishing the non-contentious area of the practice. Howse Williams has subsequently grown to become one of the leading independent law firms in Hong Kong. Prior to co-founding Howse Williams, Mr Williams was from 1994 a partner in Richard Butler, an international law firm which merged with the US law firm Reed Smith in 2008 and was throughout this period based in Hong Kong.

Mr Williams is presently the deputy chairman and non-executive general counsel of OUE Limited and deputy chairman and non-independent non-executive director of OUE Commercial REIT Management Pte. Ltd, the manager of OUE Commercial Real Estate Investment Trust. He has also been a director of OUB Centre Limited since January 2014. Mr Williams was the non-independent non-executive director of OUE Hospitality REIT Management Pte. Ltd. ("**OUEHRM**") and OUE Hospitality Trust Management Pte. Ltd. ("**OUEHTM**"). He was also the chairman of the board of directors of OUEHRM and OUEHTM from April 2013 to November 2017.

Mr Williams specialises in corporate finance, mergers and acquisitions, direct investment and corporate restructurings and reorganisations. He also advises on corporate governance and compliance. His practice encompasses Hong Kong and the Asia Pacific region, particularly Indonesia and Singapore. He has been named in the Guide to the World's Leading Mergers and Acquisitions Lawyers as well as the International Who's Who of Merger and Acquisition Lawyers as one of the world's top mergers and acquisitions lawyers.

Mr Williams qualified as a solicitor in England and Wales in 1986 and was admitted as a solicitor in Hong Kong in 1991. He holds a Bachelor of Arts (Honours) in International Relations and Economics from the University of Reading, United Kingdom.

Directorships in Listed Companies:
- OUE Limited, Deputy Chairman, Non-Independent Non-Executive Director
- OUE Commercial REIT Management Pte. Ltd. (as manager of OUE Commercial Real Estate Investment Trust), Deputy Chairman, Non-Independent Non-Executive Director

Principal Commitments:
- Howse Williams, Partner
- OUE Limited, Non-Executive General Counsel

MR TAN KOK MIAN VICTOR

Executive Director and Chief Executive Officer

Appointed on 19 May 2017

Mr Tan Kok Mian Victor is an Executive Director and Chief Executive Officer of the Board of the Manager.

Mr Tan joined the Manager as senior finance manager in April 2008 and was responsible for the financial operations of the Manager. He was appointed as chief financial officer of the Manager in July 2008.

Prior to joining the Manager, Mr Tan was with Parkway Holdings Limited ("**Parkway**") as an accountant in 1997. He was promoted to the position of group accountant and subsequently to financial controller. His scope of work in Parkway included supervising the preparation of the financial accounts and handling accounting matters for the holding company as well as some of the subsidiary companies within Parkway group. During his tenure, he also assisted Parkway's chief financial officer in the preparation of the consolidated accounts for the Parkway group.

Mr Tan graduated in 1997 with the professional qualification from the Association of Chartered Certified Accountants ("**ACCA**"). He is a Chartered Accountant of the Institute of Singapore Chartered Accountants and a fellow member of ACCA.

Directorships in Listed Companies:

- Nil

Principal Commitments:

- Bowsprit Capital Corporation Limited (in its capacity as manager of First REIT), Executive Director and Chief Executive Officer

MR CHAN PENGEE ADRIAN

Lead Independent Director

Appointed on 26 October 2018

Mr Chan Pengee Adrian is the Lead Independent Director of the Board of the Manager. He serves as the Chairman of the Nominating & Remuneration Committee and a member of the Audit and Risk Committee of the Manager.

Mr Chan is head of the Corporate Department and a senior partner at law firm, Lee & Lee. He is a board member of the Accounting and Corporate Regulatory Authority ("**ACRA**") of Singapore, vice-chairman of the Singapore Institute of Directors and a member of the Legal Service Commission and the council of the Law Society of Singapore. He also serves on the Catalist Advisory Panel of the Singapore Exchange Limited.

Mr Chan is an independent director of Yoma Strategic Holdings Ltd, Ascendas Funds Management (S) Limited; Hong Fok Corporation Limited, AEM Holdings Ltd and Best World International Limited all of which are listed on the Singapore Exchange Securities Trading Limited.

Mr Chan is the chairman of the Corporate Law Advisory Panel at ACRA. He co-chairs the Corporate Governance and Regulations Interest Group of the Singapore International Chamber of Commerce and sits on the board of Shared Services For Charities Limited, which is a registered charity and an Institution of a Public Character. He currently lectures on Corporate Governance for the Singapore Institute of Legal Education and the Bar Admissions and Examinations.

Mr Chan holds a Bachelor of Laws (Honours) from the National University of Singapore.

Directorships in Listed Companies:

- Yoma Strategic Holdings Ltd, Independent Director
- Ascendas Fund Management (S) Limited, Independent Director
- Hong Fok Corporation Limited, Independent Director
- AEM Holdings Ltd, Independent Director
- Best World International Limited, Independent Director

Principal Commitments:

- Lee & Lee, Senior Partner – Head of Corporate
- Shared Services For Charities Limited, Director
- Azalea Asset Management Pte. Ltd, Director
- Want Want Holdings Ltd, Director
- Singapore Institute of Directors, Vice Chairman
- Association of Small & Medium Enterprises, Honorary Secretary
- Accounting and Corporate Regulatory Authority, Board Member
- The Law Society of Singapore, Council Member
- Legal Service Commission, Member
- Singapore Management University's Enterprise Board, Member

BOARD
OF DIRECTORS

MR FERRIS CHARLES BYE

Independent Director
Appointed on 26 October 2018

Mr Ferris Charles Bye is the Independent Director of the Board of the Manager. He serves as the Chairman of the Audit and Risk Committee of the Manager.

Mr Bye currently advises several investment holding companies. Prior to this, he was managing director of a private equity investment company for a period of 14 years.

Before his private equity experience, Mr Bye served as director in international stockbroker companies for a period of 12 years. The stock markets covered by the companies included Hong Kong, Shanghai, Shenzhen, Singapore, Malaysia, Thailand and Indonesia.

He was, until recently, a member of the general committee of Hong Kong Country Club for 8 years. This included one year as chair of the committee.

Mr Bye qualified as a chartered accountant in 1978.

Directorships in Listed Companies:
- NIL

Principal Commitments:
- NIL

MR TAN CHUAN LYE

Independent Director
Appointed on 5 April 2017

Mr Tan Chuan Lye is the Independent Director of the Board of the Manager. He serves as a member of the Audit and Risk Committee and the Nominating & Remuneration Committee of the Manager.

Mr Tan is an Adjunct Associate Professor with the NUS Business School, National University of Singapore. He is the chairman of the audit & risk committee of the Asia Pacific Advisory Board of EFG Bank AG, an independent director and member of both audit & risk committee; and nominating and remuneration member of Isetan (Singapore) Limited, independent director and member of audit committee and nomination committee of Heeton Holdings Limited, an independent director and chairman of audit committee of Sompo Insurance Singapore Pte. Ltd, and audit committee member of A*Star. Mr Tan also sits on the board of several charities in Singapore.

Mr Tan retired as a partner with risk consulting in KPMG Advisory LLP where his areas of focus included corporate governance, enterprise risk management, and internal audit. Prior to KPMG, he spent more than 20 years with various international banks where he held senior management positions in internal audit and operational risk management including as a regional head.

Mr Tan graduated from the Henley Management College/University of Reading with Master of Business Administration. He is a non-practising fellow member of the Institute of Singapore Chartered Accountants, a fellow member of The Association of Chartered Certified Accountants (UK) and an associate member of The Chartered Institute of Management Accountants (UK).

Directorships in Listed Companies:
- Isetan (Singapore) Limited, Independent Director
- Heeton Holdings Limited, Independent Director

Principal Commitments:
- National University of Singapore, Adjunct Associate Professor
- Sompo Insurance Singapore Pte. Ltd., Independent Director
- EFG Bank, AG, Chairman of the Audit & Risk Committee of Asia Pacific Advisory Board
- Singapore Repertory Theatre, Board Member
- All Saints Home, Board Member
- Brash Trust, Board of Trustees

MR MARTIN LECHNER

Independent Director

Appointed on 8 January 2018

Mr Martin Lechner is the Independent Director of the Board of the Manager. He serves as a member of the Audit and Risk Committee of the Manager.

Mr Lechner is the founding partner and chief investment officer of Corecam Pte. Ltd., a family office asset management company. Prior to founding Corecam Pte. Ltd., Mr Lechner was founding partner and chairman of the board of directors of Proprietary Partners AG, a long/short equity hedge fund with focus on Germany and Switzerland.

Mr Lechner started his career at Dresdner Kleinwort Benson in the global markets division as a proprietary trader for USD and local currency emerging market bonds.

Mr Lechner is a non-executive director of Corecam Holding AG and Hydroinformatics Institute Pte. Ltd. and holds executive director position in Corecam Pte. Ltd., Corecam Capital Partners Pte. Ltd. and Corecam Digital Pte. Ltd.

Mr Lechner graduated from the University of Passau, Germany with Master Diploma in Business Administration and holds an Executive Master of Business Administration (Spot Program) from INSEAD, France.

Directorships in Listed Companies:

- NIL

Principal Commitments:

- Corecam Pte. Ltd., Executive Director
- Corecam Capital Partners Pte. Ltd., Executive Director
- Corecam Digital Pte. Ltd., Executive Director

MS MINNY RIADY

Non-Independent Non-Executive Director

Appointed on 10 April 2019

Ms Minny Riady is the Non-Independent Non-Executive Director of the Board of the Manager. She serves as a member of Nominating & Remuneration Committee of the Manager.

Ms Riady is the director and general manager of Lippo Realty (Shanghai) Limited. She is the chairperson of Papua Harapan Education Foundation for Papua, member of foundation trustees of Pelita Harapan Education foundation and Pelita Harapan University Foundation and board member of Pelita Harapan Foundation for International Education.

Ms Riady was the treasury director of Lippo Group and responsible for the treasury function of Pelita Harapan Education Foundation.

Ms Riady holds a Bachelor of Business Administration from Fu Jen Catholic University, Taiwan.

Directorships in Listed Companies:

- NIL

Principal Commitments:

- Lippo Realty (Shanghai) Limited, Director and General Manager
- Papua Harapan Education Foundation for Papua, Chairperson
- Pelita Harapan Education Foundation and Pelita Harapan University Foundation, Member of Foundation Trustees
- Pelita Harapan Foundation for International Education, Board Member

KEY MANAGEMENT

MS NG CHWEE NGOR, VALERIE

Chief Financial Officer

Ms Ng Chwee Ngor, Valerie joined Bowsprit in September 2008 as Senior Finance Manager and was responsible for financial matters of First REIT and the Manager. She was the Financial Controller from January 2014 and was appointed Chief Financial Officer in February 2018, overseeing all matters relating to financial reporting, taxation, capital management, treasury and risk management.

Prior to joining Bowsprit, Ms Ng worked at Parkway Holdings Limited from 2001 to 2008. She joined them as Assistant Group Accountant and was subsequently promoted to Finance Manager. She assisted the Financial Controller in the preparation of the consolidated accounts for Parkway Group and was responsible for the preparation of the financial accounts and treasury functions of the holding company and subsidiaries. At Osprey Maritime Limited, she held the position of Group Accountant and supported the financial controllers for financial reporting of the Group and was responsible for the financial matters of the subsidiaries.

Ms Ng graduated with professional qualifications from the Association of Chartered Certified Accountants ("**ACCA**"). She is a Chartered Accountant of the Institute of Singapore Chartered Accountants and a fellow member of ACCA.

MR CHAN SENG LEONG, JACKY

Head, Asset and Investment Manager

Mr Chan Seng Leong, Jacky graduated from the National University of Singapore in 1993 with a Bachelor of Science (Estate Management) (2nd Class Upper Honours) degree and subsequently in 1999 with a Master of Science (Real Estate) degree. In 2002, he obtained a Master in Business Administration degree from the University of Western Australia, Graduate School of Management, Perth, majoring in finance, and was awarded the Director's Letter for scoring full distinctions in the course. Being a member of the Singapore Institute of Surveyors and Valuers as well as a Licensed Appraiser (Lands & Buildings), Mr Chan has extensive real estate and property experience in Singapore, Hong Kong and the People's Republic of China.

From 1993 to 1998, his work responsibilities involved, among others, property valuations, property sales and marketing, property consulting, real estate research and feasibility studies. In 1998, he joined Chesterton International Property Consultants Pte Ltd as Assistant Manager (Valuations) and was subsequently promoted in rank and file to Executive Director (Valuations & Investment Advisory) where he performed valuations totalling more than S$1 billion worth of real estate in Singapore and regionally, and advised in real estate transactions worth more than S$600 million in total. His scope of responsibilities then included managing and advising real estate transactions, providing real estate market advisory and real estate financial advice, as well as managing key clients' accounts for strategic real estate services. Prior to joining the Manager, Mr Chan was with Ascendas-MGM Funds Management Ltd since early 2005 as the Investment Manager for Ascendas Real Estate Investment Trust. As Investment Manager, he was involved in spearheading multimillion dollar real estate acquisitions, structuring property investment and development deals (such as sale and leaseback, built-to suit and partial headlease), conducting property due diligence, as well as the planning and implementation of leasing and asset enhancement strategies to improve efficiency.

SIGNIFICANT
EVENTS IN FY 2019

01 JANUARY

Announced 4Q 2018 results on 16 January, DPU remained stable at 2.15 Singapore cents

Announced the revaluation of portfolio to S$1,345.3 million as at 31 December 2018, a decline of S$4.0 million (0.3%) over First REIT's book value as at 31 December 2017

04 APRIL

Convened 10th Annual General Meeting on 9 April

Announced 1Q 2019 results on 10 April, declared DPU of 2.15 Singapore cents

Retirement of Mr Ketut Budi Wijaya as Non-Independent Non-Executive Director and a member of the Nominating & Remuneration Committee

Appointment of Ms Minny Riady as Non-Independent Non-Executive Director and a member of the Nominating & Remuneration Committee

Secured a S$100.0 million syndicated term loan facility from CIMB and OCBC to refinance a S$100.0 million term loan facility due in May

08 AUGUST

Announced 2Q 2019 results on 5 August, declared DPU of 2.15 Singapore cents

11 NOVEMBER

Announced 3Q 2019 results on 6 November, declared DPU of 2.15 Singapore cents

12 DECEMBER

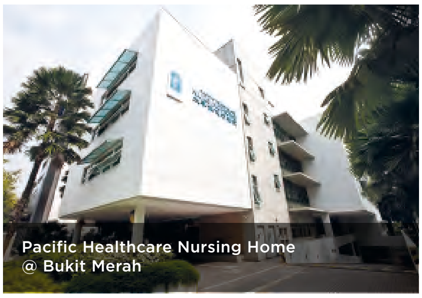
Extension of HGB title for Siloam Hospitals Lippo Village for a period of 20 years to 25 December 2039

OUR
NETWORK

SOUTH KOREA

Sarang Hospital
A 6-storey hospital, with one basement level, one of the largest rehabilitative treatment and nursing healthcare services in Yeosu City

SINGAPORE



Pacific Healthcare Nursing Home @ Bukit Merah
A 4-storey custom-built nursing home with basement carpark and roof terrace

Pacific Healthcare Nursing Home II @ Bukit Panjang
A 5-storey custom-built nursing home

The Lentor Residence
A 5-storey custom-built nursing home with comprehensive medical facilities

INDONESIA


Mochtar Riady Comprehensive Cancer Centre


Siloam Hospitals Lippo Village


Siloam Hospitals Manado & Hotel Aryaduta Manado


Siloam Sriwijaya


Siloam Hospitals TB Simatupang

Siloam Hospitals Yogyakarta
A hospital that is part of a 10-storey integrated development in Yogyakarta

Siloam Hospitals Buton & Lippo Plaza Buton
A 3-storey standalone hospital integrated with the only modern mall within Bau Bau City, the main city on Buton Island

Siloam Hospitals Labuan Bajo
A 3-storey hospital located in the growing tourism centre of Labuan Bajo, currently the only hospital facility in Labuan Bajo and the West Manggarai Regency

Siloam Hospitals Kupang & Lippo Plaza Kupang
A linked 4-storey hospital with a basement level and a 3-storey mall located in Kupang, the capital city of East Nusa Tenggara

Siloam Sriwijaya
A strata-titled 7-storey hospital located in Palembang, the capital city of South Sumatra

Siloam Hospitals Purwakarta
A 3-storey and 5-storey adjoining hospital building located in the fast growing city of Purwakarta in West Java

Siloam Hospitals Bali
A 4-storey hospital with one basement level, strategically located in the fastest growing area in Bali

Siloam Hospitals TB Simatupang
A 16-storey hospital, with two basement levels, located in Cilandak, South Jakarta

Siloam Hospitals Manado & Hotel Aryaduta Manado
An 11-storey integrated hospital and hotel with basement level located in Manado City, North Sulawesi

Siloam Hospitals Makassar
A 7-storey hospital located in the integrated township of Tanjung Bunga, Makassar City, South Sulawesi

Mochtar Riady Comprehensive Cancer Centre
A 29-storey hospital with two basement levels. Indonesia's first private comprehensive cancer treatment centre equipped with state-of-the art facilities and diagnostic medical technologies, located in Central Jakarta

Siloam Hospitals Lippo Cikarang
A 6-storey hospital located in East Jakarta, reputed for its international standards of medical care, with a broad range of general and specialist services

Siloam Hospitals Lippo Village
A 10-storey hospital building, and one of the largest private hospitals in the region with a strong brand name for excellent patient care, world-class Neuroscience and Cardiology specialties and a first-rate Trauma Centre

Siloam Hospitals Kebon Jeruk
A 6-storey hospital with a 3-storey extension building located in West Jakarta, renowned for its authority in the diagnosis and treatment of disorders of the urinary tract or urogenital system

Siloam Hospitals Surabaya
A 5-storey hospital building, and one of the most recognised and highly respected private hospitals in Surabaya, with excellent Trauma Centre facilities

Imperial Aryaduta Hotel & Country Club
One of the few 5-star hotels linked with a country club in Jakarta

PROPERTY **OVERVIEW**

SOUTH KOREA

SARANG HOSPITAL

No. 9 Bongsannam 3rd Street, Yeosu City, Jeonranam-Do, South Korea

Property Type	Hospital
Land Area	2,142 square metres
Purchase Price	US$13.0 million
Beds	217
Established	2010
Lease Commencement	5 August 2011
Lease Term	10 years with option to renew for 10 years
Lease Expiry Date	4 August 2021

GROSS FLOOR AREA
4,982
sq metres

ANNUAL RENTAL
US$0.7
million

APPRAISED VALUE
US$6.0
million

SINGAPORE

PACIFIC HEALTHCARE NURSING HOME @ BUKIT MERAH

6 Lengkok Bahru, Singapore

Property Type	Nursing Home
Land Area	1,984 square metres
Purchase Price	S$11.8 million
Beds	259
Established	2004
Lease Commencement	11 April 2007
Lease Term	10 years with option to renew for 10 years (tenant has exercised the option)
Lease Expiry Date	10 April 2027

GROSS FLOOR AREA
3,593
sq metres

ANNUAL RENTAL
S$1.2
million

APPRAISED VALUE
S$9.4
million

SINGAPORE

PACIFIC HEALTHCARE NURSING HOME II @ BUKIT PANJANG

21 Senja Road, Singapore

Property Type	Nursing Home
Land Area	2,000 square metres
Purchase Price	S$11.5 million
Beds	265
Established	2006
Lease Commencement	11 April 2007
Lease Term	10 years with option to renew for 10 years (tenant has exercised the option)
Lease Expiry Date	10 April 2027

GROSS FLOOR AREA **3,563** sq metres

ANNUAL RENTAL **S$1.1** million

APPRAISED VALUE **S$9.6** million

THE LENTOR RESIDENCE

51 Lentor Avenue, Singapore

Property Type	Nursing Home
Land Area	2,486 square metres
Purchase Price	S$12.8 million
Beds	208
Established	1999 & 2013 (new extension building)
Lease Commencement	8 June 2007
Lease Term	10 years with option to renew for 10 years + 10 years (tenant has exercised the option)
Lease Expiry Date	7 June 2027

GROSS FLOOR AREA **4,005** sq metres

ANNUAL RENTAL **S$1.7** million

APPRAISED VALUE **S$15.5** million

PROPERTY **OVERVIEW**

INDONESIA

GROSS FLOOR AREA
12,474
sq metres

ANNUAL RENTAL
S$2.4
million

APPRAISED VALUE
S$27.1
million

SILOAM HOSPITALS YOGYAKARTA

Jalan Laksda Adi Sucipto No. 32 – 34, Yogyakarta, Indonesia

Property Type	Hospital
Centre of Excellence	Neuroscience and Cardiology
Land Area	13,715 square metres
Purchase Price	S$27.0 million
Beds	220
Established	2015
Lease Commencement	22 December 2017
Lease Term	15 years with option to renew for 15 years
Lease Expiry Date	21 December 2032

SILOAM HOSPITALS BUTON & LIPPO PLAZA BUTON

Jalan Sultan Hasanuddin No. 50, 52, 54, 58, Bau Bau, Sulawesi Tenggara, Indonesia

Property Type	Integrated Hospital & Mall
Centre of Excellence (Hospital Only)	Emergency & Trauma
Land Area	21,874 square metres
Purchase Price	S$28.5 million
Beds (Hospital Only)	160
Established	2016
Lease Commencement	10 October 2017
Lease Term	15 years with option to renew for 15 years
Lease Expiry Date	9 October 2032

GROSS FLOOR AREA
21,934
sq metres

ANNUAL RENTAL
S$2.8
million

APPRAISED VALUE
S$28.7
million

INDONESIA

SILOAM HOSPITALS LABUAN BAJO

Jl. Gabriel Gampur, Labuan Bajo, East Nusa Tenggara, Indonesia

Property Type	Hospital
Centre of Excellence	Emergency Medicine, Internal Medicine & Neuroscience
Land Area	2,837 square metres
Purchase Price	S$20.0 million
Beds	153
Established	2015
Lease Commencement	30 December 2016
Lease Term	15 years with option to renew for 15 years
Lease Expiry Date	29 December 2031

GROSS FLOOR AREA **7,604** sq metres

ANNUAL RENTAL **S$1.8** million

APPRAISED VALUE **S$20.9** million

SILOAM HOSPITALS KUPANG & LIPPO PLAZA KUPANG

Jalan Veteran No. 4, Arena Pameran Fatululi, Kupang, East Nusa Tenggara, Indonesia

Property Type	Integrated Hospital & Mall
Centre of Excellence (Hospital Only)	Emergency & Trauma, Obstetrics, Gynaecology & Paediatrics
Land Area	66,060 square metres
Purchase Price	S$75.0 million
Beds (Hospital Only)	416
Established	2014
Lease Commencement	14 December 2015
Lease Term	15 years with option to renew for 15 years
Lease Expiry Date	13 December 2030

GROSS FLOOR AREA **55,368** sq metres

ANNUAL RENTAL **S$7.0** million

APPRAISED VALUE **S$73.7** million

PROPERTY **OVERVIEW**

INDONESIA

SILOAM SRIWIJAYA

Jalan POM IX, Komplek Palembang Square, Palembang, South Sumatra, Indonesia

Property Type	Hospital
Centre of Excellence	Emergency & Trauma, Gastroenterology
Purchase Price	S$39.2 million
Beds	357
Established	2012
Lease Commencement	29 December 2014
Lease Term	15 years with option to renew for 15 years
Lease Expiry Date	28 December 2029

GROSS FLOOR AREA
15,709
sq metres

ANNUAL RENTAL
S$4.0
million

APPRAISED VALUE
S$41.3
million

SILOAM HOSPITALS PURWAKARTA

Jalan Raya Bungursari No. 1, Purwakarta, West Java, Indonesia

Property Type	Hospital
Centre of Excellence	Emergency & Trauma
Land Area	7,990 square metres
Purchase Price	S$31.0 million
Beds	202
Established	2005 & 2008
Lease Commencement	28 May 2014
Lease Term	15 years with option to renew for 15 years
Lease Expiry Date	27 May 2029

GROSS FLOOR AREA
8,254
sq metres

ANNUAL RENTAL
S$3.4
million

APPRAISED VALUE
S$42.0
million

INDONESIA

SILOAM HOSPITALS BALI

Jalan Sunset Road No. 818,
Kuta, Badung, Bali, Indonesia

Property Type	Hospital
Centre of Excellence	Cardiology, Emergency & Trauma, Orthopaedics
Land Area	9,025 square metres
Purchase Price	S$97.3 million
Beds	281
Established	2012
Lease Commencement	13 May 2013
Lease Term	15 years with option to renew for 15 years
Lease Expiry Date	12 May 2028

GROSS FLOOR AREA
20,958
sq metres

ANNUAL RENTAL
S$9.8
million

APPRAISED VALUE
S$124.4
million

SILOAM HOSPITALS TB SIMATUPANG

Jalan Letjend. TB Simatupang,
Jalan R.A. Kartini No. 8,
Cilandak, South Jakarta,
Indonesia

Property Type	Hospital
Centre of Excellence	Cardiology, Emergency & Trauma, Neuroscience, Oncology
Land Area	2,489 square metres
Purchase Price	S$93.1 million
Beds	269
Established	2013
Lease Commencement	22 May 2013
Lease Term	15 years with option to renew for 15 years
Lease Expiry Date	21 May 2028

GROSS FLOOR AREA
18,605
sq metres

ANNUAL RENTAL
S$9.4
million

APPRAISED VALUE
S$118.9
million

PROPERTY **OVERVIEW**

INDONESIA

SILOAM HOSPITALS MANADO & HOTEL ARYADUTA MANADO

Jalan Sam Ratulangi No. 22 Komplek Boulevard Center, and Jalan Piere Tendean No. 1, Manado, North Sulawesi, Indonesia

Property Type	Integrated Hospital & Hotel
Centre of Excellence (Hospital Only)	Emergency & Trauma
Land Area	5,518 square metres
Purchase Price	S$83.6 million
Beds / Rooms	238 beds / 200 rooms
Established	2011
Lease Commencement	30 November 2012
Lease Term	15 years with option to renew for 15 years
Lease Expiry Date	29 November 2027

GROSS FLOOR AREA 36,051 sq metres

ANNUAL RENTAL S$8.3 million

APPRAISED VALUE S$103.1 million

SILOAM HOSPITALS MAKASSAR

Jalan Metro Tanjung Bunga Kav 3 – 5, Makassar City, South Sulawesi, Indonesia

Property Type	Hospital
Centre of Excellence	Cardiology, Emergency & Trauma, Endocrinology
Land Area	3,963 square metres
Purchase Price	S$59.3 million
Beds	360
Established	2012
Lease Commencement	30 November 2012
Lease Term	15 years with option to renew for 15 years
Lease Expiry Date	29 November 2027

GROSS FLOOR AREA 14,307 sq metres

ANNUAL RENTAL S$5.7 million

APPRAISED VALUE S$73.3 million

INDONESIA

MOCHTAR RIADY COMPREHENSIVE CANCER CENTRE

Jalan Garnisun Dalam No. 2-3, Semanggi, Central Jakarta, Indonesia

Property Type	Hospital
Centre of Excellence	Emergency & Trauma, Gastroenterology, Oncology
Land Area	4,145 square metres
Purchase Price	S$170.5 million
Beds	334
Established	2010
Lease Commencement	30 December 2010
Lease Term	15 years with option to renew for 15 years
Lease Expiry Date	29 December 2025

GROSS FLOOR AREA 37,933 sq metres

ANNUAL RENTAL S$21.0 million

APPRAISED VALUE S$266.3 million

GROSS FLOOR AREA 13,256 sq metres

ANNUAL RENTAL S$4.2 million

APPRAISED VALUE S$53.5 million

SILOAM HOSPITALS LIPPO CIKARANG

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

Property Type	Hospital
Centre of Excellence	Emergency & Trauma, Internal Medicine, Urology
Land Area	9,900 square metres
Purchase Price	S$35.0 million
Beds	114
Established	2002
Lease Commencement	31 December 2010
Lease Term	15 years with option to renew for 15 years
Lease Expiry Date	30 December 2025

PROPERTY
OVERVIEW

INDONESIA

SILOAM HOSPITALS LIPPO VILLAGE

Jalan Siloam No. 6 Lippo Karawaci 1600, Tangerang, Banten, Indonesia

Property Type	Hospital
Centre of Excellence	Cardiology, Emergency & Trauma, Neuroscience, Orthopaedics
Land Area	17,442 square metres
Purchase Price	S$94.3 million
Beds	274
Established	1995
Lease Commencement	11 December 2006
Lease Term	15 years with option to renew for 15 years
Lease Expiry Date	10 December 2021

GROSS FLOOR AREA
27,284
sq metres

ANNUAL RENTAL
S$14.7
million

APPRAISED VALUE
S$162.4
million

SILOAM HOSPITALS KEBON JERUK

Jalan Raya Perjuangan Kav. 8, Kebon Jeruk, West Jakarta, Indonesia

Property Type	Hospital
Centre of Excellence	Cardiology, Emergency & Trauma, Orthopaedics, Urology
Land Area	11,420 square metres
Purchase Price	S$50.6 million
Beds	215
Established	1991
Lease Commencement	11 December 2006
Lease Term	15 years with option to renew for 15 years
Lease Expiry Date	10 December 2021

GROSS FLOOR AREA
18,316
sq metres

ANNUAL RENTAL
S$8.4
million

APPRAISED VALUE
S$93.7
million

INDONESIA

SILOAM HOSPITALS SURABAYA

Jalan Raya Gubeng No. 70, Gubeng Surabaya, East Java, Indonesia

Property Type	Hospital
Centre of Excellence	Cardiology, Emergency & Trauma
Land Area	4,306 square metres
Purchase Price	S$16.8 million
Beds	160
Established	1977
Lease Commencement	11 December 2006
Lease Term	15 years with option to renew for 15 years
Lease Expiry Date	10 December 2021

GROSS FLOOR AREA 9,227 sq metres

ANNUAL RENTAL S$3.3 million

APPRAISED VALUE S$27.9 million

IMPERIAL ARYADUTA HOTEL & COUNTRY CLUB

Jalan Boulevard Jendral Sudirman Kav. 401, Lippo Village 1300, Tangerang, Banten, Indonesia

Property Type	Hotel & Country Club
Land Area	54,410 square metres
Purchase Price	S$21.2 million
Rooms	190
Established	1994
Lease Commencement	11 December 2006
Lease Term	15 years with option to renew for 15 years
Lease Expiry Date	10 December 2021

GROSS FLOOR AREA 17,427 sq metres

ANNUAL RENTAL S$4.1 million

APPRAISED VALUE S$41.0 million

Note

The valuations for the Indonesia properties were conducted by Savills Valuation and Professional Services (S) Pte Ltd in cooperation with KJPP Susan Widjojo & Rekan, Colliers International Consultancy & Valuation (Singapore) Pte Ltd in alliance with KJPP Rinaldi Alberth Baroto & Rekan, Cushman & Wakefield VHS Pte Ltd in cooperation with KJPP Firman Suryantoro Sugeng Suzy Hartomo & Rekan, KJPP Willson & Rekan in association with Knight Frank and KJPP Rengganis Hamid & Rekan in strategic alliance with CBRE Pte Ltd. The valuations of the Singapore properties were conducted by Savills Valuation and Professional Services (S) Pte Ltd. The valuation of the South Korea property was conducted by Colliers International (Hong Kong) Limited.

The valuations of the respective properties were conducted as at 31 December 2019.

INVESTOR **RELATIONS**

OPEN, TIMELY AND ACCURATE COMMUNICATIONS

First REIT is guided by the principles of transparency, timeliness and accuracy in our Investor Relations ("**IR**") strategy and activities. We are committed to maintaining open and transparent communications with all our Unitholders and the investment community. We ensure that all our latest developments are disclosed to our stakeholders in an accurate and comprehensive manner.

All material information, corporate updates and quarterly financial results are posted in a timely manner on SGXNet as well as on our corporate website (**www.first-reit.com**). Together with other materials like press releases and investor presentations, our corporate website is a key resource for stakeholders looking for regularly updated corporate, operational and financial information.

ENGAGEMENT WITH INVESTORS AND ANALYSTS

First REIT engages actively with both institutional and retail investors through various touchpoints. With the institutional investors, our management team connects with them through one-on-one meetings, conference calls as well as well investor conferences and roadshows.

Every year, research and fixed-income analysts are invited to First REIT's half-year and full-year results briefings where they can discuss the Trust's performance with the management team. Site visits are also organised periodically for analysts to visit First REIT's hospitals in Indonesia. In September, we hosted analysts from KGI Securities, Phillip Securities and SAC Capital to a visit of three of our properties located in Jakarta. Currently, First REIT is covered by CGS-CIMB Research.

First REIT renewed their membership with REIT Association of Singapore ("**REITAS**") for FY 2020 and will continue to reach out to more investors through events organised by REITAS.

COMMUNICATIONS TOUCH POINTS

For all IR queries, we have a dedicated IR contact email address – **ir@first-reit.com** and we make it a point to address all queries channelled to this email in a timely manner.

In FY 2019, First REIT organised or participated in the following results briefings, conferences and non-deal roadshows:

Singapore		
Date	**Event**	**Organiser**
January	4Q 2018 Results Briefing	First REIT
February	Retail Investor Roadshow	Phillip Securities
March	GCP Global Symposium	GCP Global
	OCBC Non-Deal Roadshow	OCBC Bank
May	Retail Investor Roadshow	Value Investing College (“**VIC**”)
	Singapore’s 5th REITs Symposium	ShareInvestor / REITAS
	HSBC Non-Deal Roadshow	HSBC
August	2Q 2019 Results Briefing	First REIT
	Macquarie ASEAN Conference	Macquarie Capital Securities
	CITI-REITAS SGX Singapore REIT & Sponsors Forum	REITAS

Overseas			
Date	**Event**	**Location**	**Organiser**
May	Non-Deal Roadshow	Kuala Lumpur, Malaysia	CIMB Investment Bank
June	Non-Deal Roadshow	Penang, Malaysia	CIMB Investment Bank
	Retail Investor Roadshow	Kuala Lumpur, Malaysia	VIC (KL)
September	Corporate Day	Bangkok, Thailand	SGX / DBS / REITAS
	Analyst Trip	Jakarta, Indonesia	First REIT

FINANCIAL CALENDAR

Event	FY 2019	FY 2020 (Tentative)*
First Quarter Financial Results Announcement	10 April 2019	May 2020
Payment of First Quarter Distribution to Unitholders	30 May 2019	June 2020
Second Quarter Financial Results Announcement	5 August 2019	August 2020
Payment of Second Quarter Distribution to Unitholders	17 September 2019	September 2020
Third Quarter Financial Results Announcement	6 November 2019	November 2020
Payment of Third Quarter Distribution to Unitholders	17 December 2019	December 2020
Fourth Quarter Financial Results Announcement	29 January 2020	January 2021
Payment of Fourth Quarter Distribution to Unitholders	13 March 2020	March 2021
Annual General Meeting	June 2020*	April 2021

* Note: Dates are indicative and subject to change.

CORPORATE **INFORMATION**

MANAGER
Bowsprit Capital Corporation Limited

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50 Collyer Quay
#06-01 OUE Bayfront
Singapore 049321
Tel: (65) 6435 0168
Fax: (65) 6435 0167

Website & Email Address
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ir@first-reit.com

TRUSTEE
Perpetual (Asia) Limited
8 Marina Boulevard #05-02
Marina Bay Financial Centre Tower 1
Singapore 018981

UNIT REGISTRAR AND UNIT TRANSFER OFFICE
Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

INDEPENDENT AUDITORS
RSM Chio Lim LLP
8 Wilkie Road
#03-08 Wilkie Edge
Singapore 228095
Audit Partner-in-Charge:
Mr Chow Khen Seng
Appointed from financial year 2019

RSM Indonesia
Plaza Asia, 10th Floor
Jl. Jend. Sudirman Kav. 59
Jakarta 12190, Indonesia

Shinhan Accounting Corporation (Member of RSM International)
3rd Floor, Topic Building
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Jung-gu, Seoul, South Korea

INDEPENDENT SINGAPORE TAX ADVISER
Ernst & Young LLP
One Raffles Quay,
North Tower
Level 18
Singapore 048583

INDEPENDENT INDONESIA ACCOUNTING AND TAX ADVISER
PT Artha Jasakonsulindo
District 8 @SCBD Lot 28
Treasury Tower, 6th Floor
Jl. Jend. Sudirman Kav. 52-53
Senayan, Kebayoran Baru
Jakarta Selatan 12190, Indonesia

INDEPENDENT SOUTH KOREA ACCOUNTING AND TAX ADVISER
Shinhan Accounting Corporation (Member of RSM International)
3rd Floor, Topic Building
212-13 Toegye-ro
Jung-gu, Seoul, South Korea

INVESTOR RELATIONS
August Consulting Pte. Ltd.
101 Thomson Road
#30-02 United Square
Singapore 307591

COMPANY SECRETARY OF THE MANAGER
Ms Tan Lay Hong

DIRECTORS OF THE MANAGER
Mr Christopher James Williams
Chairman and Non-Independent Non-Executive Director

Mr Tan Kok Mian Victor
Executive Director and Chief Executive Officer

Mr Chan Pengee Adrian
Lead Independent Director

Mr Ferris Charles Bye
Independent Director

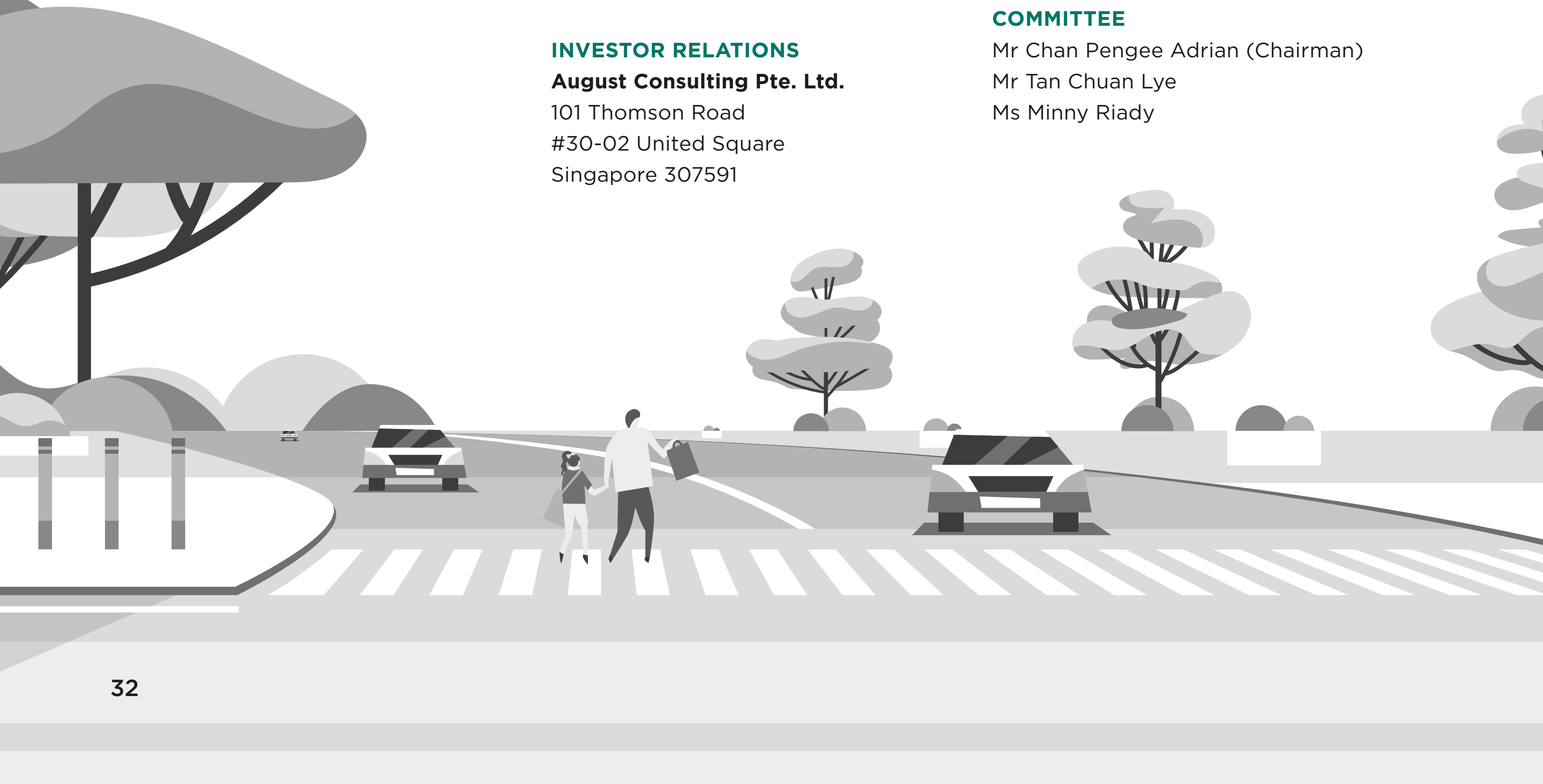
Mr Tan Chuan Lye
Independent Director

Mr Martin Lechner
Independent Director

Ms Minny Riady
Non-Independent Non-Executive Director

AUDIT AND RISK COMMITTEE
Mr Ferris Charles Bye (Chairman)
Mr Chan Pengee Adrian
Mr Tan Chuan Lye
Mr Martin Lechner

NOMINATING & REMUNERATION COMMITTEE
Mr Chan Pengee Adrian (Chairman)
Mr Tan Chuan Lye
Ms Minny Riady



SUSTAINABILITY **REPORT**

Board's Statement

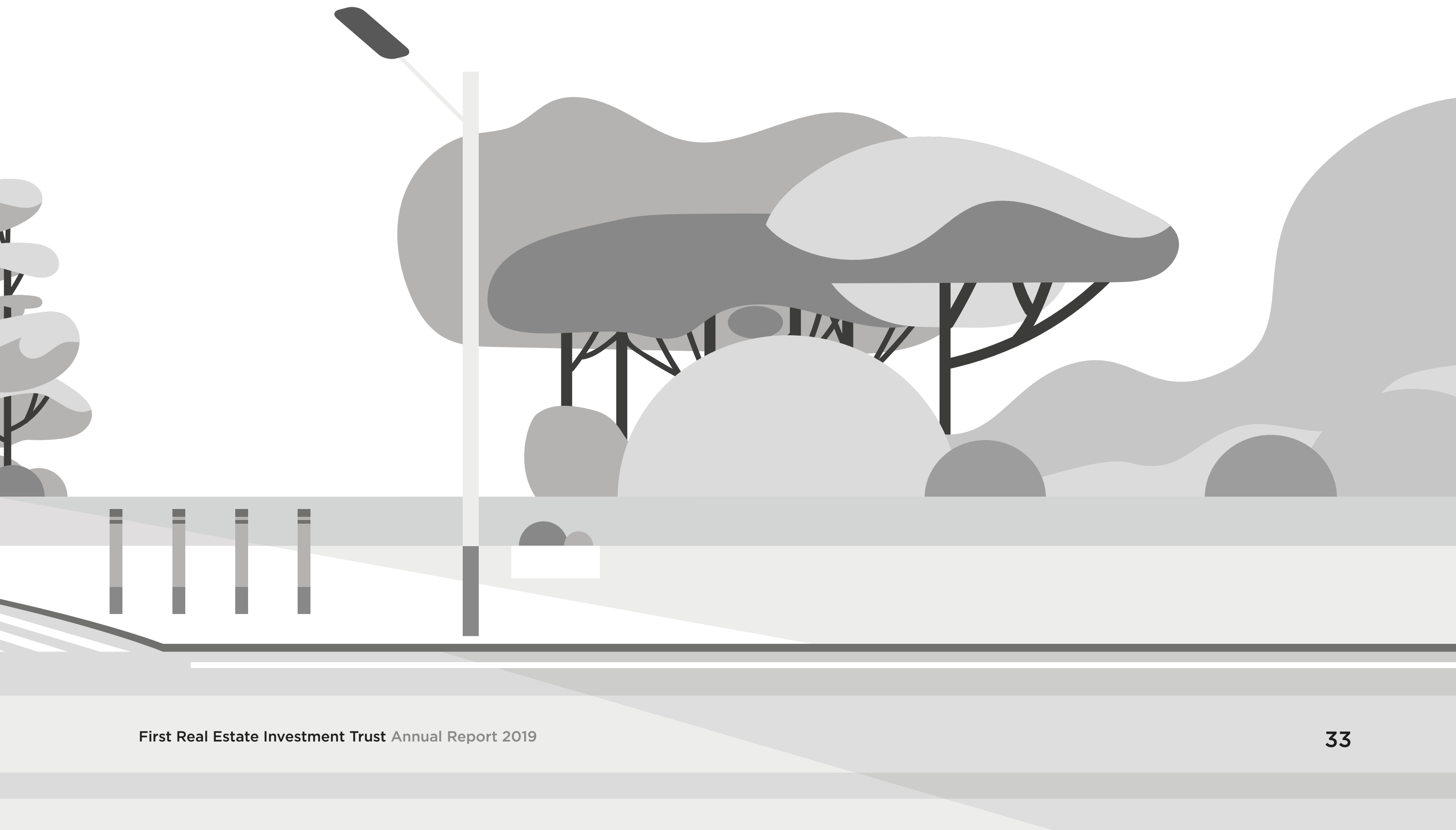
The Board of Directors (the "**Board**") of Bowsprit Capital Corporation Limited (The "**Manager**") is pleased to present First REIT's third sustainability report, which illustrates the Manager's commitment to creating a long-term sustainable future to stakeholders.

As the Board of the Manager, we remain diligent in the business conduct and strengthening the business practices by integrating Environmental, Social and Governance ("**ESG**") aspects into the processes.

Our robust corporate governance framework and zero-tolerance approach towards lapses in non-compliance with applicable laws and regulations are evidence of the commitment towards achieving the highest standards of corporate governance. We have recorded zero cases of material non-compliance with any law and regulations.

The Manager believes employees' character development and corporate experiences are vital to the value creation to the stakeholders. We engage our employees through various touch-points such as skills development training programmes, social team bonding activities, upgrading the skills of our employees, providing them with opportunities to attend training workshops and courses. These experiences will value-add to our employees' character development and corporate experiences. Stakeholders will be reassured that our employees have capabilities to perform under different situations with excellence.

The Board of the Manager look forward to the exciting journey that lies ahead as we strive towards creating greater value to our Unitholders.



SUSTAINABILITY **REPORT**

ABOUT THIS REPORT

Scope of the report
First Real Estate Investment Trust (“**First REIT**” or the “**Trust**”) is a real estate investment trust and managed by Bowsprit Capital Corporation Limited (the “**Manager**”).

Reporting Framework
This report has been prepared in compliance with the requirements of Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Rules 711A and 711B. The report is in accordance with the Global Reporting Initiative (“**GRI**”) Standards – Core option, the international standard for sustainability reporting established by GRI in 2016.

The content of this report was defined by the four reporting principles established by GRI Standards: (1) Stakeholder Inclusiveness; (2) Sustainability Context; (3) Materiality; and (4) Completeness. These principles were then related to the Manager’s performance, initiatives, and impact of its operations with reference to the Environmental, Social and Governance (“**ESG**”) criteria from 1 January 2019 to 31 December 2019.

The Stakeholder Inclusiveness principle was addressed in the first section of the report, where stakeholders of the Trust are identified, stakeholder engagements at varying levels are described, findings from the internal discussions led by the Manager were tabulated and a commitment to sustainability was presented.

Next, Sustainability Context, Materiality and Completeness as key principles were concurrently addressed in a Materiality Matrix, where material topics were weighed according to their respective importance to stakeholders, as well as their economic, environmental and social impact to the Trust’s business.

This combined assessment allows the Trust and its Manager to identify and agree upon the appropriate material ESG aspects of the business, in fulfilment of the Completeness principle.

This report is developed with reference to the primary components set in the SGX-ST Listing Rule 711B on a ‘comply or explain’ basis. Unless otherwise stated, the report covers the ESG performance of the Trust across its core operations.

Report Content and Quality
This report aims to provide an integrated overview of the Trust and its Manager’s initiatives and strategies related to sustainability and responsible business development. Through these actions, we aim to address the key concerns and issues that our stakeholders face.

In ensuring content quality, we have applied GRI’s principles of accuracy, balance, clarity, comparability, reliability and timeliness. All the data presented in the report are presented in internationally accepted measurement units. Financial figures are presented in Singapore dollar unless otherwise stated.

Availability
The Manager welcome stakeholders to submit their questions or feedback on any aspect of our sustainability performance to ir@first-reit.com.

HIGHLIGHTS OF 2019

22.7
average training hours clocked by employees of the Manager

35%
of the employees have been with the Manager for more than 7 years

2
community service activities conducted with more than 50% of employees involved

STAKEHOLDER ENGAGEMENT

Stakeholders	Engagement Channels	Key Feedback/Issues	Commitments to Sustainability
Employees	**Annually** • Employee feedback sessions • Dialogue sessions with senior management • Performance appraisals **Ad-hoc basis** • Employee training sessions • Team bonding sessions	• Remuneration and benefits • Fair and competitive employment practices • Work-life balance • Employee safety, welfare, training and development opportunities	• Create a conducive work environment for all employees • Promote cohesive work culture
Investors, Unitholders, Analysts and Media	**Annually** • Annual general meeting (AGM) • Sustainability reports **Quarterly** • Financial results announcement **Ad-hoc/Perpetual** • Corporate website • SGX announcement and media release • Events and meetings (road shows)	• Business strategy and outlook (return on investments, growth rate, risk management) • Corporate governance and regulatory compliance • Performance and reporting standards	• Timely and transparent disclosure of accurate and relevant information to stakeholders • Sustainable long-term return of investment
Operators	**Annually** • Key operators meeting **Quarterly** • Asset management reports	• Reliable and efficient infrastructure • Prompt response to feedback	• Maximise resource efficiency of properties • Ensure tenant's safety and security
Trustee	**Quarterly** • Reports	• Operational efficiency	• Zero-tolerance for corruption
Third-Party Service Providers	**Annually** • Property audits **Project-basis** • Service provider evaluation	• Environmental compliance • Occupational health and work safety practices	• Compliance to terms in contracts
Government	**Annually** • Tax filing report • Sustainability report • Regulatory report **Ad-hoc/Perpetual** • Associations and bodies (E.g. REITAS, SIAS)	• Advocate greener operator behaviour • Laws and regulations related to trade associations • Eco-friendly green infrastructures	• Compliance with laws and regulations • Fair and ethical business practices
The Community	**Annually** • Sustainability report **Ad-hoc** • Corporate social responsibility ("**CSR**") activities	• Sustainable business practices • Eco-awareness amongst the community	• Management of impacts on the community • Advocate eco-friendly practices • Support local initiatives

SUSTAINABILITY **REPORT**

MATERIALITY ASSESSMENT

Through various engagement sessions involving the management and executives, the Manager has considered and assessed the topics that First REIT and its stakeholders are concerned about, as well as those that can potentially impact the long-term sustainability of its business. Our approach on materiality assessment aims to follow the reporting principles of:

1. Stakeholder Inclusiveness
2. Sustainability Context
3. Materiality

First REIT's material topics are derived from a materiality matrix. In accordance to the reporting principles, we take into account the material topics' influence on stakeholders' decisions as well as the significance of the topic's impact to Governance, Social, Environmental and Economic factors. These material topics are ranked in the materiality matrix and are discussed further in the subsequent pages of the report.

Materiality Matrix

Materiality Table

Material Topics	Relevance to First REIT/Manager	How we are addressing the issue
Economic Dimensions		
Direct and Indirect Economic Impact 	We provide income for our employees, revenue for suppliers and contractors, as well as support public well-being and infrastructure through tax payments and fees. Further, through our provision of space for our tenants to operate, our tenants support the local economy through the provision of jobs and healthcare services.	First REIT We focus on entering into yield-accretive property investments so that investors can receive stable and attractive dividends. We continue to source for potential acquisitions across Asia.
Asset Quality and Integrity 	We strive to achieve the highest standards of quality and safety in our buildings. We believe that it is through the management of such fundamental requirements that we can build stronger bonds with our stakeholders. In a competitive landscape, we seek to understand our stakeholders and go the extra mile to deliver value to them.	First REIT Our long-term sustainable goal is to ensure the safety and comfort of our tenants and their end-customers. Annually, we engage external building auditors to carry out building audits to ensure that the quality standards of our properties will not be compromised. We value the feedback from our stakeholders to offer better service standards for our tenants. Our value-adding asset enhancement projects ensure that our properties remain competitive and are satisfactory to our stakeholders.
Environmental Dimensions		
Waste Management 	As a healthcare REIT providing business opportunities for healthcare or healthcare-related service providers, it is our duty to ensure our tenants assume their responsibility on proper disposal of biohazardous waste. Improper biohazardous waste disposal can have dire consequences to the environment and local biodiversity. In addition, there could be legal liabilities following adverse consequences that will indirectly impact First REIT's reputation as a healthcare REIT.	First REIT Other than ensuring that our buildings have proper waste management programmes in place, the Manager and our tenants have initiated several recycling and waste reduction programmes during the reporting period. PT Siloam International Hospitals Tbk ("**Siloam**") • Siloam hospitals operate under paperless systems where the prescription letter is sent directly to the pharmacy after the patient's consultation. Radiology departments have also introduced filmless radiology consultations. Imperial Aryaduta Hotel & Country Club • Monitoring and reduction of food wastage at food and beverages outlets; • Recycling of plastic bottles Manager • Electronic copy of annual report for FY 2018 and FY 2019

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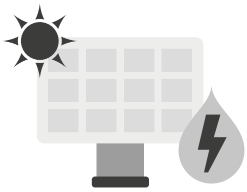
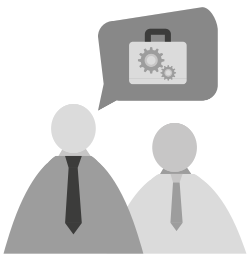
Material Topics	Relevance to First REIT/Manager	How we are addressing the issue
Environmental Dimensions		
Energy and Water Conservation 	We recognise that investing in or placing emphasis on energy and water conservation measures not only reduces our carbon footprint but also makes business sense in terms of cost savings. Therefore, we are committed to taking active steps to reduce our overall energy consumption and improve energy and water efficiency to minimize the environmental impact at every level operation.	<u>Manager</u> As Manager of First REIT, we strive to improve energy efficiency in our daily office operations. All lights are turned off after all staff left the office. We have started monitoring our electrical consumption and are exploring other areas of energy conservation in the office. <u>Siloam</u> Siloam completed a pilot project at Siloam Hospitals Makassar ("**SHMK**"), and installed a solar panel powered water heater and water pressure tank in November 2018. This initiative saw SHMK energy reduction from 90 million per month of LPG usage to 45 million per month of LPG usage. There are plans to replicate this in other hospitals within Siloam's hospital network. <u>Imperial Aryaduta Hotel & Country Club</u> The hotel operator implemented a water pipe replacement programme to reduce water leakages. They have also programmed the operations of the main exhaust and motor cooler by modulating control.
Social Dimensions		
Employee Attraction & Retention 	The success of our business is attributed to our ability to attract and retain talented and passionate people. As such, we have competitive remunerations, training and development programmes. We aim to create a conducive environment to nurture our employees to their fullest potential. This will also provide security to investors knowing that employees of the Manager possess excellent capabilities to excel in their respective roles.	<u>Manager</u> We have competitive employee remuneration packages. We focus on providing a learning experience, productive and safe working environment. We provide opportunities for career development and growth. In FY 2019, our employees have clocked an average of 22.7 hours of training, a target achieved compared to the targeted 20 hours of training in FY 2018. In FY 2019, we introduced health screening for employees in addition to "Fruits Day", as well as organized team bonding sessions to build cohesiveness, boost team morale and motivate employees.

Material Topics	Relevance to First REIT/Manager	How we are addressing the issue
Social Dimensions		
Community 	As a socially conscious business, we recognise the need to build long-term relationships with the stakeholders, and to actively engage our community. As we grow our business, a clear focus to guide our community-engagement initiatives will allow the community to thrive alongside us Besides focusing on the financial aspects of our operations, we also understand the importance of giving back to the community.	Manager We fostered staff volunteerism by carrying out community involvement projects at our Singapore properties as we believe in creating positivity from within. In FY 2019, the Manager initiated and participated in the following activities: • Chinese New Year celebration: Organised fun-filled activities for residents of The Lentor Residence • Mooncake Festival celebration: Organised a tea-time celebration with the residents in Pacific Healthcare Nursing Home II @ Bukit Panjang • Stars of Christmas: Organised by OUE Limited ("**OUE**") and participated by the Manager. The event brings Christmas cheer to beneficiaries of non-profit organisations providing programmes and services to under privileged children, and those with special needs and illness. Our corporate objective is to engage stakeholders beyond our workplace and spread joy during festive seasons. We commit ourselves through community involvement projects to bond with our stakeholders.
Governance Dimensions		
Ethics and Business Conduct 	We are committed to conducting our business activities with integrity and respect for the society at large. This helps to build up our reputation as the employer of choice, a credible business partner and as a quality healthcare REIT.	Manager and First REIT We have zero tolerance for any breaches of our Code of Business Conduct. We educate our employees through constant interactions, a strong culture of compliance and the staff handbook. We also instituted the following policies to safeguard stakeholders' interests: • Personal Data Protection Policy; • Whistle Blowing Policy; • Do-not-call Policy; and • Collection of Personal Data Policy There have been no breaches and zero cases of corruption and fraud during the reporting period.

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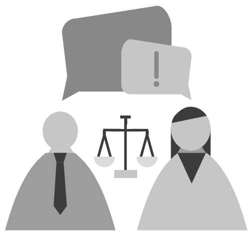
Material Topics	Relevance to First REIT/Manager	How we are addressing the issue
Governance Dimensions		
Independence and Conflict of Interest 	Given the pipeline of potential investments in the Asia-Pacific region, we are committed to protect the interest of unitholders and maintain the trust that they have in us.	<u>Manager and First REIT</u> We perform due diligence on all investments to ensure that the intended investment is yield accretive and fundamentally sound. We align our performance fee with interest of First REIT's Unitholders. Employees are required to make periodic declarations to confirm that they are not subjected to conflict of interest situations.
Regulatory Compliance 	As a listed REIT on SGX-ST, we are required to comply with SGX-ST listing requirements, Monetary Authority of Singapore's ("**MAS**") and other regulators' requirements. Failure to comply with these regulations could pose a threat to business continuity. Further, with properties across multiple countries, First REIT is also subjected to regulatory compliance of the respective host countries.	<u>Manager</u> The Directors were briefed on the regulatory and legislative changes including changes to the code of corporate governance 2018 as well as the changes to accounting standards. The Directors are given unrestricted access to professionals for consultation and to receive the relevant training of their choice in connection with their duties as directors as and when they deem necessary. On an ongoing basis, Directors were also briefed on any changes to regulations, policies and accounting standards that affects First REIT or have an important bearing on the Manager's or Directors' disclosure obligations during Board meetings. We engage professional third party auditors to perform audit on our financials and internal controls annually to ensure compliance to application laws and regulations.

CORPORATE GOVERNANCE

The Board and the Manager understands the importance of corporate governance and demonstrates good corporate governance in accordance to principles, guidelines, and recommendations of the Code of Corporate Governance 2018.

The Manager upholds the standards of ethical business conduct, establishing, reviewing, and communicating policies and procedures to new and existing employees. These policies and procedures are documented in the "Code of Conduct", and are summarised in the table below.

Code of Conduct	Conflict of Interest	Whistle Blowing Policy
Outlines the specific conduct requirement for the following: • Professionalism (Job Duties, Appearance and Attendance) • Confidentiality • Workplace Conduct • Compliance of Law	Provides expectations for employees' use of corporate opportunities and disclosure of confidential information for personal gains.	Provides a secure channel for employees and external parties to report misconducts of the Manager. Whistle-blower's identity will be kept confidential.
Personal Trading Policy	**Anti-Bribery/Anti-Corruption**	**Anti-Money Laundering Manual**
Provides guidelines for employees holding units of the REIT which also includes unit-holding declarations and pre-trade clearances.	Provides guidelines on acceptance and acknowledgement of gifts received by employees from business partners.	Provides the principles and procedures to deter and deal with incidents of money laundering and other suspicious activities

Regulatory Compliance

The Manager adopts a zero-tolerance approach to regulatory breaches. The Manager is responsible for compliance with the applicable laws and regulations such as the SGX-ST listing rules, the Code on Collective Investment Schemes issued by the MAS and tax rulings issued by the Inland Revenue Authority of Singapore. Our Board comprises business leaders and professionals who are qualified and competent to manage issues pertaining to regulatory compliance. There were no recorded instances of regulatory breaches in FY 2019.

Enterprise Risk Management

The Manager adopts an Enterprise Risk Management ("**ERM**") framework to identify and address top-tier risks and events that First REIT is vulnerable to. The Manager periodically collaborates with the internal auditors to assess the Manager's risk position against the REIT industry's risk outlook. Management and the risk owners in the respective business units facilitate the discussion in identification, highlighting, and documentation of the Trust's susceptible enterprise risks. The enterprise risks identified by the Manager are broadly categorised as Operational Risk and Strategic Risk.

The Manager has established internal risk controls in their business operations across the portfolio. These include operational guidelines, information systems, the channel of reporting and monitoring procedures. The Manager applies the ERM framework to mitigate against anticipated operational risks such that appropriate internal controls and measures are established to prevent, manage and minimise the impact of an unlikely occurrence of highlighted risks to business operations.

The Manager focuses on acquiring yield-accretive properties in healthcare and healthcare-related industries as a growth strategy. The Manager conducts rigorous analysis on market trendlines, ensures prudent financial projections and constant reviews on existing assets to moderate the potential strategic risk associated with the outlook of the company. Additionally, we actively engage with different stakeholders to identify potential growth opportunities to mitigate the inherent strategic risk.

The overall risk management methodology identifies risk and integrates risk controls into the Manager's business processes to mitigate risks within an acceptable tolerance level. Being aware of and prepared for these potential risks minimise the impact of business disruption. The framework focuses on managing these key risks that would prevent the Manager from meeting sustainable objectives.

Process	Organisation Objectives and Risk Strategy	Risk Management Process	Communication and Monitoring
Assurance	Enterprise Risk Assessment	Internal Audit	External Audit
	Standard Operating Procedures	Whistle-Blowing Policy	Compliance Checklist
Business Risk	Operational Risk	Strategic Risk	Regulatory Risk
	Financial Risk	Reputation Risk	Political Risk

Personal Data Protection Policy

Personal Data Protection Act 2012 ("**PDPA**") focuses on the rights of individuals to protect their personal data, including rights of access and correction, and the need of organisation to collect, use or disclose personal data for a legitimate and reasonable purpose. In FY 2019, the Manager has further adopted several policies to enhance their Personal Data Protection practice and ensure stakeholders' interests are looked after. These policies and procedures are summarised in the table below:

Collection of Personal Data (Identification Number)	Do-Not-Call	PDPA Handbook
Outlines the procedures for personal data collection and measures of safeguarding the confidential information	Outlines proper channel of communication to safeguard stakeholders' interest	Outlines objectives of PDPA and baseline standard of protection for personal data by complementing regulatory frameworks

Stakeholders' data security is constantly reviewed by the Data Protection Officer appointed by the Manager. As at FY 2019, there are no validated data security breaches.

Moving Ahead

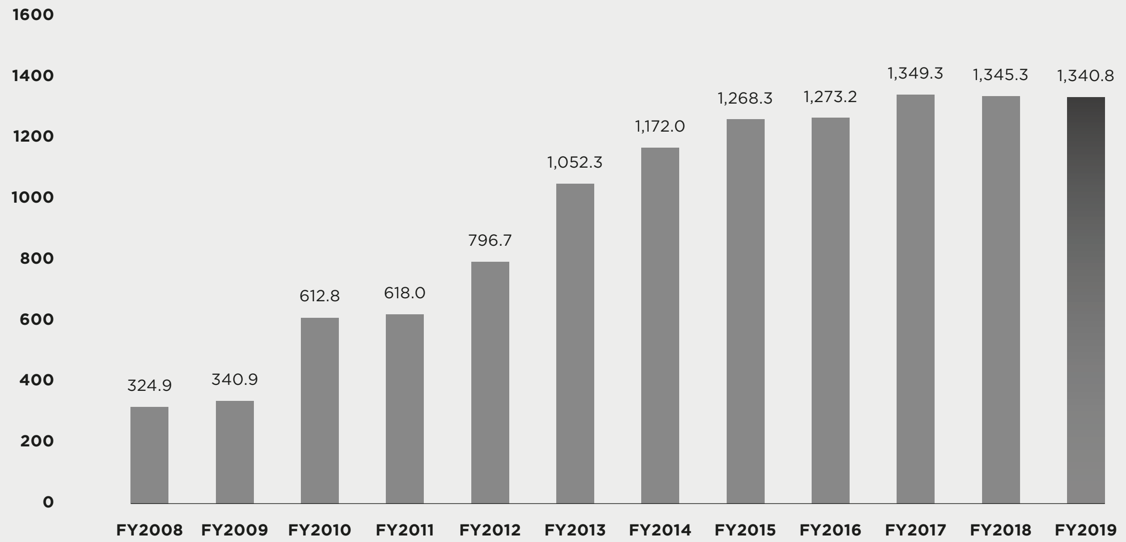
The Manager recognises the importance of corporate governance, risk management framework and internal controls on business processes as fundamentals towards achieving long-term sustainable business. The Manager strives to uphold the highest standards of corporate governance and deliver added value to their stakeholders.

2018 Target	Performance for FY 2019
Zero regulatory breaches	**Achieved**
Zero validated data security breaches	**Achieved**

FUTURE ECONOMIC OUTLOOK

The Manager adopts a distinct growth strategy by acquiring yield-accretive properties in the healthcare and healthcare-related industry. The Manager focuses on a long-term sustainable business model with long lease terms of a minimum of 10 years and above with step up escalation. As at FY 2019, the assets under management ("**AUM**") amounts to S$1.34 billion, supported by gross revenue of S$115.3 million and net property income of S$112.9 million, as at 31 December 2019. The Trust's AUM has grown at a compounded annual growth rate (CAGR) of 14.3% from 2008 to 2019.

ASSETS-UNDER-MANAGEMENT
(S$'million)



Corporate Road Map

Moving ahead, the Manager is working towards the strategic rebalancing of the portfolio, value creation through asset enhancement initiatives ("**AEI**") for Unitholders and leveraging on the sponsors' network as strategies towards achieving long-term sustainable business.

For more information on First REIT's financial performance, please refer to pages 4 to 6 of the Annual Report.

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ENVIRONMENTAL OUTLOOK

Infrastructural Implementation

In previous sustainability reporting, First REIT's Indonesia portfolio is progressively installing light emitting diodes ("**LED**") bulbs to replace conventional fluorescent lights as an energy-saving initiative. In FY 2019, the Manager is proud to report that 90% of the Indonesia portfolio is equipped with energy-saving LED bulbs. The remaining properties have initiated the shift toward LED bulbs progressively, as conventional fluorescent lights deteriorate or become faulty. This initiative has resulted in cost-savings of 10% throughout the useful lifespan of the LED electricity usage and bills.

Solar Panels and Solar-Powered Water Heater

A solar-powered water heater was installed at Siloam Hospitals Makassar ("**SHMK**") in November 2018, to replace the existing conventional electric water heater. This green initiative to utilise sustainable energy sources for business operations has an estimated cost saving of up to 20% on electricity in the long run.

For this solar-powered water heater, solar panels are strategically located on the rooftop of SHMK to absorb sunlight and convert solar energy to power the water heater. This initiative saw SHMK energy reduction from 90 million per month of LPG usage to 45 million per month of LPG usage. The water heater operates on 50% sustainable solar energy and the remaining from LPG gas. The pilot initiative has yielded overall cost-savings in terms of electricity usage and operating expenses. To achieve a more sustainable business operation, Siloam intends to progressively install solar-powered water heaters at other hospitals like Siloam Hospitals TB Simatupang, to achieve greater cost-savings.

Refrigerant Retrofit at Water-Cooled Packaged Units

Siloam initiated the replacement of refrigerant of water-cooled package units at Siloam Hospitals Lippo Village, from conventional chlorofluorocarbons to eco-friendlier refrigerants in the prior reporting year. In FY 2019, the replacement was completed, all water-cooled package units are fully operational and are now eco-friendlier. Siloam is continuously exploring new opportunities to improve and achieve greener business operations.

Waste management

Recycled Container

Siloam Hospitals Manado has initiated recycling of used jerry cans as one-time-use disposal sharps containers to dispose of biohazardous waste such as used syringes, needles, and sharp materials. The initiative targets to reduce plastic waste. The disposal process of biohazardous waste adheres to strict regulatory procedures and recycling containers are appropriately labelled with the appropriate 'Biohazard' symbol adopted from the Globally Harmonised System of Classification and Labelling of Chemicals.

Digitalised Consultation

Siloam has moved to paperless systems where prescription letters are communicated directly to the pharmacy after a patient's consultation. Patients will no longer be concerned with losing the physical letter which could lead to difficulties in the collection of their medication. Similarly, the radiology departments introduced filmless radiology consultation where radiologists store patient diagnosis results in compact disc-read only memory (CD-ROM) for ease of sharing with doctors and patients. These initiatives aim to reduce paper and radiology-related waste, while at the same time optimize hospital operations to ensure a smoother experience for patients.

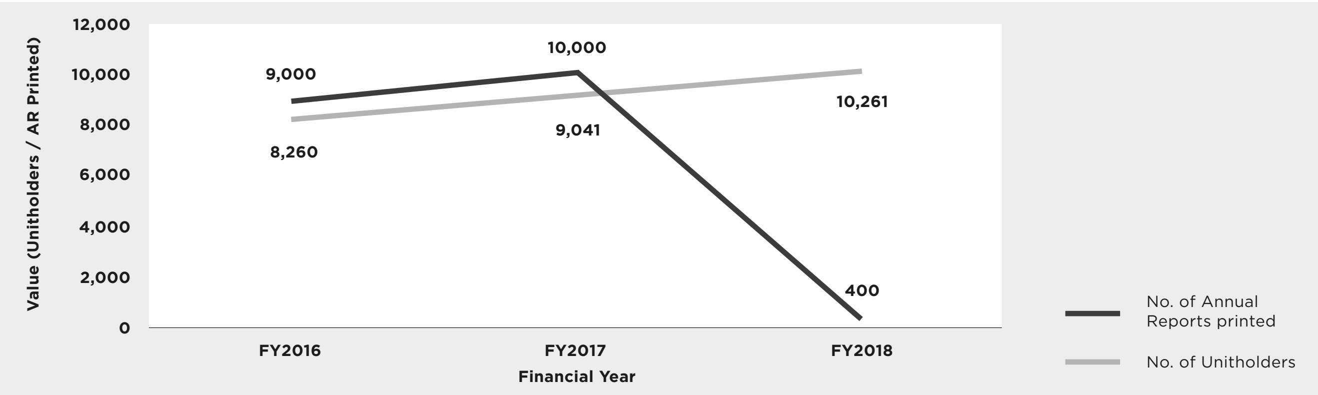
Reduce, Reuse and Recycle Initiatives

Singapore

The Manager adopted a green approach towards environmental cause through the implementation of providing an electronic copy of the Annual Report for our Unitholders. For Unitholders who wish to receive physical copy of the Annual Report, a request form is required to be submitted to the Manager. In FY 2019, there were 170 forms submitted by Unitholders for physical copy of the Annual Report for year 2018. The initiative reduced the use of 9,600kg[1] of paper and the Manager is encouraging Unitholders to peruse the electronic copies of the Annual Report for an environmental cause. Additionally, the annual reports were printed on paper with a high recycled content.

[1] The weight of one single copy of the Annual Report is 1 kilogramme (kg).

Reduction in Printed Copies of Annual Report



In February 2019, the Manager implemented an energy conservation initiative to save electricity by switching off lights during lunch time. The Manager monitored and tracked the electricity usage since implementation and has noted an average electrical usage of 1,079 kWh since the implementation of energy conservation. In comparison pre-implementation, the energy consumption averages around 1,129 kWh. Moving forward into FY 2020, the Manager will continue to explore other initiatives for energy conservation.

Indonesia

Imperial Aryaduta Hotel in Indonesia has an Energy Conservation Committee which focuses on energy conservation initiatives. The Committee was formed with representatives from every department to identify potential infrastructure improvements for energy conversation. The Committee aims to achieve 10% of energy cost against revenue. In FY 2019, the Committee has achieved 8.5% energy cost against revenue generated.

In FY 2019, Imperial Aryaduta Hotel & Country Club ("**IAHCC**") implemented a replacement programme for old water pipes in their premises to reduce potential water leakages and wastage. In addition, it also installed a Deep Well Pump to obtain water through sustainable means and thereby reducing water consumption from less sustainable sources.

Internally, the hotel operator segregates organic and inorganic waste for composting, to reduce output waste reduction. The operator programs the building's main exhaust and motor cooler to function efficiently and at eco-friendly hours. Run-time of the building's main exhaust has been reduced by six hours without compromising service standards. Additionally, the hotel's motor cooling tower functions on a more eco-friendly approach with two units instead of three.

The hotel operator prepares and analyses a spoilage summary report for breakfast and buffet items on a monthly basis to ensure that the unnecessary wastage of food products is managed.

Non-employment of Child Labour Declaration

The Manager assesses the respective operators and vendors engaged and request for the vendors to sign declaration forms for all activities and works carried out in the business operations. Child labour refers to the employment of children and young persons below the age of 14.

Moving Forward

In FY 2019, there was no major change in vendor appointments, therefore we will incorporate the sustainability criteria into vendor assessment in FY 2020. For Indonesia properties, Siloam Hospitals Group will monitor the effects of energy-saving after the implementation of Solar-Powered Water Heater and will continue with its recycling efforts to reduce waste disposal.

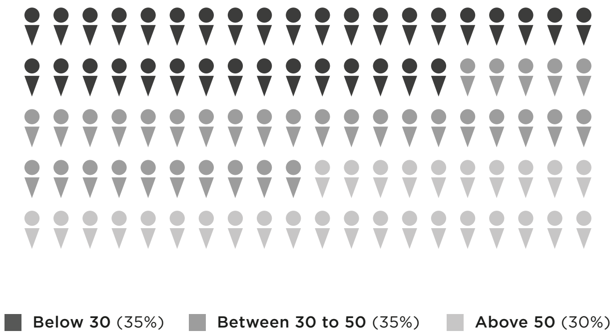
2018 Target	Performance for FY 2019
Incorporate sustainability criteria into vendor assessment in FY 2019	**Achieved**

SOCIAL OUTLOOK

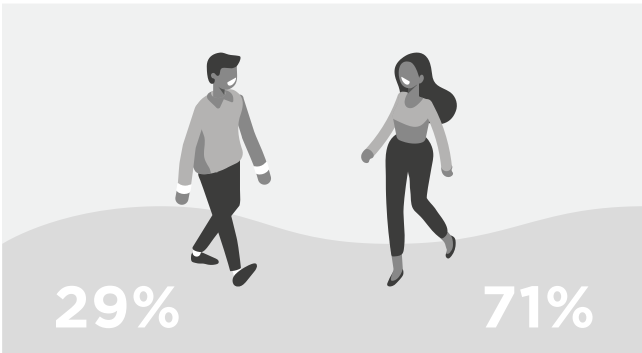
Employee Demographics

In FY 2019, the Manager has welcomed two additional employees to the team and achieved zero employee turnover. The employee demographics are illustrated in the charts below, based on Age Profile, Employment Category, Gender and Diversity.

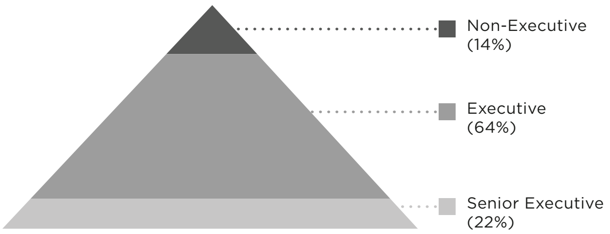
EMPLOYEES BY AGE



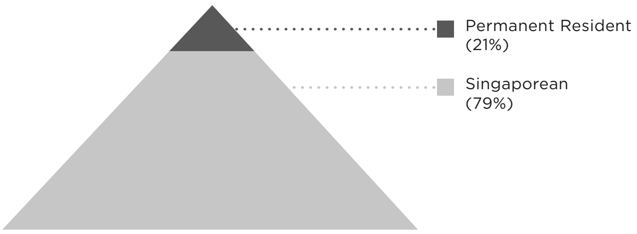
EMPLOYEES BY GENDER



EMPLOYEES BY EMPLOYMENT CATEGORY



DIVERSITY PROFILE OF EMPLOYEES



Talent Attraction and Retention

The Manager is made up of a resilient team from all age groups, capable of adapting to different situations and supported by a transparent communication platform and cohesive culture. Among the team, 35% have been with the Manager for more than 7 years.

Our recipe for success in retaining talent is attributed to our firm belief in developing and nurturing employees. Employees are presented with opportunities to participate in learning and development programmes. On a regular basis, employees gain first-hand experience in communicating with regional counterparts to gain greater insights into their respective local business operations. This invaluable experience connects and improves the working relationship among the employees, the Management, and the Operators.

The Manager invests in employee training and development. It is essential to build a competent and resilient workforce capable of delivering value to the stakeholders. For FY 2019, the Manager facilitated a total of 318 hours of training for its employees with each employee clocking an average of 22.7 hours of training. The Manager provides on-the-job mentoring, dialogues and annual appraisals to communicate strengths and gaps in employees' performance. Thereafter, employees are offered training opportunities to bridge the gaps.

The Manager continued the "Fruits Day" initiative from FY 2018 to advocate a healthy and balanced dietary lifestyle for all employees. In FY 2019, the Manager introduced health screening for employees to promote health awareness and better safeguard the workforce. Additionally, we continue to strive towards creating a dynamic work environment for everyone by integrating social and work aspects through team bonding activities.

The Manager is committed to creating a transparent and inclusive culture within the company. We engage our employees through multiple touchpoints such as team bonding sessions, and training sessions. We believe that highly engaged employees are inclined to perform at a consistently high level to deliver greater value to our stakeholders. In addition, the Manager constantly reviews employee benefits to ensure the employees are offered comprehensive and competitive remuneration packages.

The Community

We believe in reciprocating the support we received from our stakeholders to the community we operate in. We regularly organise and volunteer in Community Involvement Projects ("**CIPs**") at our very own nursing homes. Annually, through the CIPs, we reach out to our community to engage and foster stronger relationships with the different stakeholders.

In FY 2019, we organised Chinese New Year celebration by distributing mandarin oranges and playing games with the seniors at The Lentor Residence. We also celebrated Mid-Autumn Festival with the residents at Pacific Healthcare Nursing Home II @ Bukit Panjang where we played games and shared mooncakes with the residents during their tea session.

We attended the Stars of Christmas event initiated by the OUE and contributed S$4,300 to the event which went towards refreshments for different stakeholders and gifts for children and partners.

In FY 2019, our commitment to our community were represented through the following:

- Chinese New Year celebration with the residents of The Lentor Residence
- OUE's Annual event (Stars of Christmas) for the underprivileged children
- Mooncake Festival Celebration with residents of Pacific Healthcare Nursing Home II @ Bukit Panjang

Chinese New Year Celebration

Employees of the Manager and Trustee celebrated the festive season with the elderly at The Lentor Residence.

Stars of Christmas

Employees of the Manager attended the event and contributed to the Christmas Stars Charity Project organised by OUE, contributing gifts for the underprivileged children ranging from five to sixteen years of age.

Employees of the Manager and Trustee at The Lentor Residence Chinese New Year Volunteer Event 2019

Stars of Christmas Celebration 2019 with OUE and the underprivileged children at Mandarin Orchard Singapore

Moving Ahead

Moving into FY 2020, we strive towards maintaining our average 20 training hours per employee and continue our community involvement projects with our stakeholders.

Target for FY 2019	Performance for FY 2019
Maintain an average of 20 training hours for our employees	Achieved
Organise at least two Community Involvement Projects with at least 50% employee participation	Achieved

GRI Standard	Disclosure Title	Page Reference & Remarks
GENERAL DISCLOSURE		
ORGANIZATIONAL PROFILE		
Disclosure 102-1	Name of the Organization	Annual Report – Corporate Profile
Disclosure 102-2	Activities, brands, products, and services	Annual Report – Corporate Profile
Disclosure 102-3	Location of headquarters	Annual Report – Corporate Profile
Disclosure 102-4	Location of operations	Annual Report – Portfolio Overview
Disclosure 102-5	Ownership and legal form	Annual Report – Corporate Profile
Disclosure 102-6	Markets served	Annual Report – About First REIT, Portfolio Overview
Disclosure 102-7	Scale of the Organization	Sustainability Report – Our Employees Demographics
Disclosure 102-8	Information on employees and other workers	Sustainability Report – Our Employees Demographics
Disclosure 102-9	Supply Chain	Annual Report – Corporate Profile
Disclosure 102-10	Significant changes to the organization and its supply chain	Annual Report – Milestones, Significant events in 2018, Investor Newsroom
Disclosure 102-11	Precautionary Principle or approach	Annual Report – Risk Management Sustainability Report – Enterprise Risk Management
Disclosure 102-12	External initiatives	Annual Report – Governance
Disclosure 102-13	Membership of associations	Sustainability Report – Stakeholders' Engagement
STRATEGY		
Disclosure 102-14	Statement from senior decision maker	Sustainability Report – Board's Statement
Disclosure 102-15	Key impacts, risks, and opportunities	Sustainability Report – Board's Statement and Enterprise Risk Assessment framework
ETHICS AND INTEGRITY		
Disclosure 102-16	Values, principles, standards, and norms of behaviour	Annual Report – Corporate Governance report Sustainability Report – Corporate Governance
Disclosure 102-17	Mechanisms for advice and concerns about ethics	Annual Report - Corporate Governance report- Whistle Blowing Policy Sustainability Report – Corporate Governance (Anti-Money Laundering Manual, Anti-Bribery/ Anti-Corruption)
GOVERNANCE		
Disclosure 102-18	Governance structure	Annual Report - Corporate Governance report Sustainability Report – Managing Sustainability at First REIT
Disclosure 102-19	Delegating authority	Sustainability Report – Managing Sustainability at First REIT
Disclosure 102-20	Executive-level responsibility for economic, environmental, and social topics	Sustainability Report – Managing Sustainability at First REIT
Disclosure 102-21	Consulting stakeholders on economic, environmental and social topics	Sustainability Report – Stakeholder Engagement
Disclosure 102-22	Composition of the highest governance body and its committee	Annual Report – Corporate Governance report

GRI Standard	Disclosure Title	Page Reference & Remarks
Disclosure 102-23	Chair of the highest governance body	Annual Report – Corporate Governance report
Disclosure 102-24	Nominating and selecting the highest governance body	Annual Report – Corporate Governance report
Disclosure 102-25	Conflicts of interest	Annual Report – Corporate Governance report Sustainability Report - Corporate Governance (Conflict of Interest)
Disclosure 102-26	Role of highest governance body in setting purposes, values, and strategy	Sustainability Report – Managing Sustainability at First REIT
Disclosure 102-27	Collective knowledge of highest governance body	Sustainability Report – Managing Sustainability at First REIT
Disclosure 102-28	Evaluating the highest governance body's performance	Sustainability Report – Managing Sustainability at First REIT
Disclosure 102-29	Identifying and managing economic, environmental, and social impacts	Sustainability Report – Managing Sustainability at First REIT
Disclosure 102-30	Effectiveness of risk management process	Sustainability Report – Managing Sustainability at First REIT
Disclosure 102-31	Review of economic, environmental, and social topics	Sustainability Report – Economic, Environment and Social
Disclosure 102-32	Highest governance body's role in sustainability reporting	Sustainability Report – Managing Sustainability at First REIT
Disclosure 102-33	Communicating critical concerns	Sustainability Report – Stakeholder Engagement
Disclosure 102-34	Nature and total number of critical concerns	Sustainability Report – Materiality Assessment
Disclosure 102-35	Remuneration policies	Sustainability Report – Social, Talent Attraction and Retention
Disclosure 102-36	Process for determining remuneration	Sustainability Report – Social, Talent Attraction and Retention
Disclosure 102-37	Stakeholders' involvement in remuneration	Sustainability Report – Social, Talent Management
Disclosure 102-38	Annual total compensation ratio	We choose not to disclose as we reward based on meritocracy.
Disclosure 102-39	Percentage increase in annual total compensation ratio	We choose not to disclose as we reward based on meritocracy.
STAKEHOLDER ENGAGEMENT		
Disclosure 102-40	List of stakeholder groups	Sustainability Report – Stakeholder Engagement
Disclosure 102-41	Collective bargaining agreements	None of our employees have joined trade union.
Disclosure 102-42	Identifying and selecting stakeholders	Sustainability Report – Stakeholder Engagement
Disclosure 102-43	Approach to stakeholder engagement	Sustainability Report – Stakeholder Engagement
Disclosure 102-44	Key topics and concerns raised	Sustainability Report – Stakeholder Engagement
REPORTING PRACTICE		
Disclosure 102-45	Entities included in the consolidated financial statements	Annual Report- Financial Highlights
Disclosure 102-46	Defining report content and topic boundaries	Sustainability Report – About This Report
Disclosure 102-47	List of material topics	Sustainability Report – Material Topics

SUSTAINABILITY
REPORT

GRI Standard	Disclosure Title	Page Reference & Remarks
Disclosure 102-48	Restatements of information	None
Disclosure 102-49	Changes in reporting	None
Disclosure 102-50	Reporting period	Sustainability Report – About This Report
Disclosure 102-51	Date of most recent report	Sustainability Report 2019
Disclosure 102-52	Reporting cycle	Annual
Disclosure 102-53	Contact point for questions regarding the report	Sustainability Report – About This Report
Disclosure 102-54	Claims of reporting in accordance with the GRI Standards	Sustainability Report – About This Report
Disclosure 102-55	GRI content index	Sustainability Report – GRI Content Index
Disclosure 102-56	External assurance	Not sought
MANAGEMENT APPROACH		
Disclosure 103-1	Explanation of the material topic and its Boundary	• Direct and Indirect economic impact • Asset Quality & Integrity • Waste Management • Energy and Water Conservation • Employee attraction and retention • Community • Ethics and business conduct • Independence and conflict of interest • Regulatory compliance
Disclosure 103-2	The management approach and its components	
Disclosure 103-3	Evaluation of the management approach	
ECONOMIC PERFORMANCE		
Disclosure 201-1	Direct economic value generated and distributed	Annual Report – Financial Highlights
Disclosure 201-2	Financial implications and other risks and opportunities due to climate change	We have assessed that climate change has no significant impact on our business
Disclosure 201-3	Defined benefit plan obligations and other retirement plans	There is no pension scheme and employees under retirement plan.
Disclosure 201-4	Financial assistance received from government	None
MARKET PRESENCE		
Disclosure 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	We choose not to disclose as we reward based on meritocracy.
Disclosure 202-2	Proportion of senior management hired from the local community	We choose not to disclose as we reward based on meritocracy.
INDIRECT ECONOMIC IMPACTS		
Disclosure 203-1	Infrastructure investments and services supported	Our properties are premises used by local healthcare operators to provide medical services for local communities.
Disclosure 203-2	Significant indirect economic impacts	This is not applicable to the Trust.
PROCUREMENT PRACTICES		
Disclosure 204-1	Proportion of spending on local suppliers	This is not applicable to the Trust due to the nature of our business.

GRI Standard	Disclosure Title	Page Reference & Remarks
ANTI-CORRUPTION		
Disclosure 205-1	Operations assessed for risks related to corruption	Annual Report – Anti-Corruption and Anti-Bribery Sustainability Report - Corporate Governance (Anti-Bribery/Anti-Corruption, Anti-money Laundering Manual)
Disclosure 205-2	Communication and training about anti-corruption policies and procedures	
Disclosure 205-3	Confirmed incidents of corruption and actions taken	
ANTI-COMPETITIVE BEHAVIOR		
Disclosure 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No occurrence during our period of review.
PROCUREMENT PRACTICES		
MATERIAL		
Disclosure 301-1	Materials used by weight or volume	This is not applicable to the Trust due to the nature of our business.
Disclosure 301-2	Recycled input materials used	This is not applicable to the Trust due to the nature of our business.
Disclosure 301-3	Reclaimed products and their packaging materials	This is not applicable to the Trust due to the nature of our business.
ENERGY		
Disclosure 302-1	Energy consumption within the organization	Sustainability Report – Environmental Outlook
Disclosure 302-2	Energy consumption outside of the organization	Energy usage outside the organization is not significant hence we did not track.
Disclosure 302-3	Energy intensity	Sustainability Report – Environmental Outlook
Disclosure 302-4	Reduction of energy consumption	Sustainability Report – Environmental Outlook
Disclosure 302-5	Reductions in energy requirements of products and services	Sustainability Report – Environmental Outlook
WATER		
Disclosure 303-1	Water withdrawal by source	All water from our properties are obtained from public pipes managed by the local authorities which we have no control over.
Disclosure 303-2	Water sources significantly affected by withdrawal of water	All water from our properties are discharged to public drainage systems managed by the local authorities which we have no control over.
Disclosure 303-3	Water recycled and reused	There is no water recycling programme.
Disclosure 303-4	Water discharge	We do not track water discharge.
Disclosure 303-5	Water consumption	Sustainability Report – Environmental Outlook
EFFLUENTS AND WASTE		
Disclosure 306-1	Water discharge by quality and destination	This is not applicable to the Trust due to the nature of our business.
Disclosure 306-2	Waste by type and disposal method	This is not applicable to the Trust due to the nature of our business.
Disclosure 306-3	Significant spills	This is not applicable to the Trust due to the nature of our business.

GRI Standard	Disclosure Title	Page Reference & Remarks
Disclosure 306-4	Transport of hazardous waste	This is not applicable to the Trust due to the nature of our business.
Disclosure 306-5	Water bodies affected by water discharges and/or runoff	This is not applicable to the Trust due to the nature of our business.
ENVIRONMENTAL COMPLIANCE		
Disclosure 307-1	Non-compliance with environmental laws and regulations	No occurrence during our period of review.
SUPPLIER ENVIRONMENTAL ASSESSMENT		
Disclosure 308-1	New suppliers that were screened using environmental criteria	This is not applicable to the Trust due to the nature of our business.
Disclosure 308-2	Negative environmental impacts in the supply chain and actions taken	This is not applicable to the Trust due to the nature of our business.
EMPLOYMENT		
Disclosure 401-1	New employee hires and employee turnover	Sustainability Report – Social Outlook, Employee Demographic
Disclosure 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainability Report – Social Outlook, Employee Demographic
Disclosure 401-3	Parental leave	Sustainability Report – Social Outlook, Employee Demographic
LABOUR /MANAGEMENT RELATIONS		
Disclosure 402-1	Minimum notice periods regarding operational changes	No occurrence during our period of review.
OCCUPATIONAL HEALTH AND SAFETY		
Disclosure 403-1	Workers representation in formal joint management–worker health and safety committees	This is not applicable to the Trust due to the nature of our business.
Disclosure 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	No occurrence during our period of review.
Disclosure 403-3	Workers with high incidence or high risk of diseases related to their occupation	This is not applicable to the Trust due to the nature of our business.
Disclosure 403-4	Health and safety topics covered in formal agreements with trade unions	This is not applicable to the Trust due to the nature of our business.
Disclosure 403-5	Worker training on occupational health and safety	This is not applicable to the Trust due to the nature of our business.
Disclosure 403-6	Promotion of worker health	Sustainability Reporting - Social Outlook
Disclosure 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	This is not applicable to the Trust due to the nature of our business.
Disclosure 403-8	Workers covered by an occupational health and safety management system	This is not applicable to the Trust due to the nature of our business.
Disclosure 403-9	Work-related injuries	No occurrence during our period of review.
Disclosure 403-10	Work-related ill health	This is not applicable to the Trust due to the nature of our business.

GRI Standard	Disclosure Title	Page Reference & Remarks
TRAINING AND EDUCATION		
Disclosure 404-1	Average hours of training per year per employee	Sustainability Report – Social
Disclosure 404-2	Programs for upgrading employee skills and transition assistance programs	Sustainability Report – Social
Disclosure 404-3	Percentage of employees receiving regular performance and career development reviews	Sustainability Report – Social
DIVERSITY AND EQUAL OPPORTUNITY		
Disclosure 405-1	Diversity of governance bodies and employees	Sustainability Report – Social
Disclosure 405-2	Ratio of basic salary and remuneration of women to men	We choose not to disclose as we reward based on meritocracy.
NON-DISCRIMINATION		
Disclosure 406-1	Incidents of discrimination and corrective actions taken	No occurrence during our period of review.
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING		
Disclosure 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	We have not identified this risk in our course of normal operations.
CHILD LABOR		
Disclosure 408-1	Operations and suppliers at significant risk for incidents of child labour	We have not identified this risk in our course of normal operations.
FORCED OR COMPULSORY LABOUR		
Disclosure 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	We have not identified this risk in our course of normal operations.
SECURITY PRACTICES		
Disclosure 410-1	Security personnel trained in human rights policies or procedures	The security services at our properties are outsourced by property managers.
RIGHTS OF INDIGENOUS PEOPLES		
Disclosure 411-1	Incidents of violations involving rights of indigenous peoples	No occurrence during our period of review.
HUMAN RIGHTS ASSESSMENT		
Disclosure 412-1	Operations that have been subject to human rights reviews or impact assessments	No occurrence during our period of review.
Disclosure 412-2	Employee training on human rights policies or procedures	We have not identified this risk in our course of normal operations.
Disclosure 412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	We have not identified this risk in our course of normal operations.

GRI Standard	Disclosure Title	Page Reference & Remarks
LOCAL COMMUNITIES		
Disclosure 413-1	Operations with local community engagement, impact assessments and development programs	This is not applicable to the Trust due to the nature of our business.
Disclosure 413-2	Operations with significant actual and potential negative impacts on local communities	This is not applicable to the Trust due to the nature of our business.
SUPPLIER SOCIAL ASSESSMENT		
Disclosure 414-1	New suppliers that were screened using social criteria	No occurrence during our period of review.
Disclosure 414-2	Negative social impacts in the supply chain and actions taken	This is not applicable to the Trust due to the nature of our business.
PUBLIC POLICY		
Disclosure 415-1	Political contributions	No occurrence during our period of review.
CUSTOMER HEALTH AND SAFETY		
Disclosure 416-1	Assessment of the health and safety impacts of product and service categories	This is not applicable to the Trust due to the nature of our business.
Disclosure 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No occurrence during our period of review.
MARKETING AND LABELING		
Disclosure 417-1	Requirements for product and service information and labeling	This is not applicable to the Trust due to the nature of our business.
Disclosure 417-2	Incidents of non-compliance concerning product and service information and labeling	This is not applicable to the Trust due to the nature of our business.
Disclosure 417-3	Incidents of non-compliance concerning marketing communications	This is not applicable to the Trust due to the nature of our business.
CUSTOMER PRIVACY		
Disclosure 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Report – Corporate Governance Code of Conduct
SOCIOECONOMIC COMPLIANCE		
Disclosure 419-1	Non-compliance with laws and regulations in the social and economic area	No occurrence during our period of review.

CORPORATE GOVERNANCE REPORT

First Real Estate Investment Trust ("**First REIT**"), constituted as a real estate investment trust, is externally managed by Bowsprit Capital Corporation Limited (in its capacity as manager of First REIT) (the "**Manager**") and accordingly, has no personnel of its own. The Manager has the responsibility of managing the business conducted by First REIT and is dedicated to maintaining good standards of corporate governance.

This report sets out the Manager's corporate governance practices for the financial year ended 31 December 2019, with specific reference to the Code of Corporate Governance 2018 issued by the Monetary Authority of Singapore (the "**MAS**") on 6 August 2018 (the "**Code**"). Save for the provisions relating to the disclosure of the remuneration of the key executives of the Manager, the publication of minutes of general meeting of the unitholders of First REIT ("**Unitholders**") on First REIT's website and allowing Unitholders to vote in absentia at general meetings, the Manager has complied with the principles and provisions of the Code.

THE MANAGER OF FIRST REIT

The Manager has general powers of management over the assets of First REIT. The Manager's main responsibility is to manage the assets and liabilities of First REIT in the best interests of Unitholders.

The primary role of the Manager is to set the strategic direction of First REIT. This includes making recommendations to Perpetual (Asia) Limited, in its capacity as trustee of First REIT (the "**Trustee**"), on the acquisition, divestment or enhancement of assets of First REIT. The research, analysis and evaluation required for the above purposes are co-ordinated and carried out by the Manager. The Manager is also responsible for the risk management of First REIT.

Other functions and responsibilities of the Manager include:

(i) using its best endeavours to carry on and conduct its business in a proper and efficient manner and to conduct all transactions with, or on behalf of First REIT, at arm's length and on normal commercial terms;

(ii) preparing property plans on a regular basis which may contain proposals and forecasts on net income, capital expenditure, sales and valuations, explanation of major variances to approved budgets, written commentary on key issues and any other relevant assumptions. The purpose of these plans is to explain the performance of First REIT's properties;

(iii) ensuring compliance with the applicable provisions of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**") and all other relevant legislation, the listing manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**", and the listing manual of SGX-ST, the "**Listing Manual**"), the Code on Collective Investment Schemes issued by the MAS (the "**CIS Code**"), in particular, Appendix 6 of the CIS Code (the "**Property Funds Appendix**"), the Manager's obligations under the trust deed constituting First REIT dated 19 October 2006 (as amended, supplemented or varied) (the "**Trust Deed**"), the Singapore Financial Reporting Standards and any tax ruling and all relevant contracts; and

(iv) attending to all regular communication with Unitholders.

The Manager has been granted a capital markets services ("**CMS**") licence by the MAS and its officers are authorised representatives under the SFA. The Manager appoints experienced and well-qualified management personnel to handle the day-to-day operations of the Manager.

BOARD MATTERS

Board's Conduct of its Affairs
Principle 1

The board of directors of the Manager (the "**Directors**", and the board of Directors, the "**Board**") is entrusted with the responsibility of overall management of the Manager. The Board is responsible for the overall corporate governance of the Manager, including establishing goals for the management team ("**Management**") and monitoring the achievement of these goals. The Manager is responsible for the strategic business direction and risk management of First REIT. All Board members participate in matters relating to corporate governance, business operations and risk management and financial performance. Decisions are taken objectively in the best interest of First REIT. The Board has adopted a Code of Business Conduct and Ethics which embodies the Manager's commitment to conduct its business in accordance with all applicable laws, rules and regulations and the highest ethical standards. The Code of Business Conduct and Ethics is intended to help employees make the right decision or ask the right questions and all employees are required to read, understand and comply with the Code of Business Conduct and Ethics to be cognisant of the standards expected and to ensure proper accountability within the Manager. Directors (whether individually or as a group) have separate and independent access to the management of the Manager, the Company Secretary of the Manager, and the Manager's external advisers (where necessary) at the Manager's expense. The Company Secretary and/or her nominee attends all Board and Board committee meetings. The appointment and removal of the company secretary of the Manager is a decision of the Board as a whole. The Manager has adopted guidelines, details of which are also set out in this report, for Related Party Transactions (as defined herein) and dealing with conflicts of interests.

The Board is supported by the Audit and Risk Committee ("**ARC**") and Nominating & Remuneration Committee ("**NRC**") in discharging its responsibilities. The Board has delegated specific responsibilities to these Board Committees and their composition and duties are described in this report. The duties, authorities and accountabilities of each committee are set out in their respective written terms of reference. During the year, the terms of references for ARC and NRC were revised to align to the Code. While these Board Committees have the authority to examine particular issues in their respective areas, the Board Committees report to the Board with their decisions and/or recommendations as the ultimate responsibility on all matters lies with the entire Board.

The Manager has adopted internal guidelines whereby certain key matters are specifically reserved for the Board's approval, such as business strategy and planning, acquisitions and disposal of properties, material financial commitments, loan facilities, distribution to Unitholders and a framework for the Management of the Manager and First REIT, including a system of internal controls and an enterprise risk management ("**ERM**") framework. The Manager has also adopted a framework of delegated authorisation, as set out in its Limits of Authority ("**LOA**"). The LOA sets out the procedures and levels of authorisation required for specified transactions. It also sets out approval limits for operating and capital expenditure. The LOA also contains a schedule of matters specifically reserved for the Board's approval, which includes approval of annual business plans, operating budgets, statutory accounts, declaration of distribution per unit, and material transactions, namely, major acquisitions, joint ventures, strategic alliances, investment proposals, establishment of banking facilities and corporate restructuring.

The Board meets to review the Manager's key activities. Board meetings are held quarterly (or more often if necessary) to discuss and review the strategies and policies of First REIT, including any significant acquisitions and disposals, the annual budget, the financial performance of First REIT against previously approved budget, and to approve the release of the quarterly and full-year results. The Board also reviews the risks to the assets of First REIT and acts judiciously upon any comments from the auditors of First REIT.

Management provides the Board with complete and adequate information in a timely manner, including board papers, budget, forecasts and management accounts. As a general rule, board papers are sent to Board members at least seven working days before the Board and Board Committee meeting in order to give Directors ample time to prepare for the meetings. This will enable them to peruse the contents of the reports and papers to be presented during the Board and Board Committee meetings and provide an opportunity for relevant questions and discussions. Proposals on certain corporate undertakings are likewise provided to the Directors prior to the Board meetings set for this purpose.

The Board reviews management reports and feasibility studies on individual development projects prior to approving major transactions. When necessary, additional Board meetings are held to address significant transactions or issues. The Constitution of the Manager provides for Board meetings to be held by way of telephone conference and videoconference. If required, time is set aside for discussions amongst the non-executive members of the Board without the presence of management, in line with the provisions of the Code.

The Board has considered and reviewed sustainability issues as part of its strategic formulation. More information on the material sustainability issues of First REIT are set out on pages 33 to 54 of this Annual Report.

Newly appointed Directors are briefed by Management on the industry, business activities and strategic directions of First REIT and all relevant provisions that they need to comply with as well as their various duties as an executive, non-executive or independent director, where applicable, induction, orientation and training as well as site visits are organised for new Directors to ensure they are familiar with the Manager's business and governance practices. Site visits to properties located overseas are organised to familiarise Directors with First REIT's properties and to facilitate better understanding of the group's operations. During the financial year ended 31 December 2019 ("**FY2019**"), the Manager conducted an orientation programme which also included site visits to First REIT's properties in Singapore and/or Indonesia for newly appointed Directors namely, Mr Christopher James Williams, Mr Ferris Charles Bye, Mr Chan Pengee Adrian and Ms Minny Riady.

The Manager will arrange for the Directors to keep abreast of developments and changes, particularly on relevant new laws, regulations and changing commercial risks. Directors are encouraged to participate in industry conferences, seminars and training programmes. Such training includes training sponsored by SGX-ST, the Accounting and Corporate Regulatory Authority, Singapore Institute of Directors ("**SID**"), Singapore Business Federation and by audit firms. The Directors have an on-going budget to receive further relevant training of their choice in connection with their duties as directors. On an ongoing basis, Directors were also briefed on any changes to regulations, policies and accounting standards that affects First REIT or have an important bearing on the Manager's or Directors' disclosure obligations during Board meetings. They are also given unrestricted access to professionals for consultation as and when they deem necessary at the Manager's expense. During FY2019, the Directors were briefed on the regulatory and legislative changes including changes to the Code as well as the changes to accounting standards.

For new Directors who do not have prior experience as a director of a public listed company in Singapore, they will also attend the mandatory training courses organised by the SID or other training institutions, where appropriate, in connection with their duties. Ms Minny Riady has been briefed on her role and responsibilities as a director of a listed issuer in Singapore and she has also attended the mandatory training courses, Listed Entity Director Programme, conducted by SID.

The NRC makes recommendations to the Board on relevant matters relating to the review of training and professional development programs for the Board.

The number of Board, ARC, NRC, and general meetings held in FY2019 and the attendance by each of the Directors at these meetings are set out below:

	Board Meetings	Audit and Risk Committee Meetings	Nominating & Remuneration Committee Meetings	General Meetings
	No. of meetings held in FY2019: 4	No. of meetings held in FY2019: 4	No. of meetings held in FY2019: 1	No. of meetings held in FY2019: 1
Name of Directors	**Attended**	**Attended**	**Attended**	**Attended**
Christopher James Williams	4	NA	NA	1
Tan Kok Mian Victor	4	4(1)	1(1)	1
Chan Pengee Adrian	4	4	1	1
Ferris Charles Bye	4	4	NA	1
Tan Chuan Lye	4	4	1	1
Martin Lechner	4	4	NA	1
Minny Riady (Appointed on 10 April 2019)	3	NA	NA	NA
Ketut Budi Wijaya (Resigned on 10 April 2019)	2	NA	1	1

(1) Attendance by invitation.

Board Composition and Guidance
Principle 2

The Board has implemented a board diversity policy which takes into account relevant measurable objectives such as skills, experience and knowledge, gender, age, ethnicity and other relevant factors. The NRC will report to the Board on an annual basis on the progress made in achieving these objectives.

The Board presently comprises seven Directors of whom four are Independent Directors. Accordingly, more than half of the Board is made up of Independent Directors. In relation to gender diversity, one out of the seven Directors is female. The composition of the Board as at the date of this report are as follows:

Mr Christopher James Williams (Chairman)	(Non-Independent Non-Executive Director)
Mr Tan Kok Mian Victor	(Executive Director and Chief Executive Officer ("**CEO**"))
Mr Chan Pengee Adrian	(Lead Independent Director)
Mr Ferris Charles Bye	(Independent Director)
Mr Tan Chuan Lye	(Independent Director)
Mr Martin Lechner	(Independent Director)
Ms Minny Riady	(Non-Independent Non-Executive Director)

The current Chairman of the Board, Mr Christopher James Williams, is a Non-Independent Non-Executive Director, while Mr Chan Pengee Adrian has been appointed as Lead Independent Director. The Lead Independent Director provides leadership in situations where the Chairman is conflicted and is available to Unitholders where they have concerns and for which contact through the normal channels of the CEO has failed to resolve or is inappropriate. Mr Chan Pengee Adrian is also the Chairman of the NRC.

No alternate Director had been appointed to the Board during FY2019.

The Board comprises business leaders and professionals with fund management, legal and finance backgrounds. Key information on the Directors' particulars and background are set out on pages 12 to 15 of this Annual Report.

The composition of the Board (including selection of candidates for new appointments as part of the Board's renewal process) is determined using the following provisions:

- the Chairman of the Board can be an Independent Director or a Non-Independent Director, provided that where the Chairman is a Non-Independent Director, a Lead Independent Director will also be appointed in line with the Code;

- the Board should comprise Directors with a broad range of commercial experience, including expertise in fund management, legal and the finance industry;

- independent directors make up a majority of the Board where the Chairman is not independent; and

- non-executive directors made up a majority of the Board.

The Board is of the view that its current composition comprises persons who as a group, provide the necessary core competencies and that the current Board size is appropriate to facilitate effective decision making, robust deliberations and discussions and effective oversight over Management. The Board will continue to review its composition periodically, taking into account the need for progressive renewal of the Board to ensure that the Board has the appropriate size and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, to maximise its effectiveness and ensure that objectives as set out in the Board Diversity Policy are met.

The Board, through the NRC, conduct assessment of a Director's independence on an annual basis, taking into account of the requirements under the Code, the Listing Manual, as well as Regulations 13D to 13H of the Securities and Futures (Licensing and Conduct of Business) Regulations (the "**SFLCB Regulations**") (the "**Enhanced Independence Requirements**"). Under the Enhanced Independence Requirements, an independent director is one who (i) is independent from any management and business relationship with the Manager and First REIT, (ii) is independent from any substantial shareholder of the Manager and any substantial unitholder, (iii) is not a substantial shareholder of the Manager or a substantial unitholder and (iv) has not served on the Board for a continuous period of nine years or longer. Based on a review of the relationships between the Directors, the Manager and First REIT in accordance with the requirements of the Code and the Enhanced Independence Requirements, the Board considers Mr Chan Pengee Adrian, Mr Tan Chuan Lye, Mr Martin Lechner and Mr Ferris Charles Bye to be independent. Further details on the review of the Director's independence is found on pages 61 to 62 of this Annual Report.

The Non-Executive and Independent Directors contribute to the board process by monitoring and reviewing Management's performance. For the financial year under review, the Non-Executive, Independent and Non-Independent Directors have constructively challenged Management's proposals and decisions and reviewed Management's performance. They have unrestricted access to Management for any information that they may require to discharge their oversight function effectively. As Non-Executive Independent Directors constitute a majority of the Board, objectivity on Board's deliberations is assured.

The Non-Executive Directors meet without the presence of the Management at least once annually. The Chairman of the Board who is also Non-Executive Director would feedback to the CEO on any concerns or feedbacks raised by Non-Executive Directors during such meeting.

Chairman and Chief Executive Officer
Principle 3

The positions of Chairman of the Board and CEO are held by separate individuals in order to maintain effective segregation of duties. The Board has established and set out in the terms of reference in relation to the Chairman, the CEO and Lead Independent Director, the division of responsibilities between the Chairman and the CEO. Mr Christopher James Williams is a Non-Independent Non-Executive Director and Chairman of the Board while the CEO, Mr Tan Kok Mian Victor, is an Executive Director. The Chairman of the Board and CEO are not related to each other. The Chairman of the Board is also not part of Management.

The Chairman of the Board is responsible for the overall management of the Board as well as ensuring that members of the Board work together with Management in a constructive manner to address strategies, business operations and enterprise issues. In addition, the Chairman of the Board sets the agenda for Board meetings and ensures that adequate time is available for discussion of all agenda items and that complete, adequate and timely information is made available to the Board. The Chairman of the Board also facilitates effective contribution of Non-Executive Directors, encourages constructive relations within the Board and between the Board and Management, ensures effective communication with Unitholders and promotes a high standard of corporate governance.

The CEO has full executive responsibilities over the business directions and operational decisions concerning the management of First REIT. He works closely with the Board to implement the policies set by the Board to realise the Manager's vision.

Board Membership
Principle 4

The NRC comprises three members, a majority of whom (including the Chairman of the NRC) are Independent Directors and all of whom are Non-Executive Directors. The members of the NRC as at the date of this report are as follows:

Mr Chan Pengee Adrian (Chairman)	(Lead Independent Director)
Mr Tan Chuan Lye	(Independent Director)
Ms Minny Riady	(Non-Executive Non-Independent Director)

During the financial year under review, the NRC had one meeting.

The NRC is guided by its terms of reference which has been updated to be in line with the Code. The NRC's responsibilities, including but are not limited to:

- making recommendations to the Board on all Board appointments, the composition and size of the Board taking into consideration the Board Diversity Policy and the balance between Executive and Non-Executive Directors and between Independent and Non-Independent Directors appointed to the Board;

- reviewing and making plans for succession of Directors, in particular, the Chairman of the Board, the CEO and other key management of the Manager;

- determining annually, and as and when required, the independence of a Director;

- assessing the performance and effectiveness of the Board as a whole and the Board Committees and the contribution of each Director to the effectiveness of the Board proposing objective performance criteria for the Board's approval;

- reviewing the training and professional development of the Board and to ensure that new directors are aware of their duties and obligations as directors of the Manager;

- ensuring that the Manager is transparent in its remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation;

- recommending to the Board a framework of remuneration covering all aspects of remuneration including but not limited to Directors' fees, salaries, allowances, bonuses, options, unit-based incentives and awards and benefits-in-kind for each member of the Board and key management personnel; and

- reviewing the Manager's obligations to ensure that contracts of service of CEO and key management personnel contain fair and reasonable termination clauses which are not overly generous.

The composition of the Board was just renewed in FY2018 arising from the acquisition of an aggregate 100% interest in the Manager by OUE Limited and OUE Lippo Healthcare Limited. Following the annual review of the composition and size of the Board, the Board, through the NRC, is satisfied that it has the appropriate size and mix of expertise and experience, taking into account the skills, experience, gender and knowledge of the Directors in the financial year, including the level of attendance and participation at Board meetings.

When considering the new appointment, the Board, through NRC, will consider core competencies such as accounting, business acumen, familiarity with regulatory requirements and knowledge of risk management, audit and internal controls.

Renewal or replacement of Board members does not necessarily reflect their contributions to date but may be driven by the need to position and shape the Board in line with the evolving needs of First REIT and the Manager. The Board believes that orderly succession and renewal is achieved as a result of careful planning, where the appropriate composition of the Board is under continuous review.

As part of the search and nomination process for new Directors, the NRC will identify the relevant or desired skills and experience that potential candidates should possess and may engage independent search companies if necessary, as well as leverage on business and other contacts. In addition, as part of the regulatory requirements, the MAS must approve any change of CEO or the appointment of any Director. Directors of the Manager are not subject to periodic retirement by rotation.

Directors' Time Commitment

During the financial year, the Board revisited the Policy on Multiple Directorships. In determining whether a Director has been adequately carrying out his duties as a director of the Manager, the NRC takes into account the assessments of the individual Director's effectiveness and his actual conduct on the Board. Further, the NRC believes that setting a maximum limit on the number of directorships a Director can hold is arbitrary, given that time requirements for each board may vary, and thus should not be prescriptive. Notwithstanding that the Directors have multiple listed company board representations and/or other principal commitments, the NRC has assessed each individual Director on his continuous contribution and commitment to the role and considered factors including but not limited to such Director's attendance at all the Board meetings in FY2019. The Board and NRC are satisfied that all Directors have discharged their duties adequately for FY2019.

Review of Directors' Independence

The independence of each Independent Director is reviewed annually by the NRC based on the criteria as set out in the Code, the Listing Manual and the Enhanced Independence Requirements. The Independent Directors are required to declare their independence annually and disclose to the Board any relationships or appointments which would impair their independence.

The NRC has ascertained that for the financial year under review, Mr Chan Pengee Adrian, Mr Ferris Charles Bye, Mr Tan Chuan Lye and Mr Martin Lechner are considered to be independent. The NRC is satisfied that there are no relationships or circumstances identified in the Code, the Listing Manual and the SFLCB Regulations which affect or would likely affect the independent judgment of the Independent Directors and their ability to act in the best interests of all Unitholders as a whole. None of the Independent Directors have served on the Board for more than nine years from the date of their first appointment.

Board Performance
Principle 5

The Manager believes that Board performance is ultimately reflected in the long-term performance of First REIT. The Board has in place a process for evaluating the performance of the individual director, Board and Board Committees. A collective assessment is conducted annually by means of a questionnaire individually completed by each Director. The results of this assessment is collated by the Company Secretary and discussed by the NRC and the Board. Based on feedback from the Directors in the questionnaire, recommendations are implemented to further enhance the effectiveness of the Board, where appropriate. The Board believes that the collective performance of the Board and that of individual Board members are reflected in the proper guidance, diligence oversight and leadership which the Board provides to Management as well as the long-term performance of First REIT. The Board is also able to assess the Board Committees through their regular reports to the Board on their activities. Pursuant to the Board evaluation process, the Board is satisfied that it has achieved its performance objectives for FY2019.

Each Director also conducts a self-assessment where each Director evaluates his or her skills and performance as directors, thereby motivating him or her to be a more effective contributor. The Board is cognizant that individual director evaluations are an important complement to the evaluation of a board's overall performance and the results of the Individual Director self-assessment are also compiled by the company secretary and discussed by the NRC.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies
Principle 6

Level and Mix of Remuneration
Principle 7

Disclosure on Remuneration
Principle 8

The Manager, not First REIT, remunerates all Directors and employees of the Manager. The remuneration of the Directors in the form of directors' fees is paid wholly in cash and the remuneration of the Management in the form of salaries, annual bonuses and allowances is also paid wholly in cash. There is no non-monetary remuneration in the form of stock options or Units paid to the Directors or the Management for FY2019.

The NRC supports the Board in the remuneration matters of the Manager in accordance with the NRC's written terms of reference which has been updated in line with the Code. The NRC sets the remuneration framework of the Manager, taking into account industry practices, responsibilities and contributions and other conditions within the industry in relation to the Directors' remuneration, and to ensure that the compensation offered by the Manager are (i) competitive and will attract, retain and motivate Directors and key management personnel and (ii) for Directors to be good stewards of the Manager and First REIT and for key management personnel with the required experience and expertise to run the Manager successfully. In developing and reviewing the remuneration framework for Directors and the key management personnel of the Manager, the NRC would take into consideration the Manager's existing remuneration policy and other conditions within the REIT management industry, such as the remuneration policies of comparable REIT managers. The remuneration policy of the Manager is structured to attract and retain highly-qualified persons, and the Manager's overall goal is to ensure the long-term sustainability and success of the Manager and First REIT. The NRC considers all aspects of remuneration, including termination terms, to ensure they are fair.

Remuneration of Non-Executive Directors

The remuneration for each Non-Executive Director takes into account the relevant Director's contribution and responsibilities. As part of the annual review of the Non-Executive Director Remuneration Framework, the NRC has reviewed its non-executive directors' fees against that of other S-REITs with a market capitalisation of S$0.75 billion to S$1.50 billion. Based on the annual review, the Board through the NRC, is satisfied that the Non-Executive Director's fee is in line and within the range of these S-REITs and they are not overcompensated to the extent that their independence is compromised. The remuneration for each Non-Executive Director takes into account the relevant Director's contribution and responsibilities, including attendance and time spent at Board and Board Committee meetings and the industry practices and norms on remuneration including guidelines set out in the Statement of Good Practice issued by the SID. The current remuneration framework for the Non-Executive Directors remains unchanged from that of the previous financial year.

The following are the components of the fee structure for Non-Executive Directors for FY2019:

1) base fee for membership of the Board;

2) fee for chairing the Board;

3) fee for acting as Lead Independent Director;

4) base fee for membership of the Board Committee; and

5) fee for chairing the respective Board Committees.

Disclosure of remuneration of the Directors for FY2019

A breakdown of the Director fees payable to each Director for FY2019 is shown below:

Name of Director	Directors Fees (S$)(1)
Mr Christopher James Williams	90,000.00(2)
Mr Tan Kok Mian Victor	NIL(3)
Mr Chan Pengee Adrian	113,625.00(4)
Mr Tan Chuan Lye	73,125.00(5)
Mr Martin Lechner	61,875.00(6)
Mr Ferris Charles Bye	95,625.00(7)
Ms Minny Riady	40,993.15(8)
Mr Ketut Budi Wijaya	15,410.96(9)

Notes:

(1) The framework for determining the Directors' Fees in FY2019 is as follows: (i) S$45,000 for acting as the Chairman of the Board; (ii) S$45,000 for acting as a member of the Board; (iii) S$18,000 for acting as the Lead Independent Director; (iv) S$33,750 for acting as the Chairman of the ARC; (v) S$16,875 for acting as a member of the ARC; (vi) S$22,500 for acting as the Chairman of the NRC; and (vii) S$11,250 for acting as a member of the NRC.

(2) The fees payable to Mr Christopher James Williams comprise (i) S$45,000 for acting as the Chairman of the Board and S$45,000 for acting as a member of the Board.

(3) No director fee was payable to Mr Tan Kok Mian Victor in respect of his position as Executive Director in FY2019.

(4) The fees payable to Mr Chan Pengee Adrian comprise (i) S$45,000 for acting as a member of the Board, (ii) S$18,000 for acting as the Lead Independent Director, (iii) S$16,875 for acting as a member of the ARC, (iv) S$11,250 for acting as a member of the NRC and (v) S$22,500 for acting as the Chairman of the NRC.

(5) The fees payable to Mr Tan Chuan Lye comprise: (i) S$45,000 for acting as a member of the Board, (ii) S$16,875 for acting as a member of the ARC and (iii) S$11,250 for acting as a member of the NRC.

(6) The fees payable to Mr Martin Lechner comprise: (i) S$45,000 for acting as a member of the Board and (ii) S$16,875 for acting as a member of the ARC.

(7) The fees payable Mr Ferris Charles Bye comprise: (i) S$33,750 for acting as the Chairman of the ARC, (ii) S$16,875 for acting as a member of the ARC and (iii) S$45,000 for acting as a member of the Board.

(8) Ms Minny Riady was appointed as Non-Executive Director on 10 April 2019. The fees payable Ms Minny Riady for period from 10 April 2019 to 31 December 2019 comprise: (i) S$32,794.52 for acting as a member of the Board and (ii) S$8,198.63 for acting as a member of the NRC.

(9) Mr Ketut Budi Wijaya resigned as Non-Executive Director on 10 April 2019. The fees payable to Mr Ketut Budi Wijaya for the period from 1 January 2019 to 10 April 2019 comprise: (i) S$12,328.77 for acting as a member of the Board and (ii) S$3,082.19 for acting as a member of the NRC.

The NRC had recommended to the Board a total amount of S$490,654.11 as Directors' fees for FY2019, to be paid in arrears. This recommendation had been endorsed by the Board and will be tabled for approval at the Manager's forthcoming general meeting for shareholders' approval.

Remuneration of Executive Director/CEO

The Manager advocates a performance-based remuneration package for the CEO. The CEO has a service agreement with the Manager and his remuneration and terms of appointment were negotiated and recommended by the NRC and is endorsed by the Board. The remuneration of the CEO comprises a fixed salary and a performance bonus which is tied to the performance of the First REIT and the Manager, as well as achieving sustainable returns for Unitholders.

The CEO's performance bonus and remuneration increment are based on an annual appraisal exercise. The annual appraisal takes into consideration the contribution of the CEO towards the long-term strategic goals of First REIT and the Manager, including key factors such as:

1) unit price performance and distribution per unit yield;

2) containment of corporate and operation costs;

3) effective capital management, including competitive cost of funds and fund raising fees;

4) efforts to improve and maximise profit of the Manager and First REIT;

5) effectiveness and productivity of acquisitions from Sponsor/Group and third parties; and

6) quality of risk management and control on an ongoing basis.

For the avoidance of doubt, the CEO, Mr Tan Kok Mian Victor, was not involved in the decision of the Board on his own remuneration.

The Code and the Notice to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management (issued pursuant to Section 101 of the Securities and Futures Act) require (i) the disclosure of the remuneration of each individual Director and the CEO on a named basis, (ii) the disclosure of the remuneration of at least the top five key management personnel/top five executive officers (who are neither Directors nor the CEO), on a named basis, in bands of S$250,000, and (iii) in aggregate the total remuneration paid to the top five key management personnel (who are not Directors or the CEO). In the event of non-disclosure, the Manager is required to provide reasons for such non-disclosure and state and explain how its practices are consistent with the aim and philosophy of the relevant Principle under the Code. After much deliberation, the Board is of the view that disclosure of the remuneration of the CEO and the top five executive officers on a named basis, whether in exact quantum or in bands of S$250,000, and the total remuneration paid to the top five key management personnel (who are not Directors or the CEO) will not be in the best interests of the Manager, First REIT or its Unitholders. In arriving at its decision, the Board had taken into consideration, inter alia, the commercial sensitivity and confidential nature of remuneration matters, the competitive nature of the REIT management industry, the competitive business environment which First REIT operates in, the importance of ensuring stability and continuity of business operations with a competent and experienced management team in place and the negative impact which such disclosure may have on the Manager in attracting and retaining talent for the Manager (at Management levels) on a long-term basis. Further, such non-disclosure of remuneration does not affect the Manager's level of transparency on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation as such information have been disclosed in detail in the preceding paragraphs. Accordingly, the Board is of the view that the non-disclosure of the remuneration, whether in exact quantum or in bands of S$250,000, of the CEO and top five executive officers, and the total remuneration paid to the top five key management personnel (who are not Directors or the CEO), will not be prejudicial to the interest of Unitholders.

Remuneration of Key Management Personnel

The remuneration of key management personnel comprises a fixed salary and a performance bonus. The Manager currently does not have in place long-term or short-term incentive schemes for executive Directors and key management personnel.

The remuneration of key management personnel (excluding the CEO) is also based on the annual appraisal of each individual's performance and his/her contribution towards the long-term strategic goals of First REIT and the Manager. In particular, the performance bonus is linked to the performance of First REIT and the Manager. It is assessed based on the improvement in the net property income, distributable amount and distribution per unit of First REIT over the preceding year and as such, it is aligned with the interests of Unitholders.

There is no existing service agreement entered into by the Directors or key management personnel with the Manager that provides for termination, retirement or post-employment benefits. During FY2019, the Manager has also not set aside nor accrued any amounts to provide for pension, retirement or similar benefits for the Directors and key management personnel.

The Manager does not have any employee share or unit scheme and does not remunerate directors and key management personnel in the form of shares or interests in the Sponsor or its related entities or any other entities.

No Director or key management personnel is involved in the deliberation and decision in respect of his own individual fees/remuneration.

No remuneration consultants were engaged in FY2019. The NRC may seek expert advice from remuneration consultants on remuneration matters, as and when necessary.

There were no employees of the Manager and its subsidiaries who were immediate family members of a Director or the CEO and whose remuneration exceeded S$100,000 in FY2019. "Immediate family member" refers to the spouse, child, adopted child, step-child, sibling or parent.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9

Effective risk management ("**ERM**") is a fundamental part of First REIT's business strategy. Recognising and managing risk is central to the business and to protecting Unitholders' interests. The Manager has in place an ERM framework and policies which have been approved by the Board that provide a structured approach to identifying and managing the material risks that would arise in the course of managing First REIT. The ERM framework and policies are monitored and reviewed by the Board and major developments or significant revision to the ERM framework or policies will be submitted to the Board for approval. An independent consultant has been engaged to review the ERM framework, the identified risks and the controls annually. Material risks at both the Manager and First REIT are managed through this ERM framework.

The Board reviews the financial performance of the Manager and First REIT against a previously approved budget. The Board will also review the business risks of First REIT, examine liability management and will act upon any comments from the auditors of First REIT. In assessing business risks, the Board considers the economic environment and risks relevant to the property industry. The Board reviews management reports and feasibility studies on individual development projects prior to approving major transactions. Management meets regularly to review the operations of the Manager and First REIT and discuss any disclosure issues.

A risk register is maintained by the Manager to track and monitor risks faced by First REIT in the areas of strategic, operational, financial, compliance, information technology and sustainability. The risk register is updated on a periodic basis and top-tier risks, as well as risk mitigation measures for top-tier risks, are reported to the ARC and the Board for review.

Internal Controls

The Board recognises the importance of maintaining a sound system of internal controls to safeguard the interests of Unitholders and the assets of First REIT. The Board also notes that the system of internal controls is designed to manage rather than to eliminate risk of failure to achieve business objectives, as no system of internal controls will preclude all errors and irregularities. The Board believes that the present system of internal controls provides reasonable and adequate safeguard, and is effective against material financial misstatements or losses. The Board performs regular reviews to ensure that the system of internal controls continues to be reasonable, adequate and effective.

Non-compliance and internal control weaknesses are noted by the internal auditors and their recommendations will be reported to the ARC. To date, there has been no identified non-compliance or internal control weakness of a material nature.

For the financial year under review, the CEO and CFO had provided assurance to the Board that the financial records of First REIT have been properly maintained and the financial statements give a true and fair view of the operations and finances of First REIT. The CEO and other key management personnel who are responsible had provided assurance to the Board that the risk management and internal control systems in place within First REIT were adequate and effective as at 31 December 2019 in addressing the material risks, including material financial, operational, compliance, information technology and sustainability risks which the Manager considers relevant and material to First REIT Group's operations.

For FY2019, based on the system of risk management and internal controls established and maintained by the Manager, work performed by the internal auditors and external auditors, information furnished by Management and observations made, the Board with the concurrence of the ARC, is of the view that the present risk management systems and internal controls are adequate and effective in addressing financial, operational, compliance, information technology and sustainability risks. The Manager has complied with Rule 1207(10) of the Listing Manual.

Audit and Risk Committee
Principle 10

The ARC is appointed by the Board from among the Directors comprises the following four members, all of whom (including the Chairman of the ARC) are Independent Directors. As at the date of this report, the members are as follows:

Mr Ferris Charles Bye (Chairman)	(Independent Director)
Mr Chan Pengee Adrian	(Lead Independent Director)
Mr Tan Chuan Lye	(Independent Director)
Mr Martin Lechner	(Independent Director)

The members of the ARC are appropriately qualified to discharge their responsibilities and have relevant accounting and related financial management experience and expertise. None of the ARC members were previous partners or directors of, or hold any financial interest in, the Manager's current auditing firm.

The role of the ARC is to monitor and evaluate the effectiveness of the Manager's internal controls. The ARC reviews the quality and reliability of information prepared for inclusion in financial reports, and is responsible for the nomination of external auditors and reviewing the adequacy of external audits in respect of cost, scope and performance. The ARC also assesses changes in accounting standards and accounting issues that may impact First REIT. The ARC has also been tasked by the Board to include risk management within its oversight role. This includes the review of material risks identified by the Manager with respect to the business operations of the Manager, First REIT and the assets of First REIT.

The ARC is guided by its terms of reference which have been updated to be in line with the Code endorsed by the Board and its principal duties include but are not limited to:

- reviewing and approving Related Party Transactions including ensuring compliance with the provisions of the Listing Manual relating to "interested person transactions" (as defined therein) and the provisions of the Property Funds Appendix relating to "interested party transactions" (as defined therein) (both such types of transactions constituting "**Related Party Transactions**");
- reviewing external and internal audit reports to ensure that where deficiencies in internal controls have been identified, appropriate and prompt remedial action is taken by Management, including ensuring that the guidelines and procedures established to monitor Related Party Transactions have been complied with;
- reviewing the assurance from the CEO and the CFO on the financial records and financial statements of First REIT;
- ensuring that the internal audit function is effective, adequately resourced, independent of the activities it audits, and has appropriate standing within the Manager;
- reviewing the adequacy, effectiveness, independence, scope and results of the external audit and internal audit functions;
- reviewing the nature and extent of the significant risk which the Manager and First REIT is willing to take in achieving the strategic objectives and value creation for First REIT and to oversee the Manager's risk management framework and policies;
- monitoring the procedures in place to ensure compliance with applicable legislation, such as the Listing Manual and the CIS Code, including the Property Funds Appendix;
- reviewing, on an annual basis, the independence and objectivity of the external auditors, and the nature and extent of non-audit services performed by the external auditors;
- making recommendations to the Board on the appointment, re-appointment and removal of external auditors, including approving their remuneration and terms of engagement;
- reviewing, at least annually, the adequacy and effectiveness of risk management and internal controls systems including financial, operational, compliance and information technology controls and risk management systems;
- reviewing the financial statements and the audit report, as well as any announcements relating to the financial results of First REIT;
- reviewing the Manager's policies and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;
- investigating any matters within the ARC's terms of reference, whenever it deems necessary;
- reporting to the Board on material matters, findings and recommendations; and
- reviewing the whistle blowing policy.

The ARC meets at least four times a year, has full access to and co-operation from Management and enjoys full discretion to invite any Director and executive officer of the Manager to attend its meetings. The ARC has full access to reasonable resources to enable it to discharge its functions properly. The ARC is kept abreast of changes to the financial reporting standards and regulatory updates, through briefings by professionals during the quarterly meetings, or as and when appropriate.

The ARC meets with the internal and external auditors, without the presence of Management, at least once a year.

Attendance at the ARC meetings in FY2019 is set out on page 58 of this Annual Report.

In FY2019, the ARC:

(i) held four meetings during the year;

(ii) reviewed and approved the Internal and External Audit Plans, including the nature and scope of work before commencement of these audits;

(iii) reviewed and approved the Enterprise Risk Assessment Report;

(iv) met with the internal and external auditors without the presence of Management, to discuss their findings as set out in their respective reports to the ARC. Both the internal and external auditors had confirmed no restrictions were placed on the scope of audits;

(v) reviewed and recommended to the Board, the quarterly and full-year financial statements and audit report;

(vi) reviewed all services provided by the external auditors and were satisfied that the provision of such services did not affect their independence. The external auditors had also affirmed their independence in their report to the ARC;

(vii) reviewed Related Party Transactions on a quarterly basis;

(viii) reviewed and determined the adequacy and effectiveness of the risk management and internal control systems, including financial, operational, compliance and information technology controls and made the requisite recommendations to the Board; and

(ix) received the Manager's compliance report for FY2019.

In the review of the financial statements for FY2019, the ARC had discussed with Management the accounting principles that were applied and the ARC's judgment of matters that might have impacted the financial statements. The following significant matters were discussed with Management and the external auditors and reviewed by the ARC:

Key Audit Matters	How the ARC reviewed these matters and what decisions were made
Valuation of investment properties	The ARC had considered the methodologies and key assumptions applied by the external valuers in arriving at the valuation of the investment properties. The ARC had reviewed and discussed with Management on the reasonableness of the key assumptions and judgements used in the valuation models, namely, future rentals, income growth, discount rates and terminal rates. The ARC was satisfied that the accounting policies and treatments are appropriate and in line with the Singapore Financial Reporting Standards and Recommended Accounting Practice 7 "Reporting Framework for Units Trusts" ("**RAP 7**"), issued by the Institute of Singapore Chartered Accountants. The valuation of investment properties was an area of focus for the external auditors. The external auditors had included this item as key audit matter in their audit report for FY2019. Please refer to page 79 to 80 of this Annual Report.

The ARC had conducted a review of all non-audit services provided by the external auditors and is satisfied that the extent of such services will not prejudice the independence and objectivity of the external auditors.

The aggregate amount of fees paid/payable to external auditors of the trust and other independent auditors was S$417,000 and S$453,000 respectively, of which audit and non-audit services fees amounted to S$585,000 and S$285,000 respectively for the financial year under review.

RSM Chio Lim LLP audited First REIT and the Singapore subsidiaries. Member firms of RSM International, of which RSM Chio Lim LLP is a member, audited the foreign subsidiaries. First REIT is in compliance with Rules 712 and 715 of the Listing Manual.

The ARC, with the concurrence of the Board, had recommended the re-appointment of RSM Chio Lim LLP as the external auditors by Unitholders at the forthcoming Annual General Meeting ("**AGM**") of First REIT.

Internal Audit

The Manager has put in place a system of internal controls of procedures and processes to safeguard First REIT's assets, Unitholders' interest as well as to manage risks.

The internal audit function of the Manager is outsourced to Baker Tilly Consultancy (S) Pte. Ltd., a member firm of Baker Tilly International. The ARC approves the hiring, removal and evaluation of the internal auditors. The internal auditors report directly to the ARC on audit matters and to the Management on administrative matters. For FY2019, the ARC has reviewed the adequacy and effectiveness of the internal auditors and was satisfied that the internal auditors are adequately resourced, qualified to perform their function, have appropriate standing within First REIT and have maintained their independence from the activities that they audit.

The internal auditors' activities are guided by the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

During the financial year under review, the internal auditors conducted audit reviews based on the Internal Audit Plan approved by the ARC and had unfettered access to all the documents, records, properties and personnel of the Manager, including access to the ARC. Upon completion of each audit assignment, the internal auditors report their findings and recommendations to Management who would respond on the actions to be taken. The internal auditors submit the internal audit reports to the ARC for deliberation and also validate the follow up actions taken by Management on the audit findings.

UNITHOLDER RIGHTS AND ENGAGEMENT

Unitholders Rights and Conduct of General Meetings
Principle 11

Engagement with Unitholders
Principle 12

Engagement with Stakeholders
Principle 13

Management provides the Board with management accounts on a quarterly basis and as the Board may require from time to time. Such reports enable the Board members to make a balanced and informed assessment of the Group's performance, position and prospects.

The Manager strives to uphold a strong culture of timely disclosure and transparent communication with Unitholders and the investing community.

The Manager's investor relations and disclosure policy requires timely and full disclosure of all material information relating to First REIT by way of public releases or announcements through the SGX-ST via SGXNET at first instance and then including the release on First REIT's corporate website at www.first-reit.com. Unitholders are encouraged to communicate their views on matters pertaining to First REIT and can email their questions to ir@first-reit.com or contact the Manager at +65 6435 0168, details of which are listed on First REIT's corporate website.

As part of the Manager's investor relations and disclosure policy, the Manager maintains an active dialogue with Unitholders and also conducts regular briefings for other stakeholders such as analysts and media representatives, which generally coincide with the release of First REIT's results. During these briefings, Management will review First REIT's most recent performance as well as discuss the business outlook for First REIT. The Manager assesses feedback from Unitholders and implements suggestions where feasible. One such implementation is the Distribution Reinvestment Plan ("**DRP**") which gives Unitholders the option to acquire fully paid units in First REIT ("**Units**") without incurring additional transactional costs, in lieu of cash amount of any distribution that the DRP applies. The Manager believes that engaging stakeholders is important for the success of First REIT. First REIT has identified its stakeholders based on their impact on First REIT's business and those with a vested interest in First REIT's operations. First REIT's stakeholders include investors, operators and the local community. Through various engagement initiatives, First REIT was able to strengthen its relationships with its stakeholders and obtain valuable feedback. Please refer to the Investor Relations section on pages 35 to 36 of this Annual Report for further information on stakeholder engagement initiatives.

Unitholders are accorded the opportunity to raise relevant questions on First REIT's business activities, financial performance and other business related matters and to communicate their views at the general meetings. The Manager tables separate resolutions at general meetings of Unitholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Manager will explain the reasons and material implications in the notice of the general meeting. The Directors, Chairmen of the Board Committees, representative(s) from the Trustee, external auditors, Company Secretary and other professionals attend the general meetings to address Unitholders' queries. Unitholders are encouraged to participate in the question and answer sessions, whereby minutes of the proceedings, including any substantial queries raised by Unitholders in relation to the agenda and the accompanying responses from the Board and Management, are subsequently prepared.

Provision 11.5 of the Code states that the company should publish minutes of general meetings on its corporate website as soon as practicable. The Manager is of the opinion that since only Unitholders are entitled to attend and vote at the general meetings, therefore, the content of such meetings should only be made available to Unitholders upon request and not to the general public by publishing it on the REIT's corporate website. Nonetheless, this is consistent with Principle 11 of the Code which requires the REIT to, inter alia, treat all Unitholders fairly and equitably. The Manager will make the AGM minutes available to any Unitholder(s) upon request, so that all Unitholders will stand on equal footing, thereby satisfying the requirement for Unitholders to be treated "fairly and equitably" under Principle 11 of the Code.

Principle 11 of the Code is also concerned with unitholder engagement. The Manager believes that the same outcome of transparency for the benefit of Unitholders is achieved so long as the AGM minutes is made readily available upon request, even if the AGM minutes are not published on the REIT's website.

Registered Unitholders who are unable to attend general meetings can each appoint up to two proxies to attend, participate and vote in general meetings on his/her behalf. Corporations providing nominee and custodial services can each appoint more than two proxies to attend, participate and vote in general meetings on behalf of Unitholders who hold Units through such corporations.

As recommended by the Code, all resolutions at general meetings are voted on by way of poll. This allows all Unitholders present or represented at the meetings to vote on a one-Unit-one-vote basis. At each general meeting, Unitholders are briefed on the voting procedures and the results of all votes cast for or against each resolution with the respective percentages are announced at the meeting and on the SGXNET after the meeting. All polls are conducted in the presence of independent scrutineers. The outcome of the general meeting is also promptly announced on SGXNET after each general meeting.

The Trust Deed does not allow a Unitholder to vote in absentia at general meetings but allows any Unitholder to appoint proxies during his/her absence to attend and vote on his/her behalf at the general meetings. This is consistent with Principle 11 of the Code as unitholders are still given the opportunity to exercise their rights to attend and vote at general meetings through their proxies.

The Manager targets to provide sustainable distributions to Unitholders.

Please refer to page 111 of this Annual Report on the distribution policy and "Statements of Distribution" on page 84 of this Annual Report for more details.

Dealing in First REIT Units

The Manager has adopted a Code of Best Practices on Units Transactions, which provides guidance to its Directors and employees with regard to the dealing of Units. In general, the Directors and employees of the Manager are encouraged, as a matter of internal policy, to hold Units but are prohibited from dealing in such Units:

- on short-term considerations;
- during the period commencing one month before the public announcement of First REIT's full-year results and (where applicable) property valuation and two weeks before the public announcement of First REIT's quarterly results, and ending on the date of announcement of the relevant results or, as the case may be, property valuation; or
- at any time while in possession of price sensitive information.

The Manager issues quarterly reminders to its Directors, relevant officers and employees on the restrictions in dealing in Units as set out above.

In addition, as part of its undertaking to the MAS, the Manager has undertaken that it will not deal in Units during the period commencing one month before the public announcement of First REIT's full-year results and (where applicable) property valuation and two weeks before the public announcement of First REIT's quarterly results, and ending on the date of announcement of the relevant results or, as the case may be, property valuation.

The Manager has complied with Rule 1207(19) of the Listing Manual.

Dealing with Conflicts of Interest

The Manager has instituted the following procedures to deal with potential conflicts of interest, which the Manager may encounter, in managing First REIT:

- the Manager will not manage any other real estate investment trust which invests in the same type of properties as First REIT;
- all executive officers will be employed by the Manager;
- all resolutions in writing of the Directors in relation to matters concerning First REIT must be approved by a majority of the Directors, including at least one Independent Director;

- at least half of the Board shall comprise Independent Directors; and

- in respect of matters in which the Sponsor and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by the Sponsor and/or its subsidiaries to the Board to represent its/their interest will abstain from participating in any discussion or voting. In such matters, the quorum must comprise a majority of Independent Directors and must exclude the nominee Directors of the Sponsor and/or its subsidiaries.

It is also provided in the Trust Deed that if the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of First REIT with a related party of the Manager, the Manager shall be obliged to consult a reputable law firm (acceptable to the Trustee) which shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee has a prima facie case against the party allegedly in breach under such agreement, the Manager shall be obliged to take appropriate action in relation to such agreement. The Directors will have a duty to ensure that the Manager so complies. Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee for and on behalf of First REIT with a related party of the Manager and the Trustee may take any action it deems necessary to protect the rights of Unitholders and/or which is in the interest of Unitholders. Any decision by the Manager not to take action against a related party of the Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such related party.

Whistle Blowing Policy

The ARC has put in place procedures to provide employees of the Manager with well-defined and accessible channels to report on suspected fraud, corruption, dishonest practices or other similar matters relating to First REIT or the Manager, and for the independent investigation of any reports and appropriate follow up action. The aim of the whistle blowing policy is to encourage the reporting of such matters in good faith, with the confidence that the person making such reports will be treated fairly, and to the extent possible, be protected from reprisal. Details of this Whistle Blowing Policy have been disseminated and are made publicly available to all employees on the Manager's website. Reports can be lodged via email at Bowsprit.Whistleblow@boardroomlimited.com.

Related Party Transactions

The Manager has established procedures to ensure that all Related Party Transactions are undertaken on normal commercial terms and not prejudicial to the interests of First REIT and Unitholders. As a general rule, the Manager must demonstrate to the ARC that any such transaction satisfies the foregoing criteria, which may entail obtaining (where practicable) quotations from parties unrelated to the Manager, or obtaining one or more valuations from independent professional valuers (in accordance with the Property Funds Appendix).

In addition, the following procedures will be undertaken:

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) equal to or exceeding S$100,000.00 in value but below 3.0% of the value of First REIT's net tangible assets will be subject to review by the ARC at regular intervals;

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of First REIT's net tangible assets will be subject to review and prior approval of the ARC. Such approval shall only be given if the transactions are on normal commercial terms and are consistent with similar types of transactions made by the Trustee with third parties which are unrelated to the Manager; and

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) equal to or exceeding 5.0% of the value of First REIT's net tangible assets will be subject to review and approval prior to such transactions being entered into, on the basis described in the preceding paragraph, by the ARC which may, as it deems fit, request advice on the transactions from independent sources or advisers, including obtaining valuations from independent professional valuers. Further, under the Listing Manual and the Property Funds Appendix, such transactions would have to be approved by Unitholders at a meeting of Unitholders.

Where matters concerning First REIT relate to transactions entered into or to be entered into by the Trustee for and on behalf of First REIT with a related party of the Manager or First REIT, the Trustee is required to consider the terms of such transactions to satisfy itself that such transactions are conducted on normal commercial terms and are not prejudicial to the interests of First REIT and Unitholders, and are in accordance with all applicable requirements of the Property Funds Appendix and/or the Listing Manual relating to the transaction in question. Further, the Trustee has the ultimate discretion under the Trust Deed to decide whether or not to enter into a transaction involving a related party of the Manager or First REIT. If the Trustee is to sign any contract with a related party of the Manager or First REIT, the Trustee will review the contract to ensure that it complies with the requirements relating to interested party transactions in the Property Funds Appendix (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS or SGX-ST to apply to real estate investment trusts.

Role of the Audit and Risk Committee for Related Party Transactions

All Related Party Transactions will be subject to regular periodic reviews by the ARC. The Manager's internal control procedures are intended to ensure that Related Party Transactions are conducted on an arm's length basis and on normal commercial terms and are not prejudicial to the interests of First REIT and Unitholders.

The Manager maintains a register to record all Related Party Transactions (and the bases, including any quotations from unrelated third parties and independent valuations obtained to support such bases, on which they are entered into) which are entered into by First REIT. The Manager incorporates into its internal audit plan a review of all Related Party Transactions entered into by First REIT. The ARC reviews the internal audit reports to ascertain that the guidelines and procedures established to monitor Related Party Transactions have been complied with. In addition, the Trustee also has the right to review such audit reports to ascertain that the Property Funds Appendix has been complied with. The ARC periodically reviews all Related Party Transactions to ensure compliance with the Manager's internal control procedures and with the relevant provisions of the Property Funds Appendix and/or the Listing Manual. The review includes the examination of the nature of the transactions and its supporting documents or such other data deemed necessary by the ARC.

If a member of the ARC has an interest in a transaction, he is required to abstain from participating in the review and approval process in relation to that transaction.

The Manager discloses in First REIT's annual report the aggregate value of Related Party Transactions entered into during the relevant financial year.

ADDITIONAL INFORMATION

Manager's Management Fees

Pursuant to clauses 14.1.1 and 14.1.2 of the Trust Deed, the Manager is entitled to (i) a base fee of 0.4% per annum of the value of all the assets for the time being of First REIT or deemed to be held by First REIT ("**Deposited Property**"), and (ii) an annual performance fee of 5.0% per annum of the Net Property Income (as defined in the Trust Deed) (which is to be calculated before accounting for this additional fee in that financial year) of First REIT or (as the case may be) the Net Property Income of the relevant Special Purpose Vehicles (as defined in the Trust Deed) for each financial year.

Pursuant to clauses 14.1.1 and 14.1.2 of the Trust Deed, the management fees will be paid in the form of cash and/or Units (as the Manager may elect). The management fees payable in Units will be issued at the volume weighted average price for a Unit for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the period of 10 Business Days (as defined in the Trust Deed) immediately preceding the relevant Business Day.

Pursuant to clause 14.1.4 of the Trust Deed, the Manager's management fees are payable quarterly in arrears.

For FY2019, the breakdown of the management fees paid was as follows:

	Group		Trust	
	2019 S$'000	**2018 S$'000**	**2019 S$'000**	**2018 S$'000**
Base fees	5,756	5,715	5,712	5,671
Performance fees	5,645	5,720	5,645	5,720
	11,401	11,435	11,357	11,391

With effect from 1 January 2016, under the Property Funds Appendix, crystallisation of the annual performance fee has been revised to be no more frequent than once a year. Accordingly, from 1 January 2016 onwards, the Manager's performance fee is payable quarterly after completion of the audited financial statements for the relevant financial year in arrears.

Pursuant to clause 14.2 of the Trust Deed, the Manager is also entitled to receive an acquisition fee at the rate of 1.0% of the acquisition price and a divestment fee of 0.5% of the sale price, on all acquisitions or disposals of properties respectively.

Justification of Fees Payable to the Manager

1. *Base fee*

   The Manager receives a base fee of 0.4% per annum of the value of the Deposited Property, representing the remuneration to the Manager for executing its core responsibility. The base fee compensates the Manager for the costs incurred in managing First REIT, which includes day-to-day operational costs, compliance costs and costs incurred in managing and monitoring First REIT's portfolio. The base fee is calculated at a fixed percentage of asset value as the scope of the Manager's duties is commensurate with the size of First REIT's asset portfolio.

   Since First REIT's listing on 11 December 2006, the Manager has taken active steps to keep First REIT's portfolio relevant and adaptable to the changing economic and environmental landscapes.

   As at 31 December 2019, First REIT's existing portfolio comprises twenty properties comprising sixteen properties located in Indonesia, three properties located in Singapore and one property located in South Korea, and has a combined gross floor area of 350,850 square metres and a valuation of S$1.34 billion.

2. *Performance fee*

The Manager receives an annual performance fee of 5.0% per annum on the Net Property Income of First REIT or (as the case may be) the Net Property Income of the relevant Special Purpose Vehicles (as defined in the Trust Deed) for each financial year.

The performance fee, which is based on Net Property Income, aligns the interests of the Manager with Unitholders as the Manager is motivated and incentivised to achieve income stability by ensuring the long-term sustainability of the assets through proactive asset management strategies and asset enhancement initiatives. Therefore, to achieve sustainability in First REIT's Net Property Income, the Manager is dis-incentivised from taking on excessive short-term risks, and will strive to manage First REIT in a balanced manner.

3. *Acquisition and divestment fees*

In line with the Manager's key objective of managing First REIT for the benefit of Unitholders, the Manager regularly reviews First REIT's portfolio of properties and considers the acquisition and/or recycling of assets, where appropriate, to optimise First REIT's portfolio. This involves a thorough review of the exposures, risks and returns as well as the overall value-add of acquisitions or divestments to First REIT's existing portfolio and future growth expectations.

In undertaking a proposed acquisition, the Manager is expected to spend time and effort in conducting due diligence, structuring the acquisition, negotiating transaction documentation with the vendor, liaising with the valuers and working with the professional advisers and regulatory authorities to seek the necessary approvals from the regulators and/or Unitholders (where required). Similarly, in undertaking a proposed divestment, the Manager is expected to spend time and effort in negotiating with the prospective purchaser, structuring the divestment, liaising with the valuers and working with the professional advisers and regulatory authorities to seek the necessary approvals from regulators and/or Unitholders (where required).

The Manager receives an acquisition fee of 1.0% on the acquisition price upon the completion of an acquisition, and a divestment fee of 0.5% on the sale price upon the completion of a divestment. The acquisition fee is higher than the divestment fee because there is additional work required to be undertaken in terms of sourcing, evaluating and conducting due diligence for an acquisition, as compared to a divestment.

The acquisition fees and divestment fees seek to motivate and compensate the Manager for the time, cost and effort spent (in the case of an acquisition) in sourcing, evaluating and executing potential opportunities to acquire new properties to further grow First REIT's asset portfolio or, (in the case of a divestment) in rebalancing and unlocking the underlying value of the existing properties. The Manager provides these services over and above the provision of ongoing management services with the aim of enhancing long-term returns, income sustainability and achieving the investment objectives of First REIT.

As required by the Property Funds Appendix, where acquisition fees or divestment fees are to be paid to the Manager for the acquisition of assets from, or divestment of assets to, an interested party, the acquisition fees or divestment fees are to be paid in the form of Units issued at the prevailing market price and which should not be sold for a period of one year from the date of issuance. This additional requirement for interested party acquisitions and divestments further aligns the Manager's interests with Unitholders.

STATEMENT OF THE TRUSTEE

Perpetual (Asia) Limited (the "**Trustee**") is under a duty to take into custody and hold the assets of First Real Estate Investment Trust (the "**Trust**") and its subsidiaries (the "**Group**") in trust for the holders ("**Unitholders**") of units in the Trust (the "**Units**"). In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes (collectively referred to as the "**laws and regulations**"), the Trustee shall monitor the activities of Bowsprit Capital Corporation Limited (the "**Manager**") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 19 October 2006 (subsequently amended by First Supplemental Deed dated 6 September 2007, Second Supplemental Deed dated 19 April 2010, Third Supplemental Deed dated 26 April 2011, Fourth Supplemental Deed dated 1 April 2013, First Amending and Restating Deed dated 23 March 2016, Supplement Deed of Retirement and Appointment of Trustee dated 1 November 2017 and Fifth Supplemental Deed dated 22 May 2018) (the "**Trust Deed**") between the Manager and the Trustee in each annual financial reporting year and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust during the financial reporting year covered by these financial statements, set out on pages 83 to 145, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
Perpetual (Asia) Limited

Ms. Sin Li Choo
Managing Director

Singapore

5 March 2020

STATEMENT BY THE MANAGER

In the opinion of the directors of Bowsprit Capital Corporation Limited (the "**Manager**"), the accompanying financial statements of First Real Estate Investment Trust (the "**Trust**") and its subsidiaries (the "**Group**") set out on pages 83 to 145 comprising the statements of total return, statements of distribution, statements of financial position, statements of movements in unitholders' funds, statements of cash flows, statements of portfolio and summary of significant accounting policies and other explanatory notes of the Group and the Trust, are drawn up so as to present fairly, in all material respects, the financial position and portfolio of the Group and of the Trust as at 31 December 2019, the total return, distributions, movements in unitholders' funds and cash flows of the Group and of the Trust for the reporting year ended on that date in accordance with the provisions of the Trust Deed and the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager,
Bowsprit Capital Corporation Limited

Mr. Tan Kok Mian Victor
Executive Director and Chief Executive Officer

Singapore

5 March 2020

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of First Real Estate Investment Trust (the "**Trust**") and its subsidiaries (the "**Group**"), set out on pages 83 to 145, which comprise the statements of financial position and statements of portfolio of the Group and of the Trust as at 31 December 2019, and the statements of total return, statements of distribution, statements of movements in unitholders' funds and statements of cash flows of the Group and of the Trust for the reporting year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the accompanying financial statements of the Group and of the Trust are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" ("**RAP 7**") issued by the Institute of Singapore Chartered Accountants so as to present fairly, in all material respects, the financial position and portfolio holdings of the Group and of the Trust as at 31 December 2019 and the total return, distributable income, movements in unitholders' funds and cash flows of the Group and of the Trust for the reporting year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("**SSAs**"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("**ACRA**") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("**ACRA Code**") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements of the current year. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties

Please refer to Note 2A on accounting policies, Note 2C on critical judgements, assumptions and estimation uncertainties, Note 13 on investment properties and the annual report on the section on the audit committee's views and responses to the reported key audit matters.

The Group owns a portfolio of investment properties which are primarily used for healthcare and healthcare related purposes. The investment properties are stated at fair value of S$1.34 billion as at 31 December 2019. The measurement of the fair values of the properties in the portfolio is a significant judgement area as the fair values are impacted by a number of assumptions and factors including future rental income, growth rates, discount rates, and terminal rates. All the valuations are carried out by independent professional valuers who perform their work in accordance with international valuation professional standards. The investment properties are mainly valued through the use of expected future cash flows of each investment property over the specified years and discounted by a discount rate. The valuation exercise also relies on the accuracy of the underlying leases and financial information provided to the independent professional valuers by Bowsprit Capital Corporation Limited, the manager of the Trust (the "**Manager**" or "**management**").

We assessed the processes used by management for the selection of the independent professional valuers, the determination of the scope of work of these independent professional valuers, and management's review of the valuations reported by these independent professional valuers. The independent professional valuers used by management have considerable experience in the markets in which the properties are located.

Valuation of investment properties (continued)

With assistance from our own valuation specialist, we assessed the independence, competence and experience of the independent professional valuers. We obtained all the independent professional valuers' reports and confirmed that the valuations were performed in accordance with international valuation professional standards and that the methodology adopted was appropriate by reference to acceptable valuation practice, FRS 40 and FRS 113.

We challenged the key assumptions upon which the valuations were based including those relating to future rental income, growth rates, discount rates and terminal rates by making a comparison to our own understanding of the market by benchmarking to external market data, where possible and key assumptions by benchmarking to external market data where possible, and obtained an understanding of the reasons for significant or unusual movements in the property values by forming our own view on the general market conditions with reference to the key assumptions noted above. We compared the information provided by management to the independent professional valuers, such as rental income and property costs to available supporting documents. We also considered the adequacy of the disclosures about the degree of critical judgement and estimation made when measuring the fair values of these properties as disclosed in Notes 2C and 13 respectively.

The testing performed in relation to the final fair values of the investment properties proved to be satisfactory.

Other information

Management is responsible for the other information. The other information comprises the information included in the statement of the Trustee, statement by the Manager, corporate profile, financial highlights, trust structure, corporate information, property overview, corporate governance and statistics of unitholdings, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of RAP 7 issued by the Institute of Singapore Chartered Accountants, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The management's responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors of the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors of the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors of the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Auditor's responsibilities for the audit of the financial statements (continued)

The engagement partner on the audit resulting in this independent auditor's report is Mr. Chow Khen Seng.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

5 March 2020

Engagement partner – effective from year ended 31 December 2019

STATEMENTS OF TOTAL RETURN

Year Ended 31 December 2019

	Notes	Group 2019 S$'000	Group 2018 S$'000	Trust 2019 S$'000	Trust 2018 S$'000
Rental and other income	4	115,297	116,198	65,630	64,685
Property operating expenses	5	(2,403)	(1,807)	(237)	(250)
Net property and other income		112,894	114,391	65,393	64,435
Interest income		2,364	1,690	1,555	1,541
Manager's management fees	6	(11,401)	(11,435)	(11,357)	(11,391)
Trustee fees	3	(430)	(427)	(430)	(427)
Finance costs	7	(20,390)	(21,614)	(20,390)	(21,614)
Other expenses	8	(1,002)	(2,298)	(926)	(1,619)
Net income before the undernoted		82,035	80,307	33,845	30,925
Net fair value losses on investment properties	13	(5,607)	(5,358)	(512)	(912)
Net fair value losses of derivatives financial instruments	27	(1,040)	(174)	(1,040)	(174)
Total return for the year before income tax		75,388	74,775	32,293	29,839
Income tax (expense)/benefit	9	(26,472)	1,100	99	155
Total return for the year after income tax		48,916	75,875	32,392	29,994
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations, net of tax		(133)	370	–	–
Total comprehensive return for the year		48,783	76,245	32,392	29,994
Total return attributable to:					
Unitholders of the Trust		45,508	72,467	28,984	26,586
Perpetual securities holders		3,408	3,408	3,408	3,408
		48,916	75,875	32,392	29,994
Total comprehensive return attributable to:					
Unitholders of the Trust		45,375	72,837	28,984	26,586
Perpetual securities holders		3,408	3,408	3,408	3,408
		48,783	76,245	32,392	29,994
Earnings per unit in cents					
Basic and diluted	10	5.74	9.23	N/A	N/A

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF DISTRIBUTION
Year Ended 31 December 2019

	Group		Trust	
	2019 S$'000	2018 S$'000	2019 S$'000	2018 S$'000
Amount available for distribution to unitholders at beginning of the year	17,014	16,777	17,014	16,777
Total return for the year after income tax	48,916	75,875	32,392	29,994
Adjustments for tax purposes (Note A)	19,524	(8,096)	36,048	37,785
	68,440	67,779	68,440	67,779
Amount available for distribution to unitholders	85,454	84,556	85,454	84,556
Total distribution paid to unitholders (Note 11)	(68,285)	(67,542)	(68,285)	(67,542)
Amount available for distribution to unitholders at end of the year (Note 11A and Note 32)	17,169	17,014	17,169	17,014
Distribution per unit (cents)	8.60	8.60	8.60	8.60
Note A – Adjustments for tax purposes:				
Manager's management fees settled in units	9,747	9,459	9,747	9,459
Change in fair values of investment properties, net of deferred tax	13,361	(14,343)	414	757
Net fair value losses of derivatives financial instruments	1,040	174	1,040	174
Capital repayment	–	–	28,919	30,406
Amount reserved for distribution to perpetual securities holders	(3,408)	(3,408)	(3,408)	(3,408)
Foreign exchange adjustment (gains)/losses	(245)	380	(245)	380
Other non-tax deductible items and adjustments	(971)	(358)	(419)	17
	19,524	(8,096)	36,048	37,785

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2019

ASSETS	Notes	Group 2019 S$'000	Group 2018 S$'000	Trust 2019 S$'000	Trust 2018 S$'000
Non-current assets					
Plant and equipment	12	55	68	–	–
Investment properties	13	1,340,780	1,345,295	34,500	34,900
Investments in subsidiaries	14	–	–	754,569	778,734
Loan receivable, non-current	17	–	–	34,661	39,415
Deferred tax assets	9	1,467	1,368	1,467	1,368
Other receivable, non-current	15	–	27,035	–	–
Total non-current assets		1,342,302	1,373,766	825,197	854,417
Current assets					
Trade and other receivables, current	16	48,833	32,391	8,471	17,548
Loan receivable, current	17	–	–	4,191	4,191
Other financial assets, current	18	–	26	–	–
Other assets, current	19	3,021	4,833	912	251
Cash and cash equivalents	20	32,980	27,758	26,084	18,314
Total current assets		84,834	65,008	39,658	40,304
Total assets		1,427,136	1,438,774	864,855	894,721
Non-current liabilities					
Deferred tax liabilities	9	39,703	31,850	–	–
Other financial liabilities, non-current	24	486,410	386,761	486,410	386,761
Derivatives financial instruments	27	1,253	250	1,253	250
Total non-current liabilities		527,366	418,861	487,663	387,011
Current liabilities					
Income tax payable	9	1,951	1,989	–	–
Trade and other payables, current	25	18,840	16,135	26,070	17,176
Other financial liabilities, current	24	–	109,658	–	109,658
Other liabilities, current	26	23,043	22,793	2,004	1,965
Derivatives financial instruments	27	222	185	222	185
Total current liabilities		44,056	150,760	28,296	128,984
Total liabilities		571,422	569,621	515,959	515,995
Represented by:					
Net assets attributable to unitholders		794,836	808,275	288,018	317,848
Perpetual securities holders	22	60,878	60,878	60,878	60,878
Total net assets	21	855,714	869,153	348,896	378,726
Units in issue ('000)	21	797,675	788,480	797,675	788,480
Net asset value per unit in cents attributable to unitholders	21	99.64	102.51	36.11	40.31

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

Year Ended 31 December 2019

	Group		Trust	
	2019 S$'000	2018 S$'000	2019 S$'000	2018 S$'000
OPERATIONS				
Balance at 1 January	808,275	791,437	317,848	347,261
Total return attributable to unitholders of Trust	48,916	75,875	32,392	29,994
UNITHOLDERS' TRANSACTIONS (Note 21)				
Manager's acquisition fees settled in units	–	270	–	270
Manager's management fees settled in units	9,471	9,113	9,471	9,113
Distribution settled in units	–	2,160	–	2,160
Change in net assets resulting from creation of units	9,471	11,543	9,471	11,543
Amount reserved for distribution to perpetual securities holders	(3,408)	(3,408)	(3,408)	(3,408)
Distributions to unitholders (Note 11)	(68,285)	(67,542)	(68,285)	(67,542)
Net decrease in net assets resulting from unitholders' transactions	(62,222)	(59,407)	(62,222)	(59,407)
FOREIGN EXCHANGE RESERVE				
Net movement in other comprehensive income	(133)	370	–	–
Total unitholders' funds at 31 December	794,836	808,275	288,018	317,848
PERPETUAL SECURITIES				
Balance at 1 January	60,878	60,878	60,878	60,878
Total return attributable to perpetual securities holders	3,408	3,408	3,408	3,408
Distribution to perpetual securities holders	(3,408)	(3,408)	(3,408)	(3,408)
Balance at 31 December	60,878	60,878	60,878	60,878
Total	855,714	869,153	348,896	378,726

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

Year Ended 31 December 2019

	Group 2019 S$'000	Group 2018 S$'000	Trust 2019 S$'000	Trust 2018 S$'000
Cash flows from operating activities				
Total return before income tax	75,388	74,775	32,293	29,839
Adjustments for:				
Interest income	(2,364)	(1,690)	(1,555)	(1,541)
Interest expense	17,493	16,500	17,493	16,500
Depreciation expenses	13	–	–	–
Amortisation of borrowing costs	2,897	5,114	2,897	5,114
Foreign exchange (gains)/losses	(245)	380	(245)	380
Dividend income	–	–	(61,639)	(60,772)
Losses on disposal of quoted shares	7	–	–	–
Decrease in fair value of investment properties	5,607	5,358	512	912
Net fair value losses of derivatives financial instruments	1,040	174	1,040	174
Manager's management fees settled in units	4,878	4,718	4,878	4,718
Operating cash flows before changes in working capital	104,714	105,329	(4,326)	(4,676)
Trade and other receivables, current	10,589	(6,211)	9,096	(4,261)
Other assets, current	1,812	(260)	(661)	(226)
Trade and other payables, current	1,467	(6,907)	7,656	(11,580)
Other liabilities, current	250	(2)	39	39
Net cash flows from/(used in) operating activities before income tax	118,832	91,949	11,804	(20,704)
Income taxes paid	(18,756)	(18,611)	–	–
Net cash flows from/(used in) operating activities	100,076	73,338	11,804	(20,704)
Cash flows from investing activities				
Increase in investment properties	(1,202)	(1,178)	(112)	(312)
Net movements in amounts due from subsidiaries	–	–	90,558	91,334
Interest received	2,345	1,690	1,536	1,541
Purchase of plant and equipment	–	(68)	–	–
Investment in quoted shares	(620)	(26)	–	–
Disposal of quoted shares	639	–	–	–
Net cash flows from investing activities	1,162	418	91,982	92,563
Cash flows from financing activities				
Distribution to unitholders	(68,285)	(65,382)	(68,285)	(65,382)
Increase in borrowings	100,000	24,000	100,000	24,000
Repayment of borrowings	(110,000)	–	(110,000)	–
Interest paid	(14,323)	(16,949)	(14,323)	(16,949)
Distribution to perpetual securities holders	(3,408)	(3,408)	(3,408)	(3,408)
Net cash flows used in financing activities	(96,016)	(61,739)	(96,016)	(61,739)
Net increase in cash and cash equivalents	5,222	12,017	7,770	10,120
Cash and cash equivalents, statement of cash flows, beginning balance	27,758	15,741	18,314	8,194
Cash and cash equivalents, statement of cash flows, ending balance (Note 20)	32,980	27,758	26,084	18,314

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF PORTFOLIO

As at 31 December 2019

	Carrying value as at 31.12.2019 S$'000	Percentage of net assets attributable to unitholders as at 31.12.2019 %	Carrying value as at 31.12.2018 S$'000	Percentage of net assets attributable to unitholders as at 31.12.2018 %
Group:				
Investment properties in Indonesia	1,298,200	163.33	1,301,800	161.06
Investment properties in Singapore	34,500	4.34	34,900	4.32
Investment property in South Korea	8,080	1.02	8,595	1.06
Portfolio of investment properties at valuation – total	1,340,780	168.69	1,345,295	166.44
Other net liabilities	(485,066)	(61.03)	(476,142)	(58.91)
Net assets attributable to holders	855,714	107.66	869,153	107.53
Perpetual securities	(60,878)	(7.66)	(60,878)	(7.53)
Net assets attributable to unitholders	794,836	100.00	808,275	100.00

	Carrying value as at 31.12.2019 S$'000	Percentage of net assets attributable to unitholders as at 31.12.2019 %	Carrying value as at 31.12.2018 S$'000	Percentage of net assets attributable to unitholders as at 31.12.2018 %
Trust:				
Investment properties in Singapore	34,500	11.98	34,900	10.98
Portfolio of investment properties at valuation – total	34,500	11.98	34,900	10.98
Investments in subsidiaries	754,569	261.99	778,734	245.00
Other net liabilities	(440,173)	(152.83)	(434,908)	(136.83)
Net assets attributable to holders	348,896	121.14	378,726	119.15
Perpetual securities	(60,878)	(21.14)	(60,878)	(19.15)
Net assets attributable to unitholders	288,018	100.00	317,848	100.00

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF PORTFOLIO
As at 31 December 2019

By Geographical Area

Description of Property / Location / Acquisition Date / Type of Property / Land Title Type / Term of Lease[(a)] / Remaining Term of Lease[(b)]	Gross floor area in square metres	Carrying value as at 31.12.2019 S$'000	Percentage of net assets attributable to unitholders as at 31.12.2019 %	Carrying value as at 31.12.2018 S$'000	Percentage of net assets attributable to unitholders as at 31.12.2018 %
Singapore					
Pacific Healthcare Nursing Home @ Bukit Merah 6 Lengkok Bahru, Singapore 159051 11 April 2007, Nursing Home 30 years leasehold from 2002 10+10 years/ 8 years	3,593	9,400	1.18	9,500	1.18
Pacific Healthcare Nursing Home II @ Bukit Panjang 21 Senja Road, Singapore 677736 11 April 2007, Nursing Home 30 years leasehold from 2003 10+10 years/ 8 years	3,563	9,600	1.21	9,700	1.20
The Lentor Residence 51 Lentor Avenue, Singapore 786876 8 June 2007, Nursing Home 99 years leasehold from 1938 10+10+10 years/ 18 years	4,005	15,500	1.95	15,700	1.94
Portfolio of Investment Properties held by the Trust at Valuation – Sub-total		34,500	4.34	34,900	4.32
Indonesia					
Siloam Hospitals Lippo Village Jalan Siloam No. 6 Lippo Karawaci 1600 Tangerang 15811, Banten, Indonesia 11 December 2006, Hospital Hak Guna Bangunan ("**HGB**") 15+15 years/ 17 years	27,284	162,400	20.43	162,300	20.08
Siloam Hospitals Kebon Jeruk Jalan Raya Perjuangan Kav. 8 Kebon Jeruk, West Jakarta 11530, Indonesia 11 December 2006, Hospital HGB 15+15 years/ 17 years	18,316	93,700	11.79	96,200	11.90

The accompanying notes form an integral part of these financial statements.

By Geographical Area (continued)

Description of Property / Location / Acquisition Date / Type of Property / Land Title Type / Term of Lease[(a)] / Remaining Term of Lease[(b)]	Gross floor area in square metres	Carrying value as at 31.12.2019 S$'000	Percentage of net assets attributable to unitholders as at 31.12.2019 %	Carrying value as at 31.12.2018 S$'000	Percentage of net assets attributable to unitholders as at 31.12.2018 %
Indonesia (continued)					
Siloam Hospitals Surabaya Jalan Raya Gubeng No. 70, Gubeng Surabaya, East Java 60281, Indonesia 11 December 2006, Hospital HGB 15+15 years/ 17 years (Also see Note 29)	9,227	27,900	3.51	28,100	3.48
Imperial Aryaduta Hotel & Country Club Jalan Boulevard Jendral Sudirman, Kav. 401, Lippo Village 1300, Tangerang 15811, Banten, Indonesia 11 December 2006, Hotel & Country Club HGB 15+15 years/ 17 years	17,427	41,000	5.16	40,600	5.02
Mochtar Riady Comprehensive Cancer Centre Jalan Garnisun Dalam No. 2-3, Semanggi Central Jakarta 12930, Indonesia 30 December 2010, Hospital HGB 15+15 years/ 21 years	37,933	266,300	33.50	267,300	33.07
Siloam Hospitals Lippo Cikarang Jalan Mohammad Husni Thamrin Kav. 105 Lippo Cikarang, Bekasi, Indonesia 17550 31 December 2010, Hospital HGB 15+15 years/ 21 years	13,256	53,500	6.73	54,000	6.68
Siloam Hospitals Manado & Hotel Aryaduta Manado Jalan Sam Ratulangi No. 22, Komplek Boulevard Center Jalan Piere Tendean No. 1, Manado North Sulawesi Indonesia 95111 30 November 2012, Hospital & Hotel HGB 15+15 years/ 23 years	36,051	103,100	12.97	104,500	12.93

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF PORTFOLIO
As at 31 December 2019

By Geographical Area (continued)

Description of Property / Location / Acquisition Date / Type of Property / Land Title Type / Term of Lease[(a)] / Remaining Term of Lease[(b)]	Gross floor area in square metres	Carrying value as at 31.12.2019 S$'000	Percentage of net assets attributable to unitholders as at 31.12.2019 %	Carrying value as at 31.12.2018 S$'000	Percentage of net assets attributable to unitholders as at 31.12.2018 %
Indonesia (continued)					
Siloam Hospitals Makassar Jalan Metro Tanjung Bunga Kav 3-5 Makassar City, South Sulawesi, Indonesia 30 November 2012, Hospital HGB 15+15 years/ 23 years	14,307	73,300	9.22	72,900	9.02
Siloam Hospitals Bali Jalan Sunset Road No. 818, Kuta, Badung, Bali, Indonesia 13 May 2013, Hospital HGB 15+15 years/ 24 years	20,958	124,400	15.65	123,800	15.32
Siloam Hospitals TB Simatupang Jalan Letjend. TB Simatupang, Jalan R.A. Kartini No. 8, Cilandak, South Jakarta, Indonesia 22 May 2013, Hospital HGB 15+15 years/ 24 years	18,605	118,900	14.96	119,400	14.77
Siloam Hospitals Purwakarta Jalan Raya Bungursari No. 1, Purwakarta, West Java, Indonesia 28 May 2014, Hospital HGB 15+15 years/ 25 years	8,254	42,000	5.29	40,400	5.00
Siloam Sriwijaya Jalan POM IX, Komplek Palembang Square, Palembang, South Sumatra, Indonesia 29 December 2014, Hospital Strata Title on Build, Operate and Transfer scheme 15+15 years/ 25 years	15,709	41,300	5.20	41,600	5.15
Siloam Hospitals Kupang & Lippo Plaza Kupang Jalan Veteran, No. 4, Arena Pameran Fatululi, Kupang, East Nusa Tenggara, Indonesia 14 December 2015, Hospital & Mall Build, Operate and Transfer scheme 15+15 years/ 26 years	55,368	73,700	9.27	74,100	9.17

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF PORTFOLIO

As at 31 December 2019

By Geographical Area (continued)

Description of Property / Location / Acquisition Date / Type of Property / Land Title Type / Term of Lease[(a)] / Remaining Term of Lease[(b)]	Gross floor area in square metres	Carrying value as at 31.12.2019 S$'000	Percentage of net assets attributable to unitholders as at 31.12.2019 %	Carrying value as at 31.12.2018 S$'000	Percentage of net assets attributable to unitholders as at 31.12.2018 %
Indonesia (continued)					
Siloam Hospitals Labuan Bajo Jalan Gabriel Gampur, Gorontalo, Komodo, Manggarai Barat, Nusa Tenggara Timur, Indonesia 30 December 2016, Hospital HGB 15+15 years/ 27 years	7,604	20,900	2.63	20,600	2.55
Siloam Hospitals Buton & Lippo Plaza Buton Jalan Sultan Hasanuddin No. 50, 52, 54 and 58 Bau Bau, Sulawesi Tenggara, Indonesia 10 October 2017, Hospital & Mall Build, Operate and Transfer scheme 15+15 years/ 28 years	21,934	28,700	3.61	28,800	3.56
Siloam Hospitals Yogyakarta Jalan Laksda Adi Sucipto No. 32-34 Yogyakarta, Indonesia 22 December 2017, Hospital HGB 15+15 years/ 28 years	12,474	27,100	3.41	27,200	3.36
South Korea					
Sarang Hospital No. 9 Bongsannam 3rd Street, Yeosu City Jeonranam-do, South Korea 5 August 2011, Hospital Freehold 10+10 years/ 12 years	4,982	8,080	1.02	8,595	1.06
Portfolio of Investment Properties Held by the Group at Valuation – Total		1,340,780	168.69	1,345,295	166.44

Notes:

(a): This refers to the tenure of underlying land except for Siloam Sriwijaya which is held on a strata title basis under a Build, Operate and Transfer ("**BOT**") scheme, and Siloam Hospitals Kupang & Lippo Plaza Kupang and Siloam Hospitals Buton & Lippo Plaza Buton which are under BOT schemes.

(b): Remaining terms of lease assumes the extension of land leases except for Siloam Sriwijaya which is held under strata title basis under a BOT scheme, and Siloam Hospitals Kupang & Lippo Plaza Kupang and Siloam Hospitals Buton & Lippo Plaza Buton which are under BOT schemes.

The accompanying notes form an integral part of these financial statements.

1. General

First Real Estate Investment Trust (the "**Trust**") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 19 October 2006 ("**Trust Deed**") (subsequently amended by First Supplemental Deed dated 6 September 2007, Second Supplemental Deed dated 19 April 2010, Third Supplemental Deed dated 26 April 2011, Fourth Supplemental Deed dated 1 April 2013, First Amending and Restating Deed dated 23 March 2016, Supplemental Deed dated 1 November 2017 and Fifth Supplemental Deed dated 22 May 2018) entered into between Bowsprit Capital Corporation Limited (the "**Manager**") and Perpetual (Asia) Limited (the "**Trustee**"), governed by the laws of Singapore.

The Trust is listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

The principal activity of the Trust and its subsidiaries (the "**Group**") is to invest in a portfolio of income producing real estate properties, which are primarily used for healthcare and healthcare-related purposes. The primary objective is to deliver regular and stable distributions to unitholders and to achieve long-term growth in the net asset value per unit.

The registered office of the Manager is 50 Collyer Quay #06-01 OUE Bayfront Singapore 049321.

The financial statements were approved and authorised for issue by the board of directors of the Manager on 5 March 2020. The financial statements are for the Trust and the Group.

Accounting convention

The financial statements have been prepared in accordance with the recommendations of the Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" ("**RAP 7**") issued by the Institute of Singapore Chartered Accountants and the applicable requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore ("**MAS**") and the provisions of the Trust Deed. RAP 7 requires that the accounting policies should generally comply with the principles relating to recognition and measurement of the Financial Reporting Standards ("**FRSs**") issued by the Accounting Standards Council.

The financial statements are prepared on a going concern basis under the historical cost convention except where a FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements.

The financial statements are presented in Singapore dollars, recorded to the nearest thousand, unless otherwise stated.

Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the Trust and all of its subsidiaries. The consolidated financial statements are the financial statements of the Group (the parent and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee.

1. General (continued)

Basis of presentation (continued)

Changes in the Group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the Group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the Group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as equity investments financial assets in accordance with the financial reporting standard on financial instruments.

The Trust's separate financial statements have been prepared on the same basis.

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

Net assets attributable to unitholders

RAP 7 requires that the units are recognised on initial recognition as equity. The net assets attributable to unitholders comprise the residual interest in the assets of the unit trust after deducting its liabilities. Under RAP 7, distributions are accrued for at the reporting year end date if the Manager has the discretion to declare distributions without the need for unitholder or Trustee approval and a constructive or legal obligation has been created. Distributions to unitholders have been recognised as liabilities when they are declared.

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Rental and other income

<u>(i) Rental income from operating leases</u>

Rental income is recognised from operating leases as income on either a straight-line basis or another systematic basis which is used if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

<u>(ii) Interest income</u>

Interest income is recognised on a time-proportion basis using the effective interest rate that takes into account the effective yield on the asset.

2. Significant accounting policies and other explanatory information (continued)

2A. Significant accounting policies (continued)

Rental and other income (continued)

(iii) Dividend income

Dividend from an equity instrument is recognised as income when the entity's right to receive payment is established.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Interest expense is calculated using the effective interest rate method. Borrowing costs are recognised as an expense in the period in which they are incurred except that borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Foreign currency transactions

The functional currency of the Trust is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

Translation of financial statements of foreign entities

Each entity in the Group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of unitholders' funds until the disposal of that relevant reporting entity.

2. Significant accounting policies and other explanatory information (continued)

2A. Significant accounting policies (continued)

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in unitholders' funds if the tax is related to an item recognised directly in unitholders' funds. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

Segment reporting

The Group discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

2. Significant accounting policies and other explanatory information (continued)

2A. Significant accounting policies (continued)

Subsidiaries (continued)

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

Joint arrangements – joint operations

A joint arrangement (that is, either a joint operation or a joint venture, depending on the rights and obligations of the jointly controlling parties to the arrangement), is one in which the reporting entity is party to an arrangement of which two or more parties have joint control, which is the contractually agreed sharing of control of the arrangement; it exists only when decisions about the relevant activities (that is, activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control. In a joint operation, the parties with joint control have rights to the assets, and obligations for the liabilities, relating to the arrangement. The reporting entity recognises its share of the operation's assets, liabilities, income and expenses that are combined line by line with similar items in the reporting entity's financial statements and accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the FRSs applicable to the particular assets, liabilities, revenues and expenses. When the reporting entity enters into a transaction with a joint operation, such as a sale or contribution of assets, the reporting entity recognises gains and losses resulting from such a transaction only to the extent of the other parties' interests in the joint operation.

Business combinations

Business combinations are accounted for by applying the acquisition method. There were no acquisitions during the reporting year.

Plant and equipment

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rate of depreciation is as follows:

Plant and equipment	–	20%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle.

The gain or loss arising from the derecognition of an item of plant and equipment is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

2. Significant accounting policies and other explanatory information (continued)

2A. Significant accounting policies (continued)

Plant and equipment (continued)

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Investment properties

Investment property is property (land or a building or part of a building or both) owned or held under a finance lease to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business. It includes an investment property in the course of construction. After initial recognition at cost including transaction costs the fair value model is used to measure the investment property at fair value as of the end of the reporting year. A gain or loss arising from a change in the fair value of investment property is included in profit or loss for the reporting year in which it arises. The fair values are measured periodically on a systematic basis at least once yearly by independent professional valuers having an appropriate recognised professional qualification and recent experience in the location and category of property being valued.

Unit-based payments

The issued capital is increased by the fair value of units issued for the transaction.

Lessor

As a lessor, the reporting entity classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its statement of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease, the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Lease payments from operating leases are recognised as income on either a straight-line basis or another systematic basis over the term of the lease.

2. Significant accounting policies and other explanatory information (continued)

2A. Significant accounting policies (continued)

Impairment of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss ("**FVTPL**"), transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and measurement of financial assets:

1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL, that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.

2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income ("**FVTOCI**"): There were no financial assets classified in this category at reporting year end date.

2. Significant accounting policies and other explanatory information (continued)

2A. Significant accounting policies (continued)

Financial instruments (continued)

3. Financial asset that is an equity investment measured at FVTOCI: There were no financial assets classified in this category at reporting year end date.

4. Financial asset classified as measured at FVTPL: All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, management may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Classification and measurement of financial liabilities:

Financial liabilities are classified as at FVTPL in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Derivative financial instruments

A derivative financial instrument is a financial instrument with all three of the following characteristics (a) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices, credit ratings or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract; (b) it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and (c) it is settled at a future date.

The derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently classified as measured at FVTPL unless the derivative is designated and effective as a hedging instrument.

2. Significant accounting policies and other explanatory information (continued)

2A. Significant accounting policies (continued)

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset/liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

In making the fair value measurement for a non-financial asset, management determines the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis.

2B. Other explanatory information

Units and perpetual securities

Proceeds from the issuance of units and perpetual securities are recognised as equity. Issue expenses relating to issuance of units and perpetual securities are deducted directly from the net assets attributable to the unitholders and perpetual securities holders respectively.

2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

2. Significant accounting policies and other explanatory information (continued)

2C. Critical judgements, assumptions and estimation uncertainties (continued)

Fair values of investment properties:

The Group carries the investment properties at fair value in the statement of financial position and engages independent professional valuers to undertake annual valuations. The measurements of fair value of the investment properties are based on certain calculations which require the use of estimates and assumptions in relation to factors such as future rental income, growth rates, discount rates, terminal rates and assumed that the renewal option leases contain similar terms and conditions as the existing leases and therefore there is significant measurement uncertainty involved in the measurement of fair value. The assumptions and the fair values are disclosed in Note 13 on investment properties.

Allowance for doubtful trade receivables:

The Group has 5 (2018: 5) customers and which can be graded as low risk individually save for 1 customer (2018: 1). These trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. At the end of the reporting year a loss allowance is recognised at an amount equal to 12 month expected credit losses ("**ECL**") because there has not been a significant increase in credit risk since initial recognition. At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in Note 16 on trade and other receivables.

Deferred tax: recovery of underlying assets:

The deferred tax relating to an asset is dependent on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model for investment property or when the revaluation model is required or permitted by a Financial Reporting Standard for a non-financial asset. Management has taken the view that as there is clear evidence that the entity will consume the relevant asset's economic benefits throughout its economic life. The amount is in Note 9 on income tax.

3. Related party relationships and transactions

3A. Related party transactions:

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

The ultimate controlling party is Lippo ASM Asia Property Limited, a company incorporated in the Cayman Islands.

3. Related party relationships and transactions (continued)

3A. Related party transactions (continued):

There are transactions and arrangements between the Group and the Trust with related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and financial guarantees if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise. Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

Significant related party transactions:

	Group		Trust	
	2019	**2018**	**2019**	**2018**
	S$'000	**S$'000**	**S$'000**	**S$'000**
		Restated		
Property rental income[(a)]	96,001	97,128[(b)]	–	–
The Manager				
Management fees	(11,401)	(11,435)	(11,357)	(11,391)
The Trustee				
Trustee fees	(430)	(427)	(430)	(427)

On 26 October 2018, OUE Limited ("**OUE**") and OUE Lippo Healthcare Limited ("**OUELH**") completed the acquisition of a 60% and 40% interest respectively in Bowsprit Capital Corporation Limited, the manager of First REIT from LK REIT Management Pte. Ltd., an indirect wholly owned subsidiary of PT Lippo Karawaci Tbk ("**Lippo Karawaci**").

From 26 October 2018, the immediate parent company of the Manager is OUE Limited, a company incorporated in Singapore.

(a) The property rental income represents the rental income from Lippo Karawaci, (a former parent company of the Trust) and its subsidiaries.

(b) Lippo Karawaci announced it had restated its consolidated financial statements for financial year ended 31 December 2018 to reclassify its investment in First REIT from financial assets at FVTOCI to an investment in associate following a review by the Indonesian Financial Service Authority on 24 May 2019.

The lessees, Lippo Karawaci and its subsidiaries, have provided bank guarantees of S$50,268,000 (2018: S$49,726,000) in lieu of the security deposits for rental income from the properties and asset-enhancement transaction in relation to Siloam Hospitals Surabaya. These guarantees which expired in 2019 have been renewed up to March, May, August, September, November and December 2020 as appropriate.

The Group and the Trust have no employees. All the required services are provided by the Manager and external service providers.

3. Related party relationships and transactions (continued)

3A. Related party transactions (continued):

The Trust has entered into several service agreements in relation to the management of the Trust. The fee structures of these services are as follows:

(A) Manager's Fees

Under the Trust Deed, the Manager is entitled to management fees comprising the base fee and performance fee as follows:

(i) A base fee of 0.4% (2018: 0.4%) per annum of the value of the Deposited Property. Any increase in the rate of the base fee above the permitted limit or any change in the structure of the base fee shall be approved by an extraordinary resolution of a meeting of unitholders. The Manager may opt to receive the base fee in the form of units and/or cash.

(ii) A performance fee fixed at 5.0% (2018: 5.0%) per annum of the Group's Net Property Income ("**NPI**") or the NPI of the relevant Special Purpose Companies ("**SPCs**") for each year. NPI in relation to a real estate in the form of land, whether directly held by the Trustee or indirectly held by the Trustee through a SPC, and in relation to any year or part thereof, means its property income less property operating expenses for such real estate for that year or part thereof. The Manager may opt to receive the performance fee in the form of units and/or cash. Based on the First Amending & Restating Deed dated 23 March 2016, the performance fees for the financial year is computed based on audited accounts relating to the relevant SPCs.

(iii) Manager's acquisition fee determined at 1.0% (2018: 1.0%) of the value or consideration as defined in the Trust Deed for any real estate or other investments (subject to there being no double-counting).

(iv) A divestment fee at 0.5% (2018: 0.5%) of the value or consideration as defined in the Trust Deed for any real estate or other investments (subject to there being no double-counting).

(B) Trustee Fees

Under the Trust Deed, the Trustee is entitled to an annual fee not exceeding 0.1% (2018: 0.1%) of the value of the Deposited Property (as defined in the Trust Deed).

The actual fee payable will be determined between the Manager and the Trustee from time to time. The Trustee's fee is subject to review every three years.

3B. Key management compensation

The Trust obtains key management personnel services from the Manager.

Key management personnel of the Manager, include the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Trust, directly or indirectly. Further information about the remuneration of individual directors of the Manager is provided in the report on corporate governance of the Trust.

3. Related party relationships and transactions (continued)

3C. Interests in the Trust:

	Units held		% interest held	
	2019	2018	2019	2018
The Manager				
Bowsprit Capital Corporation Limited	66,041,697	56,847,107	8.28	7.21
The director of the Manager				
Mr. Tan Kok Mian Victor	102,569	52,569	*	*

* Amount is less than 1%

4. Rental and other income

	Group		Trust	
	2019 S$'000	2018 S$'000	2019 S$'000	2018 S$'000
Rental income	115,295	116,198	3,991	3,913
Dividend income from quoted equity shares at FVTPL	2	–	–	–
Dividend income from subsidiaries	–	–	61,639	60,772
	115,297	116,198	65,630	64,685

5. Property operating expenses

	Group		Trust	
	2019 S$'000	2018 S$'000	2019 S$'000	2018 S$'000
Property tax expense	193	170	193	170
Valuation expenses	275	251	22	21
Professional fees	938	813	19	59
Impairment allowance on trade receivables	624	353	–	–
Others	373	220	3	–
	2,403	1,807	237	250

6. Manager's management fees

	Group		Trust	
	2019 S$'000	2018 S$'000	2019 S$'000	2018 S$'000
Base fees (Note 3A)	5,756	5,715	5,712	5,671
Performance fees (Note 3A)	5,645	5,720	5,645	5,720
	11,401	11,435	11,357	11,391

7. Finance costs

	Group and Trust 2019 S$'000	2018 S$'000
Interest expense	17,493	16,500
Amortisation of borrowing costs	2,897	5,114
	20,390	21,614

Included in the 2018 amortisation of borrowing costs was S$2,639,000 (2019: Nil) of costs written off due to loans which were refinanced in 2018.

8. Other expenses

	Group		Trust	
	2019 S$'000	2018 S$'000	2019 S$'000	2018 S$'000
Foreign exchange (gains)/ losses	(163)	1,051	(228)	372
Handling and processing fees	285	308	285	308
Professional fees	384	422	384	422
Project expenses	286	294	286	294
Others	210	223	199	223
	1,002	2,298	926	1,619

Total fees to the auditors:

	Group		Trust	
	2019 S$'000	2018 S$'000	2019 S$'000	2018 S$'000
Audit fees to independent auditors of the Trust	280	282	166	166
Audit fees to other independent auditors	233	236	–	–
Non-audit fees to independent auditors of the Trust	77	77	77	77
Non-audit fees to other independent auditors	208	130	–	–

Total fees to independent auditors are included in property operating expenses (Note 5) and other expenses (Note 8).

9. Income tax

9A. Components of tax expense/(benefit) recognised in profit or loss include:

	Group		Trust	
	2019 S$'000	2018 S$'000	2019 S$'000	2018 S$'000
Current tax expense:				
Current tax expense	18,718	18,601	–	–
Subtotal	18,718	18,601	–	–
Deferred tax expense/(benefit):				
Deferred tax expense/(benefit)	7,754	1,870	(99)	(155)
Over adjustments in respect of prior periods	–	(21,571)	–	–
Subtotal	7,754	(19,701)	(99)	(155)
Total income tax expense/(benefit)	26,472	(1,100)	(99)	(155)

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2018: 17%) to profit or loss before income tax as a result of the following differences:

	Group		Trust	
	2019 S$'000	2018 S$'000	2019 S$'000	2018 S$'000
Total return before income tax	75,388	74,775	32,293	29,839
Income tax expense at the above rate	12,816	12,712	5,490	5,073
Non-deductible/(liable to tax) items	6,501	6,437	(5,192)	(4,810)
Effect of different tax rates in different countries	479	(5,248)	–	–
Foreign withholding tax	7,073	6,988	–	–
Over adjustments in respect of prior periods	–	(21,571)	–	–
Tax transparency[(a)]	(397)	(418)	(397)	(418)
Total income tax expense/(benefit)	26,472	(1,100)	(99)	(155)

The amount of current income taxes payable as at the end of the reporting year was S$1,951,000 (2018: S$1,989,000) for the Group. Such an amount is net of tax advances, which according to the tax rules, were paid before the end of the reporting year.

(a) There is a tax ruling issued by the Inland Revenue Authority of Singapore (the "**IRAS**") to grant tax transparency treatment on rental and other related income derived by the Trust. Under this tax transparency treatment, subject to meeting the terms and conditions of the tax ruling, the Trustee is not subject to tax on such taxable income to the extent of the amount distributed to unitholders. Instead, the distributions made by the Trust out of such taxable income are subject to tax in the hands of unitholders, unless they are exempt from tax on such distributions. For taxable income that is not distributed, tax on such amount of taxable income will be assessed on the Trust.

9. Income tax (continued)

9B. Deferred tax expense/(benefit) recognised in profit or loss include:

	Group		Trust	
	2019 S$'000	2018 S$'000	2019 S$'000	2018 S$'000
Deferred tax relating to the changes in fair value of investment properties	7,754	(19,701)	(99)	(155)

9C. Deferred tax balance in the statement of financial position:

	Group		Trust	
	2019 S$'000	2018 S$'000	2019 S$'000	2018 S$'000
Deferred tax (liabilities)/assets recognised in profit or loss:				
Deferred tax relating to the changes in fair value of investment properties	(38,236)	(30,482)	1,467	1,368

Presented in the statements of financial position as follows:

	Group		Trust	
	2019 S$'000	2018 S$'000	2019 S$'000	2018 S$'000
Deferred tax liabilities	(39,703)	(31,850)	–	–
Deferred tax assets	1,467	1,368	1,467	1,368
Net balance	(38,236)	(30,482)	1,467	1,368

It is impracticable to estimate the amount expected to be settled or used within one year.

At the end of the reporting year, the aggregate amounts of temporary differences associated with investments in investees for which deferred tax liabilities have not been recognised were in relation to the fair value gains on investment properties in the foreign subsidiaries which may be subject to withholding tax if paid as dividends on realisation of the fair value gains. As mentioned in the accounting policy in Note 2, no liability has been recognised in respect of these differences:

	Group	
	2019 S$'000	2018 S$'000
Foreign subsidiaries	68,827	70,741

10. Earnings per unit

The following table illustrates the numerators and denominators used to calculate basis and diluted earnings per unit of no par value:

	Group 2019	Group 2018
Denominator: Weighted average number of units outstanding during the year ('000)	793,376	785,322
Numerator: Earnings attributable to unitholders		
Total return after income tax (S$'000)	45,508	72,467
Earnings per unit (in cents)		
Basic and diluted	5.74	9.23

The weighted average number of units refers to units in circulation during the reporting year.

The diluted earnings per unit is the same as the basic earnings per unit as there were no dilutive instruments in issue during the reporting year.

11. Distributions to unitholders

	Group and Trust 2019 S$'000	Group and Trust 2018 S$'000
Total distribution paid during the year:		
Distribution of 2.15 cents per unit for the period from 1 October 2017 to 31 December 2017	–	16,798
Distribution of 2.15 cents per unit for the period from 1 January 2018 to 31 March 2018	–	16,878
Distribution of 2.15 cents per unit for the period from 1 April 2018 to 30 June 2018	–	16,914
Distribution of 2.15 cents per unit for the period from 1 July 2018 to 30 September 2018	–	16,952
Distribution of 2.15 cents per unit for the period from 1 October 2018 to 31 December 2018	16,991	–
Distribution of 2.15 cents per unit for the period from 1 January 2019 to 31 March 2019	17,045	–
Distribution of 2.15 cents per unit for the period from 1 April 2019 to 30 June 2019	17,099	–
Distribution of 2.15 cents per unit for the period from 1 July 2019 to 30 September 2019	17,150	–
	68,285	67,542

11. Distributions to unitholders (continued)

11A. Distribution per unit

	Group and Trust 2019 Cents per unit	2018 Cents per unit	2019 S$'000	2018 S$'000
Based on the number of units in issue at the dates of distributions	8.60	8.60	68,463	67,681

Distribution Type

Name of Distribution: Distribution during the period (interim distributions)

Distribution Type: Income/Capital

Distribution Rate:

	Group and Trust 2019 Cents per unit	2018 Cents per unit	2019 S$'000	2018 S$'000
Taxable Income[(a)]:	0.24	0.24	1,909	1,811
Tax-exempt Income[(b)]:	3.50	3.32	27,833	26,119
Capital[(c)]:	2.71	2.89	21,552	22,737
Subtotal:	6.45	6.45	51,294	50,667

Name of Distribution: Distribution declared subsequent to end of the reporting year (final distribution) (See Note 32a)

Distribution Type: Income/Capital

Distribution Rate:

	Group and Trust 2019 Cents per unit	2018 Cents per unit	2019 S$'000	2018 S$'000
Taxable Income[(a)]:	0.09	0.07	699	557
Tax-exempt Income[(b)]:	1.15	1.12	9,189	8,873
Capital[(c)]:	0.91	0.96	7,281	7,584
Subtotal:	2.15	2.15	17,169	17,014

Total annual distribution paid or declared

Taxable Income[(a)]:	0.33	0.31	2,608	2,368
Tax-exempt Income[(b)]:	4.65	4.44	37,022	34,992
Capital[(c)]:	3.62	3.85	28,833	30,321
Total:	8.60	8.60	68,463	67,681

(a) Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from Singapore income tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%. The Monetary Authority of Singapore has announced that the 10% tax concession has been extended till 31 December 2025.

All other investors will receive their distributions after deduction of tax at the rate of 17% (2018: 17%).

11. Distributions to unitholders (continued)

11A. Distribution per unit (continued)

(b) Tax-exempt income distribution is exempt from Singapore income tax in the hands of all unitholders.

(c) Capital distribution represents a return of capital to unitholders for Singapore income tax purposes and is therefore not subject to Singapore income tax. For unitholders who are liable to Singapore income tax on profits from the sale of the Trust's units, the amount of capital distribution will be applied to reduce the cost base of their Trust's units for Singapore income tax purposes.

Current Distribution Policy:

The Trust's current distribution policy is to distribute at least 90.0% (2018: 90.0%) of its taxable and tax-exempt income (after deduction of applicable expenses) and certain capital receipts. The capital receipts comprise amounts received by the Trust from redemption of redeemable preference shares and shareholder loans in the Singapore subsidiaries.

12. Plant and equipment

	Plant and equipment S$'000
Group:	
Cost:	
At 1 January 2018	–
Additions	68
At 31 December 2018 and 31 December 2019	68
Accumulated depreciation:	
At 1 January 2018	–
Depreciation	*
At 31 December 2018	*
Depreciation	13
At 31 December 2019	13
Carrying amount:	
At 1 January 2018	–
At 31 December 2018	68
At 31 December 2019	55

* Amount is less S$1,000.

Depreciation expense is recorded in other expenses.

13. Investment properties

	Group		Trust	
	2019 S$'000	2018 S$'000	2019 S$'000	2018 S$'000
At fair value:				
Balance at beginning of the year	1,345,295	1,349,303	34,900	35,500
Additions at cost	1,202	1,178	112	312
Translation differences	(110)	172	–	–
Change in fair value included in statements of total return (Level 3)	(5,607)	(5,358)	(512)	(912)
Balance at end of the year	1,340,780	1,345,295	34,500	34,900
Rental income from investment properties	115,295	116,198	3,991	3,913
Direct operating expenses (including repairs and maintenance) arising from investment properties that generated rental income during the reporting year	(2,403)	(1,807)	(237)	(250)

The decrease in fair value is due to adverse changes in key inputs. The Group's portfolio consists of properties located in Indonesia, Singapore and South Korea (see the statements of portfolio). These investment properties include the mechanical and electrical equipment located in the respective properties.

The fair value of each investment property was measured on 5 December 2019 and updated to 31 December 2019 based on the highest and best use method to reflect the actual market state and circumstances as of the end of the reporting year. The valuations were based on the discounted cash flow and direct capitalisation methods as appropriate. The fair values were based on valuations made by independent professional valuers on a systematic basis at least once yearly. In relying on the valuation reports, management is satisfied that the independent professional valuers have appropriate professional qualifications, are independent and have recent experience in the location and category of the properties being valued. There have been no changes to the valuation techniques during the year. Management determined that the highest and best use of the assets are the current use and that it would provide maximum value to market participants principally through its use in combination with other assets.

13. Investment properties (continued)

The key assumptions and inputs for the fair value calculations are as follows:

		2019	2018
1.	Estimated discount rates using pre-tax rates that reflect current market assessments at the risks specific to the properties		
	Indonesia	9.30% to 10.40%	9.65% to 10.25%
	Singapore	8.75%	8.50% to 8.75%
	South Korea	Note 1	Note 1
2.	Growth rates based on escalation rate in the lease agreements		
	Indonesia	#(A)	#(A)
	Singapore	2.00%	2.00%
	South Korea	Note 1	Note 1
3.	Cash flow forecasts derived from recent budget (assuming renewal of current leases based on similar terms and conditions as the existing leases where applicable)		
	Indonesia	1 to 25 years	2 to 26 years
	Singapore	10 years	10 years
	South Korea	Note 1	Note 1
4.	Terminal rate#(B)		
	Indonesia	8.50% to 9.40%	8.16% to 10.50%
	Singapore	7.25% to 7.50%	7.00% to 7.50%
	South Korea	Note 1	Note 1
5.	Dates of valuations		
	Indonesia	5 Dec	5 Nov
	Singapore	5 Dec	5 Nov
	South Korea	5 Dec	5 Nov

#(A) The growth rate for the base rents were capped at 2.00% (2018: 2.00%) of the preceding 12 months' base rent depending on the Consumer Price Index of Singapore. The variable rent is the amount equivalent from 0.00% to 2.00% (2018: 0.00% to 2.00%) of the tenant's gross revenue for the preceding calendar year, depending on the tenant's gross revenue growth. There is no variable rent for the first three years of the lease of Siloam Hospitals Kupang (since 2015) and the first five years of the leases of Siloam Hospitals Labuan Bajo (since 2016), Siloam Hospitals Buton & Lippo Plaza Buton and Siloam Hospitals Yogyakarta (since 2017).

#(B) No terminal rate was used for the valuation of Siloam Sriwijaya, Siloam Hospitals Kupang & Lippo Plaza Kupang and Siloam Hospitals Buton & Lippo Plaza Buton whose respective agreements with the provincial governments only allow for a fixed lease period each. The terminal value for Siloam Hospitals Surabaya used the same contractual value included in the asset enhancement transaction with a subsidiary of Lippo Karawaci (Note 29).

Note 1: The valuations of the South Korea property for 2019 and 2018 were based on the direct capitalisation method. The direct capitalisation method is a valuation method used to convert a single year's income expectancy into a value estimate. The income used is the market rental of this property adjusted for operating expenses (net operating income). An overall capitalisation rate of 6.40% (2018: 10.25%) is applied to the net operating income to arrive at the fair value of the property. The overall capitalisation rate used takes into account the level of risk associated with the property.

13. Investment properties (continued)

The valuations for 2019 were made by the following independent professional valuers:

1. Three Indonesia properties – KJPP Willson & Rekan in association with Knight Frank (2018: Five)

2. Five Indonesia properties – KJPP Rengganis, Hamid & Rekan in strategic alliance with CBRE Pte. Ltd. (2018: Five)

3. Four Indonesia properties – Colliers International Consultancy & Valuation (Singapore) Pte. Ltd. in alliance with KJPP Rinaldi Alberth Baroto & Rekan (2018: Four)

4. Three Indonesia properties – Cushman & Wakefield VHS Pte. Ltd. in cooperation with KJPP Firman, Suryantoro, Sugeng, Suzy, Hartomo & Rekan (2018: Two)

5. One Indonesia property – Savills Valuation and Professional Services (S) Pte. Ltd. in cooperation with KJPP Susan Widjojo & Rekan (2018: Nil)

6. Three Singapore properties – Savills Valuation and Professional Services (S) Pte. Ltd. (2018: Nil)

7. South Korea property – Colliers International (Hong Kong) Limited (2018: Nil)

There are no restrictions on the realisability of investment properties or the remittance of income and proceeds from disposal.

Other than Sarang Hospital, Siloam Hospitals Surabaya and Siloam Hospitals Yogyakarta, all the properties are mortgaged as security for the bank facilities (Note 24). Other details on the properties are disclosed in the statements of portfolio.

The types of property titles held by the Group are as follows:

(a) Hak Guna Bangunan ("**HGB**") Title

This title gives the right to construct and own buildings on a plot of land. The right is transferable and may be encumbered. Technically, HGB is a leasehold title which the State retains "ownership". For practical purposes, there is little difference from a freehold title. HGB title is granted for an initial period of up to 30 years and is extendable for a subsequent 20-year period and another 30-year period. Upon the expiration of such extensions, new HGB title may be granted on the same land. The cost of extension is determined based on a certain formula as stipulated by the National Land Office (Badan Pertanahan Nasional) in Indonesia.

(b) Build, Operate and Transfer Scheme ("**BOT Scheme**")

This scheme is a structure in Indonesia for the construction of commercial buildings where Indonesia government owns the relevant land ("**BOT land**"). Under the BOT scheme, the Indonesia government which owns BOT land ("**BOT grantor**") agrees to grant certain rights over the BOT land to another party ("**BOT grantee**").

The BOT grantee can develop the site, subject to the relevant approvals and then operate the buildings constructed on the BOT land for a particular period of time as stipulated in the BOT agreement, including obtaining Strata title certificates on the BOT land. A BOT scheme is granted for an initial period of 20 to 30 years and is extendable upon agreement of both the grantor and grantee. Upon expiration of the term of the BOT agreement, the BOT grantee must return the land, together with any buildings and fixtures on top of the land, without either party providing any form of compensation to the other.

13. Investment properties (continued)

(c) Strata Title

This title gives the party who holds the property the ownership of common areas, common property and common land proportionately with other Strata title owners.

The commencement date of each title varies.

The investment properties are leased out under operating leases (Notes 3 and 30).

Information about fair value measurements using significant unobservable inputs (Level 3)

All fair value measurements of investment properties are categorised within Level 3 of the fair value hierarchy, and a description of the valuation techniques and the significant inputs used in the fair value measurement are as follows:

Description	Valuation technique(s)	Key unobservable inputs	Range of unobservable inputs (probability - weighted average)	Relationship of unobservable inputs to fair value
Investment properties	Discounted cash flow method	Discount rate	8.75% to 10.40% (2018: 8.50% to 10.25%)	The higher the discount rate, the lower the fair value.
		Terminal rate	7.25% to 9.40% (2018: 7.00% to 10.50%)	The higher the terminal rate, the lower the fair value.
	Direct capitalisation method	Capitalisation rate	6.40% (2018: 10.25%)	The higher the capitalisation rate, the lower the fair value.

There were no significant inter-relationships between unobservable inputs.

Sensitivity analysis on key estimates:

Indonesia properties:

1. Discount rates

A hypothetical 10% increase or decrease in the pre-tax discount rate applied to the discounted cash flows, would have an effect on total return before tax of – lower by S$76,600,000 (2018: S$77,000,000); higher by S$85,100,000 (2018: S$84,200,000) respectively.

2. Growth in rental income

A hypothetical 10% increase or decrease in the rental income, assuming that the renewal option leases contain similar terms and conditions as the existing leases, would have an effect on total return before tax of – higher by S$128,063,000 (2018: S$134,188,000); lower by S$127,667,000 (2018: S$133,938,000) respectively.

13. Investment properties (continued)

Information about fair value measurements using significant unobservable inputs (Level 3) (continued)

Sensitivity analysis on key estimates (continued):

Indonesia properties (continued):

3. Terminal rates

A hypothetical 10% increase or decrease in the terminal rate, would have an effect on total return before tax of – lower by S$44,300,000 (2018: S$44,600,000); higher by S$54,900,000 (2018: S$54,800,000) respectively.

Singapore properties:

1. Discount rates

A hypothetical 10% increase or decrease in the pre-tax discount rate applied to the discounted cash flows, would have an effect on total return before tax of – lower by S$1,600,000 (2018: S$800,000); higher by S$1,600,000 (2018: S$800,000) respectively.

2. Growth in rental income

A hypothetical 10% increase or decrease in the rental income, would have an effect on total return before tax of – higher by S$3,400,000 (2018: S$2,200,000); lower by S$3,500,000 (2018: S$2,100,000) respectively.

3. Terminal rates

A hypothetical 10% increase or decrease in the terminal rate, would have an effect on total return before tax of – lower by S$200,000 (2018: S$1,000,000); higher by S$100,000 (2018: S$1,000,000) respectively.

South Korea property:

1. Growth in rental income

A hypothetical 10% increase or decrease in the rental income, would have an effect on total return before tax of – higher by S$808,000 (2018: S$955,000); lower by S$673,000 (2018: S$682,000) respectively.

2. Capitalisation rates

A hypothetical 10% increase or decrease in the capitalisation rate, would have an effect on total return before tax of – lower by S$1,077,000 (2018: S$818,000); higher by S$1,616,000 (2018: S$1,092,000) respectively.

Valuation processes of the Group

The Group has a team that oversees the valuations of investment properties by independent professional valuers required for financial reporting, including fair values. This Asset and Investment team ("**valuation team**") and Finance team report directly to the Chief Executive Officer ("**CEO**"). Discussions of valuation processes and results are held between the CEO, the finance team and the valuation team. The team engages independent professional valuers to determine the fair value of the Group's properties every reporting year.

13. Investment properties (continued)

Valuation processes of the Group (continued)

The main Level 3 inputs used by the Group are derived and evaluated as follows:

- *Discount rates*

  The discount rates have been determined using the independent professional valuers' model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

- *Terminal rates*

  The terminal rates have been determined using the independent professional valuers' model of the location, building quality, surrounding local market condition, competitive positioning of the property, perceived market conditions in the future, estimated cash flow profile, overall physical condition and age of each property.

- *Expected net rental cashflows*

  These are estimated by management based on existing lease agreements and market conditions as at 31 December 2019 and assumed that the renewal option leases contain similar terms and conditions as the existing leases. The estimates are largely consistent with management's knowledge of actual conditions and situations from tenants.

As the lessor, the reporting entity manages the risk associated with any rights it retains in the underlying assets including any means to reduce that risk. Such means may include, insurance coverage, buy-back agreements, residual value guarantees or variable lease payments for use in excess of specified limits, having clauses in the leases providing for compensation to the lessor when a property has been subjected to excess wear-and-tear during the lease term.

14. Investments in subsidiaries

	Trust	
	2019	**2018**
	S$'000	**S$'000**
Movements during the year. At cost:		
Balance at beginning of the year	778,734	804,472
Redemption of redeemable preference shares	(24,165)	(25,738)
Cost at the end of the year	754,569	778,734
Total cost comprising:		
Unquoted equity shares at cost	414,292	414,292
Redeemable preference shares at cost	348,413	372,578
Allowance for impairment	(8,136)	(8,136)
Total at cost	754,569	778,734
Movement in allowance for impairment:		
Balance at beginning and end of the year	(8,136)	(8,136)

The details of the subsidiaries are disclosed in Note 35 below.

15. Other receivable, non-current

	Group 2019 S$'000	Group 2018 S$'000
Related party balance at the end of the year	–	27,035

The amount comprises of progress payments made to a related party, PT Saputra Karya ("**PT SK**") and professional fees, in relation to the development works of a new Siloam Hospitals Surabaya. In 2019, the progress payments which yield a return of 6% (2018: 6%) per annum, was reclassified to other receivable, current (Note 16). The details are disclosed in Note 29.

16. Trade and other receivables, current

	Group		Trust	
	2019 S$'000	2018 S$'000	2019 S$'000	2018 S$'000
Trade receivables:				
Outside parties	11,902	7,859	617	707
Less impairment allowance	(4,324)	(3,754)	–	–
Related parties (Note 3)	12,122	22,929	8	8
Net trade receivables – subtotal	19,700	27,034	625	715
Other receivables:				
Subsidiaries	–	–	8,210	17,172
Less impairment allowance	–	–	(567)	(567)
Related party (Note 15)	27,035	–	–	–
Outside parties	2,098	5,357	203	228
Net other receivables – subtotal	29,133	5,357	7,846	16,833
Total trade and other receivables	48,833	32,391	8,471	17,548

The other receivables from outside parties are mainly tax recoverable for the properties acquired.

	Group		Trust	
	2019 S$'000	2018 S$'000	2019 S$'000	2018 S$'000
Movement in above allowance:				
Balance at beginning of the year	(3,754)	(3,333)	(567)	(567)
Impairment allowance included in statement of total return	(624)	(353)	–	–
Foreign exchange difference	54	(68)	–	–
Balance at the end of the year	(4,324)	(3,754)	(567)	(567)

16. Trade and other receivables, current (continued)

The Group has only 5 customers which can be graded as low risk individually save for 1 customer. These trade receivables shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. The trade receivables are considered to have low credit risk individually save for 1 customer. At the end of the reporting year a loss allowance is recognised at an amount equal to 12 month ECL because there has not been a significant increase in credit risk since initial recognition. The loss allowance was determined as follows:

	Gross amount		Loss allowance	
	2019 S$'000	2018 S$'000	2019 S$'000	2018 S$'000
Trade receivables:				
1 to 30 days past due	14,973	17,789	–	–
31 to 60 days past due	1,186	8,796	(107)	(160)
61 to 90 days past due	315	497	–	–
Over 90 days past due	7,550	3,706	(4,217)	(3,594)
Total	24,024	30,788	(4,324)	(3,754)

Of the S$24,024,000 past due trade receivables amount above, S$15,666,000 have been subsequently settled as of the date of this report.

The loss allowance of S$4,324,000 (2018: S$3,754,000) was due to the receivable from the tenant of Sarang Hospital.

The other receivables at amortised cost shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. The other receivables at amortised cost which can be graded as low risk individually are considered to have low credit risk. At the end of the first reporting period a loss allowance is recognised at an amount equal to 12 month ECL because there has not been a significant increase in credit risk since initial recognition. No loss allowance is necessary.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

17. Loan receivable

	Trust	
	2019 S$'000	2018 S$'000
Loan receivable from subsidiary:		
Non-current portion	34,661	39,415
Current portion	4,191	4,191
Total	38,852	43,606

17. Loan receivable (continued)

The agreement for the loan receivable provides that it is unsecured, with effective interest at 3.37% to 3.49% (2018: 3.37% to 3.49%) per annum and is repayable by quarterly instalments over 20 years from 30 December 2010 at Singapore Swap Offer Rate ("**SOR**") plus a margin. The loan is carried at amortised cost using the effective interest method. A portion of the loan receivable has no interest and repayment is dependent on the cash flows of the borrower. The fair value is a reasonable approximation of the carrying amount as the loan is a floating rate instrument that is frequently re-priced to market interest rates. The amount is not past due.

Loan receivable from subsidiary is regarded as of low credit risk if the subsidiary has the ability to settle the amount.

18. Other financial assets, current

	Group	
	2019 S$'000	**2018 S$'000**
Investments in FVTPL	–	26
Movements during the year:		
Fair value at beginning of the year	26	–
Additions	620	264
Disposals	(639)	(232)
Loss on disposals through profit or loss under other expenses	(7)	(6)
Fair value at end of the year	–	26

Disclosures relating to investments at FVTPL

		Group			
	Level	**2019 S$'000**	**2018 S$'000**	**2019 %**	**2018 %**
Quoted equity shares:					
Financial services industry: Singapore	1	–	26	–	100

Sensitivity analysis: The effect on pre-tax profit is not significant.

19. Other assets, current

	Group		Trust	
	2019 S$'000	**2018 S$'000**	**2019 S$'000**	**2018 S$'000**
Prepayments	915	251	912	251
Prepaid other taxes	2,106	4,582	–	–
	3,021	4,833	912	251

20. Cash and cash equivalents

	Group		Trust	
	2019 S$'000	2018 S$'000	2019 S$'000	2018 S$'000
Not restricted in use	32,980	27,758	26,084	18,314

The rate of interest for the cash on interest-earning accounts is 1.55% to 1.72% (2018: 1.10%) per annum.

20A. Non-cash transactions:

Group

(a) There were units issued as settlement of the Manager's management and acquisition fees (Note 21).

(b) Eligible unitholders that have elected to participate in the Distribution Reinvestment Plan ("**DRP**") received their distributions in units (Note 21).

Trust

(a) Dividend income amounting to S$61,639,000 (2018: S$60,772,000) were offset against the amount due to subsidiaries.

(b) Redeemable preference shares amounting to S$24,165,000 (2018: S$25,738,000) redeemed during the financial year were offset against the amount due to subsidiaries.

(c) The repayment of loan receivable amounting to S$4,754,000 (2018: S$4,824,000) was offset against the amount due to a subsidiary.

20B. Reconciliation of liabilities arising from financing activities:

The changes in the Group's and the Trust's liabilities arising from financing activities can be classified as follow:

	Non-current borrowings S$'000	Current borrowings S$'000	Total S$'000
Balance at 1 January 2018	278,125	198,324	476,449
Cash flows:			
Proceeds	24,000	–	24,000
Non-cash changes:			
Borrowing cost capitalised during the year	(9,524)	–	(9,524)
Amortisation	4,407	707	5,114
Foreign exchange differences	380	–	380
Reclassification*	89,373	(89,373)	–
Balance at 31 December 2018	386,761	109,658	496,419
Cash flows:			
Proceeds	100,000	–	100,000
Repayments	–	(110,000)	(110,000)
Non-cash changes:			
Borrowing cost capitalised during the year	(2,520)	–	(2,520)
Amortisation	2,555	342	2,897
Foreign exchange differences	(386)	–	(386)
Balance at 31 December 2019	486,410	–	486,410

NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

20. Cash and cash equivalents (continued)

20B. Reconciliation of liabilities arising from financing activities (continued):

* Reclassification between long-term borrowings and short-term borrowings due to change in maturity.

21. Units in issue and net assets value attributable to unitholders

	Group and Trust 2019 '000	2018 '000
Units at beginning of the year	788,480	779,955
Issuance of new units as settlement of management fees[a]	9,195	6,752
Issuance of new units as settlement of acquisition fees[b]	–	191
Issuance of new units pursuant to the Distribution Reinvestment Plan[c]	–	1,582
Units at end of the year	797,675	788,480

(a) A total of 9,195,000 (2018: 6,752,000) new units at an issue price range from S$0.9793 to S$1.0391 (2018: S$1.2324 to S$1.3971) per unit were issued in respect of the settlement for the Manager's management fees to the Manager.

At the end of the reporting year, 2,318,000 (2018: 1,833,000) units were issuable as settlement for the Manager's management fees for the last quarter of the reporting year.

The issue price for determining the number of units issued and issuable as Manager's management fees is calculated based on the volume weighted average traded price ("**VWAP**") for all trades done on SGX-ST in the ordinary course of trading for 10 business days immediately preceding the respective last business day of the respective quarter end date.

(b) On 26 January 2018, the Trust announced the issue of 191,000 units to the Manager of the Trust with an issue price of S$1.4078 per unit as acquisition fees of S$270,000 of Siloam Hospitals Yogyakarta, which equivalent to 1.0% of the purchase consideration.

(c) The Trust introduced and implemented a Distribution Reinvestment Plan ("**DRP**") in 2014 whereby the unitholders have the option to receive their distribution in units instead of cash or a combination of units and cash.

In 2018, a total of 1,582,000 new units at an issue price of S$1.4078 for a quarter per unit were issued pursuant to the DRP. No new units were issued pursuant to DRP in 2019.

Under the Trust Deed, every unit carries the same voting rights. Each unit represents an equal and undivided beneficial interest in the assets of the Trust. Units have no conversion, retraction, redemption or pre-emptive rights. The rights and interests of unitholders are contained in the Trust Deed and include the right to:

- Receive income and other distributions attributable to the units held;
- Receive audited financial statements and the annual report of the Trust; and
- Participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust.

21. Units in issue and net assets value attributable to unitholders (continued)

No unitholder has a right to require that any assets of the Trust be transferred to him.

Further, unitholders cannot give directions to the Trustee or the Manager (whether at a meeting of unitholders duly convened and held in accordance with the provisions of the Trust Deed or otherwise) if it would require the Trustee or the Manager to do or omit doing anything which may result in:

- The Trust ceasing to comply with applicable laws and regulations; or
- The exercise of any discretion expressly conferred on the Trustee or the Manager by the Trust Deed or the determination of any matter which, under the Trust Deed, requires the agreement of either or both of the Trustee and the Manager.

The Trust Deed contains provisions that are designed to limit the liability of a unitholder to the amount paid or payable for any unit. The provisions seek to ensure that if the issue price of the units held by a unitholder has been fully paid, no such unitholder, by reason alone of being a unitholder, will be personally liable to indemnify the Trustee or any creditor of the Trust in the event that the liabilities of the Trust exceeds its assets.

	Group		Trust	
	2019 S$'000	2018 S$'000	2019 S$'000	2018 S$'000
Net assets value attributable to unitholders	794,836	808,275	288,018	317,848
Net assets value per unit (in cents) attributable to unitholders	99.64	102.51	36.11	40.31

21. Units in issue and net assets value attributable to unitholders (continued)

21A. Movements in components of unitholders' funds and perpetual securities holders

	Unitholders' funds					
	Issued equity S$'000	Retained earnings S$'000	Foreign exchange reserve S$'000	Subtotal S$'000	Perpetual securities S$'000	Total S$'000
Group:						
Current year:						
Opening balance at 1 January 2019	387,986	418,876	1,413	808,275	60,878	869,153
Total comprehensive return for the year	–	45,508	(133)	45,375	3,408	48,783
Manager's management fees settled in units	9,471	–	–	9,471	–	9,471
Distributions to perpetual securities holders	–	–	–	–	(3,408)	(3,408)
Distributions	(29,139)	(39,146)	–	(68,285)	–	(68,285)
Closing balance at 31 December 2019	368,318	425,238	1,280	794,836	60,878	855,714
Group:						
Previous year:						
Opening balance at 1 January 2018	406,603	383,791	1,043	791,437	60,878	852,315
Total comprehensive return for the year	–	72,467	370	72,837	3,408	76,245
Manager's acquisition-related fees settled in units	270	–	–	270	–	270
Manager's management fees settled in units	9,113	–	–	9,113	–	9,113
Distributions to perpetual securities holders	–	–	–	–	(3,408)	(3,408)
Distributions settled in units	2,160	–	–	2,160	–	2,160
Distributions	(30,160)	(37,382)	–	(67,542)	–	(67,542)
Closing balance at 31 December 2018	387,986	418,876	1,413	808,275	60,878	869,153

21. Units in issue and net assets value attributable to unitholders (continued)

21A. Movements in components of unitholders' funds and perpetual securities holders (continued)

	Unitholders' funds				
	Issued equity S$'000	**Accumulated losses S$'000**	**Sub-total S$'000**	**Perpetual securities S$'000**	**Total S$'000**
Trust:					
Current year:					
Opening balance at 1 January 2019	387,986	(70,138)	317,848	60,878	378,726
Total comprehensive return for the year	–	28,984	28,984	3,408	32,392
Manager's management fees settled in units	9,471	–	9,471	–	9,471
Distributions to perpetual securities holders	–	–	–	(3,408)	(3,408)
Distributions	(29,139)	(39,146)	(68,285)	–	(68,285)
Closing balance at 31 December 2019	368,318	(80,300)	288,018	60,878	348,896
Trust:					
Previous year:					
Opening balance at 1 January 2018	406,603	(59,342)	347,261	60,878	408,139
Total comprehensive return for the year	–	26,586	26,586	3,408	29,994
Manager's acquisition-related fees settled in units	270	–	270	–	270
Manager's management fees settled in units	9,113	–	9,113	–	9,113
Distributions to perpetual securities holders	–	–	–	(3,408)	(3,408)
Distributions settled in units	2,160	–	2,160	–	2,160
Distributions	(30,160)	(37,382)	(67,542)	–	(67,542)
Closing balance at 31 December 2018	387,986	(70,138)	317,848	60,878	378,726

Capital management:

The objectives when managing capital are to safeguard the Trust's ability to continue as a going concern, so that it can continue to provide returns for unitholders and benefits for other stakeholders and to provide an adequate return to unitholders.

The Manager sets the amount of capital to meet its requirements. There were no changes in the approach to capital management during the reporting year. The Manager manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Manager may adjust the amount of distributions paid to unitholders, return capital to unitholders, issue new units, or sell assets to reduce debt. The distribution policy is disclosed in Note 11.

21. Units in issue and net assets value attributable to unitholders (continued)

21A. Movements in components of unitholders' funds and perpetual securities holders (continued)

Capital management (continued):

The Group's long-term policy is that net debt should be in the low range of the amount in the statement of financial position. This policy aims to ensure that the Group both maintains a good credit rating and lowers its weighted average cost of capital. Net debt is calculated as total debt (as shown in the statement of financial position) less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. issued equity and retained earnings).

	Group		Trust	
	2019 S$'000	2018 S$'000	2019 S$'000	2018 S$'000
Net debt:				
All external borrowings	486,410	496,419	486,410	496,419
Less cash and cash equivalents	(32,980)	(27,758)	(26,084)	(18,314)
Net debt	453,430	468,661	460,326	478,105
Adjusted capital:				
Issued equity	368,318	387,986	368,318	387,986
Retained earnings/(Accumulated losses)	425,238	418,876	(80,300)	(70,138)
Foreign exchange reserve	1,280	1,413	–	–
Perpetual securities	60,878	60,878	60,878	60,878
Adjusted capital	855,714	869,153	348,896	378,726
Debt-to-adjusted capital ratio	52.99%	53.92%	131.94%	126.24%

The improvement as shown by the decrease in the Group's debt-to-adjusted capital ratio for the reporting year resulted primarily from the decrease in borrowings and increase in retained earnings. There was a favourable change with improved retained earnings.

The only externally imposed capital requirement is that for the Group to maintain its listing on the SGX-ST, it has to have issued equity with a free float of at least 10% of the units. Management receives a report from the registrars quarterly on substantial share interests showing the non-free float and it demonstrated continuing compliance with the SGX-ST's 10% limit throughout the reporting year.

In accordance with the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore, the total borrowings and deferred payments of the Group should not exceed 45% of the Group's deposited property. It was 34.5% (2018: 35.0%) as at end of the reporting year, which exclude the effect of perpetual securities which had been classified as equity by the Manager.

The Manager monitors the level, nature of debt and leverage ratios, along with the compliance with debt covenants quarterly to ensure that sufficient resources exist.

22. Perpetual securities

In 2016, the Trust issued S$60 million of subordinated perpetual securities at a fixed rate of 5.68% per annum, with the first distribution rate reset on 8 July 2021 and subsequent resets occurring every five years thereafter. The perpetual securities have no fixed redemption date and redemption is at the option of the Trust in accordance with the terms and conditions of the securities. The distribution will be payable semi-annually at the discretion of the Trust and will be non-cumulative.

In terms of distribution payments or in the event of winding-up of the Trust:

- These perpetual securities rank pari passu with holders of preferred units (if any) and rank ahead of the unitholders of Trust but junior to the claims of all present and future creditors of the Trust.

- The Trust shall not declare or pay any distributions to the unitholders, or make redemption, unless the Trust declares or pays any distributions to the perpetual securities holders.

These perpetual securities are classified as equity (see Note 21). An amount of S$3,408,000 is reserved for distribution to perpetual securities holders for each of the reporting years ended 31 December 2018 and 2019 respectively. Management has taken the view that as there is no contractual obligation to repay the principal or to pay any distributions, and that the perpetual securities do not meet the definition for classification as a financial liability under FRS 32 Financial Instruments: Disclosure and Presentation. The perpetual securities are presented within equity, and the distributions treated as dividends.

23. Financial ratios

	Group		Trust	
	2019	**2018**	**2019**	**2018**
Expenses to average net assets attributable to unitholders ratio – excluding performance related fees(1)	0.92%	1.06%	2.41%	2.32%
Expenses to average net assets attributable to unitholders ratio – including performance related fees(1)	1.62%	1.77%	4.27%	4.05%
Portfolio turnover ratio(2)	N/M	N/M	N/M	N/M
Total operating expenses (S$'000)(3)	41,871	14,867	13,078	13,532
Total operating expenses to net asset value ratio(3)	5.27%	1.84%	4.54%	4.26%

(1) The annualised ratios are computed in accordance with the guidelines of the Investment Management Association of Singapore dated 25 May 2005. The expenses used in the computation relate to expenses excluding any property related expenses, interest expenses, foreign exchange losses, tax deducted at source and costs associated with the purchase of investments.

(2) Turnover ratio means the number of times per year that a dollar of assets is reinvested. It is calculated based on the lesser of purchases or sales of underlying investments of a scheme expressed as a percentage of daily average net asset value.

(3) The revised Code on Collective Investment Schemes dated 8 October 2018 requires disclosure of the total operating expenses of the property fund, including all fees and charges paid to the Manager and interested parties (in both absolute terms, and as a percentage of the property fund's net asset value as at the end of the financial year) and taxation incurred in relation to the property fund's real estate assets.

N/M – Not meaningful as there was no sale of investment property in 2018 and 2019.

24. Other financial liabilities

	Group and Trust 2019 S$'000	2018 S$'000
Current:		
Bank loans (unsecured)[a]	–	110,000
Transaction cost to be amortised	–	(342)
	–	109,658

(a) During the year, a principal amount of S$10 million was repaid and the remaining S$100 million was refinanced by Bank loan B.

	Group and Trust 2019 S$'000	2018 S$'000
Non-current:		
Bank loans (secured) (Note 24A)	492,717	392,962
Transaction cost to be amortised	(6,307)	(6,201)
	486,410	386,761
Total other financial liabilities	486,410	496,419

	Group and Trust 2019 S$'000	2018 S$'000
Non-current:		
Bank loan A (secured)	392,717	392,962
Transaction cost to be amortised	(4,169)	(6,201)
	388,548	386,761
Bank loan B (secured)	100,000	–
Transaction cost to be amortised	(2,138)	–
	97,862	–
Non-current, total	486,410	386,761

In March 2018, the Trust drew down Bank loan A under a S$400 million syndicated secured financing facilities to refinance previous bank loans. Bank loan A consists of a 3-year Singapore dollar term loan, a 4-year Singapore dollar term loan, a 5-year Singapore dollar term loan and a 3-year dual currency revolving credit facility loan in Singapore and United States dollar. The amounts under Bank loan A are due in March 2021, March 2022 and March 2023 respectively.

In May 2019, the Trust drew down Bank loan B under a S$100 million syndicated secured financing facilities to refinance the bank loan – current which had matured in current year. Bank loan B consists of a 3-year Singapore dollar term loan and the amount under Bank loan B is due in May 2022.

All mortgages, assignments of the Group's rights, titles, interest and benefits, debentures and charges are executed in favour of Banks A and B.

All the amounts are at floating interest rates or arranged with interest rate swaps.

24. Other financial liabilities (continued)

24A. Bank loans (secured)

The range of floating interest rates for Bank loan A and Bank loan B are from 3.20% to 4.05% (2018: from 2.86% to 3.88%) and 3.76% to 4.06% per annum respectively.

The range of effective interest rates for Bank loan A and Bank loan B are from 3.58% to 4.55% (2018: 3.60% to 4.00% per annum).

The Trust enters into interest rate swaps arrangements to manage the interest rate risk exposure arising from the bank loans of floating rates (Note 27).

The bank loan agreements provide among other matters for the following:

1) Legal mortgage over all the properties of the Group except for Sarang Hospital, Siloam Hospitals Surabaya, and Siloam Hospitals Yogyakarta.

2) Assignment to the banks of all of the Group's rights, titles, interests and benefits under any leases, tenancies, sales proceeds and cash flows in respect of the Indonesia properties and the Singapore properties except for Siloam Hospitals Surabaya and Siloam Hospitals Yogyakarta.

3) Assignment to the banks of all of the Group's rights, titles and interests under the insurance policies in respect of the Indonesia properties and the Singapore properties, with the bank named as a "loss payee" except for Siloam Hospitals Surabaya and Siloam Hospitals Yogyakarta.

4) A debenture containing first fixed and floating charges over all assets and undertakings of the Trust's Singapore subsidiaries and subsidiaries of Trust's Singapore subsidiaries except for Kalmore Investments Pte. Ltd., Surabaya Hospitals Investment Pte. Ltd. and Icon1 Holdings Pte. Ltd.

5) Charge of all of the Trust's shares in the Singapore subsidiaries and subsidiaries of Trust's Singapore subsidiaries except for Kalmore Investments Pte. Ltd., Surabaya Hospitals Investment Pte. Ltd. and Icon1 Holdings Pte. Ltd.

6) Charge of all of the Singapore subsidiaries' shares in the Indonesia subsidiaries except for (i) PT Tata Prima Indah and (ii) Joint-operation company PT Yogya Central Terpadu.

7) A debenture by the Group covering first fixed and floating charges over all assets and undertakings in respect of the Singapore properties.

8) OUE Lippo Healthcare Limited's interest in the Trust is at least 8%.

9) OUE Limited's interest in Bowsprit Capital Corporation Limited is at least 40%.

10) Compliance with certain financial covenants.

The carrying amount of the current and non-current borrowings, which are at floating variable market rates, approximate their fair values at reporting date.

25. Trade and other payables, current

	Group 2019 S$'000	Group 2018 S$'000	Trust 2019 S$'000	Trust 2018 S$'000
Trade payables:				
Outside parties and accrued liabilities	182	147	106	68
Related party	8,390	8,380	8,390	8,380
Trade payables – subtotal	8,572	8,527	8,496	8,448
Other payables:				
Subsidiaries	–	–	12,582	6,933
Related party	22	22	–	–
Other payables	10,246	7,586	4,992	1,795
Other payables – subtotal	10,268	7,608	17,574	8,728
Total trade and other payables	18,840	16,135	26,070	17,176

Included in the Group's other payables as at end of the reporting years, were taxes payable to the vendors upon refund from the tax authorities.

26. Other liabilities, current

	Group 2019 S$'000	Group 2018 S$'000	Trust 2019 S$'000	Trust 2018 S$'000
Rental income in advance from tenants	21,122	20,909	83	81
Security deposits	1,921	1,884	1,921	1,884
	23,043	22,793	2,004	1,965

27. Derivatives financial instruments

The table below summarises the fair value of derivatives at the end of year. All derivatives are not designated as hedging instruments.

	Group and Trust 2019 S$'000	Group and Trust 2018 S$'000
Liabilities – Derivatives with negative fair values:		
Interest rate swaps (Note 27A) – Non-current	(1,253)	(250)
Interest rate swaps (Note 27A) – Current	(222)	(185)
	(1,475)	(435)
The movements during the year were as follows:		
Balance at beginning of the year	(435)	(676)
Disposals	–	415
Losses recognised in profit or loss	(1,040)	(174)
Total net balance at end of the year	(1,475)	(435)

27. Derivatives financial instruments (continued)

27A. Interest rate swaps

As at 31 December 2019, the notional amount of five interest rate swaps for 2019 was S$296,659,000 (2018: S$445,819,000). The interest rate swaps are designed to convert floating borrowing to fixed rate loans for the next two years. The Group receives variable interest equal to the SOR on the notional contract amount. At the end of the reporting year, the interest rates varied from 1.80% to 2.01% (2018: 1.80% to 2.01%). The interest rate swaps will mature between 1 March 2020 to 1 March 2022.

The derivatives financial instruments are not traded in an active market. As a result, their fair values are based on valuation techniques currently consistent with generally accepted valuation methodologies for pricing financial instruments, and incorporate all factors and assumptions that knowledgeable, willing market participants would consider in setting the price (Level 2).

The fair value (Level 2) of interest rate swap was measured on the basis of the current value of the difference between the contractual interest rate and the market rate at the end of the reporting year. The valuation technique used market observable inputs.

28. Financial information by operating segments

Information about reportable segment profit or loss and assets

Disclosure of information about operating segments is made as required by FRS 108 Operating Segments. This disclosure standard has no impact on the reported financial performance or financial position of the Group.

The Group is engaged in a single business of investing in investment properties in the healthcare and/or healthcare-related sector. During the reporting year the Group had three reportable operating segments: Indonesia operations, Singapore operations and South Korea operations. For management purposes the Group is organised into one major strategic operating segment that offers all the investment properties for healthcare and/or healthcare-related purposes.

The geographical segment represents the Group's distinguishable components which provide products or services within a particular economic environment (location) and this component contains risks and returns that are different from those components which operate in other economic environments (locations). The liabilities are not analysed as the largest amount, namely the borrowings, are centrally managed.

There are no significant inter-segment transactions. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

28. Financial information by operating segments (continued)

Information about reportable segment profit or loss and assets (continued)

The management reporting system evaluates performances based on a number of factors. However the primary financial performance measurement is to evaluate the properties based on their returns and yields.

	Indonesia S$'000	Singapore S$'000	South Korea S$'000	Total S$'000
2019				
Profit or loss reconciliation				
Rental and other income	110,357	3,994	946	115,297
Impairment allowance on trade receivables	–	–	(624)	(624)
Net property income	109,168	3,492	234	112,894
Interest income	2,234	130	–	2,364
Manager's management fees				(11,401)
Trustee fees				(430)
Finance costs	–	(20,390)	–	(20,390)
Other expenses				(1,002)
Net income before the undernoted				82,035
Net fair value losses of investment properties	(4,691)	(512)	(404)	(5,607)
Net fair value losses of derivatives financial instruments				(1,040)
Total return before income tax				75,388
Income tax expense	(26,581)	99	10	(26,472)
Total return after income tax				48,916
Assets				
Segment assets including properties	1,352,673	63,917	10,546	1,427,136
Total assets				1,427,136
2018				
Profit or loss reconciliation				
Rental and other income	111,583	3,913	702	116,198
Impairment allowance on trade receivables	–	–	(353)	(353)
Net property income	110,762	3,414	215	114,391
Interest income	1,676	14	–	1,690
Manager's management fees				(11,435)
Trustee fees				(427)
Finance costs	–	(21,614)	–	(21,614)
Other expenses				(2,298)
Net income before the undernoted				80,307
Net fair value losses of investment properties	(4,014)	(912)	(432)	(5,358)
Net fair value losses of derivatives financial instruments				(174)
Total return before income tax				74,775
Income tax benefit	1,020	155	(75)	1,100
Total return after income tax				75,875
Assets				
Segment assets including properties	1,371,979	55,942	10,853	1,438,774
Total assets				1,438,774

28. Financial information by operating segments (continued)

Information about reportable segment profit or loss and assets (continued)

Income are attributed to countries on the basis of the location of the investment properties. The non-current assets are analysed by the geographical area in which the assets are located (see the statements of portfolio for the carrying value of these assets).

Income from the Group's top one and top two customers in Indonesia in aggregate amounted to S$96,001,000 and S$110,357,000 respectively (2018: S$97,128,000 and S$111,583,000).

29. Capital commitments

Estimated amounts committed at the end of the reporting year for future capital expenditure but not recognised in the financial statements are as follows:

	2019 S$'000	2018 S$'000
Commitments in relation to Siloam Hospitals Surabaya	63,000	63,000

The above commitment pertains to the asset-enhancement transaction in relation to Siloam Hospitals Surabaya ("**SHS**").

The transaction is a joint arrangement and asset swap with PT SK (a limited liability company incorporated in Indonesia and an indirect wholly-owned subsidiary of Lippo Karawaci) which involves:

(a) Divestment of Plot B

The divestment of a plot of land ("**Plot B**") which was owned by PT Tata Prima Indah ("**PT TPI**"), a limited liability company incorporated in Indonesia and an indirect wholly-owned subsidiary of the Trust, to PT SK;

(b) Development Works

The development works on Plot B and Lippo Karawaci's land adjacent to Plot B;

In 2016, the first progress payment of S$18 million was paid.

In 2017, the second progress payment of S$9 million was paid.

(c) The New SHS Acquisition and New SHS Master Lease

The acquisition of the new hospital ("**New SHS**") to be built pursuant to the Development Works by PT SK, with proposed master lease of the New SHS to Lippo Karawaci and the termination of existing master lease agreement between PT TPI (as the master lessor of the existing Siloam Hospitals Surabaya (the "**Existing SHS**")) and Lippo Karawaci. The total purchase consideration for the New SHS is S$90 million and will be paid in progress payments;

(d) Divestment of the Existing SHS

The divestment of the Existing SHS to PT SK.

29. Capital commitments (continued)

On 21 December 2018, the Manager announced that a road subsidence event (the "**Road Subsidence**") had taken place along Gubeng Highway, Surabaya, which is in close proximity to Siloam Hospitals Surabaya and Development Works had halted.

On 10 January 2020, the Manager announced that the Road Subsidence had a serious impact on the Development Works, which are currently no longer progressing on the proposed timetable and are on hold pending amongst other things the outcome of the investigations by the relevant Indonesia authorities. For the avoidance of doubt, neither the Manager nor the Group are involved in any investigation in connection with the Road Subsidence.

The Manager is closely monitoring this matter, including the ongoing investigations, and is evaluating the Group's options as the investigations progress. In addition, the Manager has engaged a number of consultants to carry out land use studies and other surveys on the affected plots of land to assist in the evaluation of the Group's options. These studies and surveys are currently in progress.

Based on the Development Works agreement signed by PT SK and PT TPI, should the development works be uncompleted, PT TPI has the right to terminate the agreement and progress payments committed, inclusive of all other related costs (except for value-added tax), are to be returned to PT TPI.

As at the end of the reporting year, the Group has made progress payments and professional fees amounting to S$27,035,000 (2018: S$27,035,000). See Notes 15 and 16.

30. Operating lease income commitments – as lessor

At the end of the reporting year, the total of future minimum lease receivables committed under non-cancellable operating leases (assuming the option to renew the leases is not exercised) are as follows:

	Group		Trust	
	2019 S$'000	2018 S$'000	2019 S$'000	2018 S$'000
Not later than one year	117,395	116,258	4,071	3,991
Between 1 and 2 years	116,529	116,259	4,152	4,071
Between 2 and 3 years	85,562	115,381	4,235	4,152
Between 3 and 4 years	85,646	84,794	4,320	4,235
Between 4 and 5 years	85,733	84,878	4,406	4,320
Later than five years	250,373	332,937	6,037	10,443
Total	741,238	850,507	27,221	31,212

The rental income for the year is disclosed in Note 4.

The Group has entered into commercial property leases for healthcare and/or healthcare related buildings. The non-cancellable leases have remaining non-cancellable lease terms and the tenants' options for renewals as disclosed in the statements of portfolio.

Generally, the lease agreements provide that the lessees pay rent on a quarterly basis in advance, whereby rent shall comprise: (a) an annual base rent for the first year of each lease and (b) a variable rent. The base rent is subject to increase every year thereafter subject to a floor of zero percentage and a cap of an agreed percentage. The variable rent is calculated based on a percentage of the growth of the lessee's gross revenue in the preceding calendar year. No contingent rent is included in the above amounts.

30. Operating lease income commitments – as lessor (continued)

One of the tenants in Singapore has also provided a bank guarantee in lieu of the security deposits of S$1,428,000 (2018: S$1,400,000) for rental income from one of the Singapore properties.

31. Financial instruments: information on financial risks

31A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	Group		Trust	
	2019 S$'000	2018 S$'000	2019 S$'000	2018 S$'000
Financial assets:				
Financial assets at amortised cost	81,813	87,184	73,407	79,468
Financial assets at FVTPL	–	26	–	–
At end of the year	81,813	87,210	73,407	79,468
Financial liabilities:				
Financial liabilities at amortised cost	505,250	512,554	512,480	513,595
Derivatives financial instruments at fair value	1,475	435	1,475	435
At end of the year	506,725	512,989	513,955	514,030

Further quantitative disclosures are included throughout these financial statements.

There are no significant fair value measurements recognised in the statement of financial position.

31B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the Group's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate risk, currency risk and price risk exposures.

Management has certain practices for the management of financial risks. However these are not formally documented in written form. The guidelines include the following:

1. Minimise interest rate, currency, credit and market risk for all kinds of transactions.

2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance (if necessary). The same strategy is pursued with regard to interest rate risk.

3. All financial risk management activities are carried out and monitored by senior management staff.

4. All financial risk management activities are carried out following acceptable market practices.

31. Financial instruments: information on financial risks (continued)

31B. Financial risk management (continued)

The Management of the Manager who monitors the procedures reports to the Board of Directors of the Manager.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

31C. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents and receivables and other financial assets. The maximum exposure to credit risk is: the total of the fair value of the financial assets; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any payable commitments at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. Credit risk on other financial assets is limited because the other parties are entities with acceptable credit ratings. For ECL on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach the financial assets move through the three stages as their credit quality changes. However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired. For credit risk on trade receivables an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 20 discloses the maturity of the cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

The credit quality of the bank balances using an external or internal credit grading system is as follows:

	Moody's Ratings	
	2019	**2018**
Bank of East Asia	A3	A3
CIMB Bank Berhad	A3	A3
Oversea-Chinese Banking Corporation Ltd	Aa1	Aa1

For credit risk on trade receivables an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credit limits are subject to the same review process. There is significant concentration of credit risk on debtors, as the exposure is spread over a small number of counter-parties and debtors.

31. Financial instruments: information on financial risks (continued)

31D. Liquidity risk – financial liabilities maturity analysis

The following table analyses the non-derivatives financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows) where it relates to a variable amount payable, the amount is determined by taking reference to that last contracted rate:

	Less than 1 year S$'000	More than 1 year but less than 5 years S$'000	Total S$'000
Non-derivatives financial liabilities			
Group			
2019:			
Borrowings	16,955	510,597	527,552
Trade and other payables	18,840	–	18,840
	35,795	510,597	546,392
2018:			
Borrowings	125,051	421,711	546,762
Trade and other payables	16,135	–	16,135
	141,186	421,711	562,897
Trust			
2019:			
Borrowings	16,955	510,597	527,552
Trade and other payables	26,070	–	26,070
	43,025	510,597	553,622
2018:			
Borrowings	125,051	421,711	546,762
Trade and other payables	17,176	–	17,176
	142,227	421,711	563,938

	Notional amount S$'000	Less than 1 year S$'000	More than 1 year but less than 5 years S$'000	Total S$'000
Derivatives financial liabilities				
Group and Trust				
2019:				
Interest rate swaps (net settled)	296,659	(222)	(1,253)	(1,475)
2018:				
Interest rate swaps (net settled)	445,819	(185)	(250)	(435)

The remaining contractual maturity of derivatives financial liabilities of the Group and Trust are between 2 months to 26 months (Note 27).

31. Financial instruments: information on financial risks (continued)

31D. Liquidity risk – financial liabilities maturity analysis (continued)

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay.

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is about 30 days (2018: 30 days). The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

The Manager also monitors and observes the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore concerning limits on total borrowings.

The Manager is of the view that cash from operating activities will be sufficient to meet the current requirements to support ongoing operations, capital expenditures, and debt repayment obligations. The Trust's structure necessitates raising funds through debt financing and the capital markets to fund strategic acquisitions and capital expenditures. The Manager also ensures that there are sufficient funds for declared and payable distributions and any other commitments.

	Group and Trust	
	2019 S$'000	2018 S$'000
Bank facilities:		
Undrawn facilities	3,942	3,697

The undrawn facilities are available for refinancing existing loans, general corporate funding and working capital requirements of the Trust. The facilities expire in 2021.

31E. Interest rate risk

The interest rate risk exposure is mainly from changes in fixed interest rates and floating interest rates. The interest from financial assets including cash balances is not significant. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group and Trust	
	2019 S$'000	2018 S$'000
Financial liabilities:		
Bank loans at floating rates	486,410	496,419
Total at the end of the year	486,410	496,419

The Trust enters into interest rate swap agreements to manage the interest rate risk exposure arising from bank loans at floating rates (Note 27A).

The floating rate debt instruments are with interest rates that are re-set at regular intervals. The interest rates are disclosed in the respective notes.

31. Financial instruments: information on financial risks (continued)

31E. Interest rate risk (continued)

Sensitivity analysis:

The analysis has been performed for fixed interest rate and floating interest rate over a year for financial instruments. The impact of a change in interest rates on floating interest rate financial instruments has been assessed in terms of changing of their cash flows and therefore in terms of the impact on net expenses. The hypothetical changes in basis points are not based on observable market data (unobservable inputs). The impact of a change in interest rates on fixed interest rate financial instruments has not been assessed in terms of changing of their fair value, as the Group does not account for any fixed rate financial assets at FVTPL.

A hypothetical change of 50 basis points (2018: 50 basis points) in interest rates with all variables including foreign exchange rates held constant, would increase (decrease) the total return by the amounts below:

	Statement of Total Return	
	50 basis points increase S$'000	50 basis points decrease S$'000
Group and Trust		
2019		
Borrowings	(2,470)	2,470
Interest rate swaps	719	(719)
Net (decrease) increase	(1,751)	1,751
2018		
Borrowings	(2,514)	2,514
Interest rate swaps	1,444	(1,444)
Net (decrease) increase	(1,070)	1,070

31F. Foreign currency risk

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured. For the purpose of this financial reporting standard on financial instruments: disclosures, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

Analysis of the significant amounts denominated in non-functional currency:

	2019 S$'000	2018 S$'000
Group and Trust:		
Financial liabilities:		
US dollars		
Borrowings	18,743	18,988

31. Financial instruments: information on financial risks (continued)

31F. Foreign currency risk (continued)

Sensitivity analysis: A hypothetical 10% (2018: 10%) strengthening in the exchange rate of the functional currency against the US dollar, with all other variables held constant would have a favourable effect on post-tax profit of S$1,874,000 (2018: S$1,899,000). For similar rate weakening of the functional currency against the relevant foreign currency above, there would be comparable impact in the opposite direction on the profit or loss.

32. Events after the end of the reporting year

a) On 29 January 2020, a final distribution of 2.15 cents per unit was declared totalling S$17,169,000 in respect of the period from 1 October 2019 to 31 December 2019.

b) On 29 January 2020, a total of 1,270,000 new units were issued at the issue price of S$1.0013 per unit to the Manager as partial payment of the base fee component of management fee for the quarter ended 31 December 2019. The issue price was based on the volume weighted average traded price for all trades done on the SGX-ST in the ordinary course of trading for the last 10 business days of the quarter.

c) On 29 January 2020, a total of 1,049,000 new units were issued at the issue price of S$0.9793 per unit to the Manager as payment of 72% of the performance fee component of the management fee for the quarter ended 31 December 2018. The issue price was based on the volume weighted average traded price for all trades done on the SGX-ST in the ordinary course of trading for the last 10 business days of the quarter.

33. Changes and adoption of financial reporting standards

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

FRS No.	Title
FRS 116	Leases (and Leases – Illustrative Examples & Amendments to Guidance on Other Standards)
FRS 12	Improvements (2017) – Amendments: Income Taxes
FRS 23	Improvements (2017) – Amendments: Borrowing Costs

34. New or amended standards in issue but not yet effective

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

FRS No.	Title	Effective date for periods beginning on or after
FRS 1 and 8	Definition of Material – Amendments to The Conceptual Framework for Financial Reporting	1 Jan 2020

35. Listing of investments in subsidiaries

All the subsidiaries are wholly owned. The subsidiaries held by the Trust and the Group are listed below:

Name of Subsidiaries, Country of Incorporation, Place of Operations and Principal Activities	Carrying Value of Investments 2019 S$'000	2018 S$'000
Held by the Trust		
Gold Capital Pte. Ltd.[(b)] Singapore Investment holding	100,556	100,556
GOT Pte. Ltd.[(b)] Singapore Investment holding	82,741	83,750
Henley Investments Pte. Ltd.[(b)] Singapore Investment holding	40,698	41,725
Kalmore Investments Pte. Ltd.[(b)] Singapore Investment holding	7,966	7,966
Lovage International Pte. Ltd.[(b)] Singapore Investment holding	12,523	12,523
Platinum Strategic Investments Pte. Ltd.[(b)] Singapore Investment holding	22,321	23,965
Primerich Investments Pte. Ltd.[(b)] Singapore Investment holding	32,874	33,014
Raglan Investments Pte. Ltd.[(b)] Singapore Investment holding	43,434	45,904

35. Listing of investments in subsidiaries (continued)

Name of Subsidiaries, Country of Incorporation, Place of Operations and Principal Activities	Carrying Value of Investments 2019 S$'000	2018 S$'000
Held by the Trust (continued)		
Rhuddlan Investments Pte. Ltd.[(b)] Singapore Investment holding	73,754	75,407
Globalink Investments Pte. Ltd.[(b)] Singapore Investment holding	73,115	77,093
Great Capital Pte. Ltd.[(b)] Singapore Investment holding	69,650	73,588
Finura Investments Pte. Ltd.[(b)] Singapore Investment holding	24,331	25,712
Sriwijaya Investment I Pte. Ltd.[(b)] Singapore Investment holding	31,814	33,458
IAHCC Investment Pte. Ltd.[(b)] Singapore Investment holding	1*	1*
Surabaya Hospitals Investment Pte. Ltd.[(b)] Singapore Investment holding	1*	1*
SHKP Investment I Pte. Ltd.[(b)] Singapore Investment holding	67,688	70,149
Icon1 Holdings Pte. Ltd.[(b)] Singapore Investment holding	25,798	26,811
SHLB Investment I Pte. Ltd.[(b)] Singapore Investment holding	18,517	19,268
SHButon Investment I Pte. Ltd.[(b)] Singapore Investment holding	26,787	27,843
	754,569	778,734
Held by subsidiaries		
Higrade Capital Pte. Ltd.[(b)] Singapore Investment holding	853	853
Ultra Investments Pte. Ltd.[(b)] Singapore Investment holding	321	321

35. Listing of investments in subsidiaries (continued)

Name of Subsidiaries, Country of Incorporation, Place of Operations and Principal Activities	Carrying Value of Investments 2019 S$'000	2018 S$'000
Held by subsidiaries (continued)		
Carmathen Investments Pte. Ltd.[b] Singapore Investment holding	1,033	1,033
Caernarfon Investments Pte. Ltd.[b] Singapore Investment holding	1,324	1,324
Fortuna Capital Pte. Ltd.[b] Singapore Investment holding	22	22
Key Capital Pte. Ltd.[b] Singapore Investment holding	3,826	3,826
Glamis Investments Pte. Ltd.[b] Singapore Investment holding	1,377	1,377
Sriwijaya Investment II Pte. Ltd.[b] Singapore Investment holding	1,722	1,722
SHKP Investment II Pte. Ltd.[b] Singapore Investment holding	13,916	13,916
SHLB Investment II Pte. Ltd.[b] Singapore Investment holding	1,040	1,040
SHButon Investment II Pte. Ltd.[b] Singapore Investment holding	1,442	1,442
Kalmore (Korea) Limited[a] South Korea Owner of Sarang Hospital	3,887	3,887
PT Bayutama Sukses[a] Indonesia Owner of Siloam Hospitals Makassar	6,356	6,356
PT Graha Indah Pratama[a] Indonesia Owner of Siloam Hospitals Kebon Jeruk	10,333	10,333
PT Graha Pilar Sejahtera[a] Indonesia Owner of Siloam Hospitals Lippo Cikarang	8,306	8,306

35. Listing of investments in subsidiaries (continued)

Name of Subsidiaries, Country of Incorporation, Place of Operations and Principal Activities	Carrying Value of Investments 2019 S$'000	2018 S$'000
Held by subsidiaries (continued)		
PT Karya Sentra Sejahtera[(a)] Indonesia Owner of Imperial Aryaduta Hotel & Country Club	20,019	20,019
PT Menara Abadi Megah[(a)] Indonesia Owner of Siloam Hospitals Manado & Hotel Aryaduta Manado	5,500	5,500
PT Primatama Cemerlang[(a)] Indonesia Owner of Mochtar Riady Comprehensive Cancer Centre	17,065	17,065
PT Sentra Dinamika Perkasa[(a)] Indonesia Owner of Siloam Hospitals Lippo Village	8,779	8,779
PT Tata Prima Indah[(a)] Indonesia Owner of Siloam Hospitals Surabaya	8,013	8,013
PT Dasa Graha Jaya[(a)] Indonesia Owner of Siloam Hospitals Bali	16,553	16,553
PT Perisai Dunia Sejahtera[(a)] Indonesia Owner of Siloam Hospitals TB Simatupang	15,305	15,305
PT Eka Dasa Parinama[(a)] Indonesia Owner of Siloam Hospitals Purwakarta	5,509	5,509
PT Sriwijaya Mega Abadi[(a)] Indonesia Owner of Siloam Sriwijaya	6,887	6,887
PT Nusa Bahana Niaga[(a)] Indonesia Owner of Siloam Hospitals Kupang & Lippo Plaza Kupang	50,668	50,668
PT Prima Labuan Bajo[(a)] Indonesia Owner of Siloam Hospitals Labuan Bajo	4,160	4,160
PT Buton Bangun Cipta[(a)] Indonesia Owner of Siloam Hospitals Buton & Lippo Plaza Buton	5,768	5,768
Joint operation held by subsidiary, Icon1 Holdings Pte. Ltd.		
PT Yogya Central Terpadu[(a)] (Note A) Indonesia Owner of Siloam Hospitals Yogyakarta	6,615	6,615

35. Listing of investments in subsidiaries (continued)

(a) Audited by RSM Indonesia and Shinhan Accounting Corporation in South Korea, member firms of RSM International of which RSM Chio Lim LLP is a member.

(b) Audited by RSM Chio Lim LLP in Singapore.

* Amount is less than S$1,000

The investments include investments in redeemable preference shares that are redeemable at the option of the Singapore subsidiaries.

Note A

In 2017, the Trust and Lippo Malls Indonesia Retail Trust entered into a Joint Venture Deed (the "**Deed**") to jointly own the Yogyakarta Property through PT Yogya Central Terpadu ("**PT YCT**") subsequent to the approval of the relevant licenses. Icon1 Holdings Pte. Ltd. ("**Icon1**") transferred 18,850,000 of its existing Class A shares to Icon2 Investment Pte. Ltd. ("**Icon2**"). As a result, Icon1 holds 66,150,000,000 Class A shares and Icon2 holds 142,500,000,000 Class B shares in PT YCT. As holders of Class A shares, Icon1 has the exposure to all the economic rights, obligations, revenue, profits and dividends in respect of the hospital component. Icon2 has exposure to all the economic rights, obligations, revenue, profits and dividends in respect of the retail mall component.

Any non-property-related common expenses of the hospital and retail mall component are borne by Icon1 and Icon2 in the proportion of 31% and 69% respectively. All property-related common expenses of the hospital component are borne by Icon1.

INTERESTED PERSON TRANSACTIONS

The transactions entered into with interested persons during the financial year 31 December 2019, which fall within the Listing Manual of Singapore Exchange Securities Trading Limited ("SGX-ST") and the Property Funds Appendix of the Code on Collective Investment Scheme are as follows:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under unitholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under unitholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
Bowsprit Capital Corporation Limited		
- Manager's management fees	S$11,401,000	-
Perpetual (Asia) Limited		
- Trustee fees	S$ 430,000	-
PT Lippo Karawaci TBK and Its subsidiaries		
- Rental income	S$96,001,000	-

Saved as disclosed above, there will no additional interested person transactions (excluding transactions of less than S$100,000 each) entered into during the financial year under review or any material contracts entered into by the Trust that involved the interests of the CEO, any Director or any controlling shareholder of the Trust.

Fees payable to the Manager in accordance with the terms and conditions of the Trust Deed dated 19 October 2016 (subsequently amended by First Supplemental Deed dated 6 September 2007, Second Supplemental Deed dated 19 April 2010, Third Supplemental Deed dated 26 April 2011, Fourth Supplemental Deed dated 1 April 2013, First Amending and Restating Deed dated 23 March 2016, Supplemental Deed dated 1 November 2017 and Fifth Supplemental Deed dated 22 May 2018) are not subject to Rules 905 and 906 of the SGX-ST's Listing Manual. Accordingly, such fees are not subject to aggregation and other requirements under Rules 905 and 906 of the SGX-ST's Listing Manual.

Please see significant related party transactions on Note 3 in the financial statements.

Subscription of the Trust Units

During the financial year ended 31 December 2019, 9,194,590 new units were issued as payment of management fees.

STATISTICS OF UNITHOLDINGS

As at 20 March 2020

DISTRIBUTION OF UNITHOLDINGS

SIZE OF UNITHOLDINGS	NO. OF UNITHOLDERS	%	NO. OF UNITS	%
1 - 99	332	2.39	14,286	0.00
100 - 1,000	1,142	8.21	837,185	0.11
1,001 - 10,000	7,398	53.17	41,270,771	5.16
10,001 - 1,000,000	5,012	36.02	230,914,913	28.86
1,000,001 AND ABOVE	29	0.21	526,955,819	65.87
TOTAL	**13,913**	**100.00**	**799,992,974**	**100.00**

TWENTY LARGEST UNITHOLDERS

NO.	NAME	NO. OF UNITS	%
1.	CITIBANK NOMINEES SINGAPORE PTE. LTD.	241,889,735	30.24
2.	DBS NOMINEES (PRIVATE) LIMITED	76,722,122	9.59
3.	HSBC (SINGAPORE) NOMINEES PTE. LTD.	41,562,323	5.20
4.	RAFFLES NOMINEES (PTE.) LIMITED	30,572,097	3.82
5.	DBSN SERVICES PTE. LTD.	17,075,673	2.13
6.	PHILLIP SECURITIES PTE. LTD.	12,735,690	1.59
7.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	11,405,756	1.43
8.	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	10,293,737	1.29
9.	ABN AMRO CLEARING BANK N.V.	10,288,272	1.29
10.	UOB KAY HIAN PRIVATE LIMITED	9,112,721	1.14
11.	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE. LTD.	8,291,093	1.04
12.	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	7,924,212	0.99
13.	MAYBANK KIM ENG SECURITIES PTE. LTD.	7,852,904	0.98
14.	OCBC SECURITIES PRIVATE LIMITED	6,147,422	0.77
15.	BPSS NOMINEES SINGAPORE (PTE.) LTD.	4,914,149	0.61
16.	BOWSPRIT CAPITAL CORPORATION LIMITED	4,670,066	0.58
17.	IFAST FINANCIAL PTE. LTD.	4,262,618	0.53
18.	KGI SECURITIES (SINGAPORE) PTE. LTD.	3,351,046	0.42
19.	MAJLIS UGAMA ISLAM SINGAPURA	3,092,345	0.39
20.	TEH KIU CHEONG @ TEONG CHENG @ CHENG CHIU CHANG	2,317,683	0.29
	TOTAL	**514,481,664**	**64.32**

STATISTICS OF UNITHOLDINGS
As at 20 March 2020

SUBSTANTIAL UNITHOLDERS
(As recorded in the Register of Substantial Unitholders' Unitholdings as at 20 March 2020)

No.	Name of Unitholders	No. of Units Direct Interest	No. of Units Deemed Interest
1.	Bowsprit Capital Corporation Limited ("Bowsprit")	68,360,156	–
2.	OLH Healthcare Investments Pte. Ltd. ("OHI")	83,593,683	–
3.	OUELH (Singapore) Pte. Ltd. ("OUELH (Singapore)")	–	83,593,683(1)
4.	OUELH (SEA) Pte. Ltd. ("OUELH (SEA)")	–	83,593,683(1)
5.	OUE Lippo Healthcare Limited ("OUELH")	–	151,953,839(1)(2)
6.	OUE Limited ("OUE")	–	151,953,839(1)(2)
7.	OUE Realty Pte. Ltd. ("OUER")	–	151,953,839(3)
8.	Golden Concord Asia Limited ("GCAL")	–	151,953,839(4)
9.	Fortune Crane Limited ("FCL", formerly known as Fortune Code Limited)	–	151,953,839(5)
10.	Lippo ASM Asia Property Limited ("LAAPL")	–	151,953,839(6)
11.	HKC Property Investment Holdings Limited ("HKC Property")	–	151,953,839(7)
12.	Hongkong Chinese Limited ("HCL")	–	151,953,839(8)
13.	Hennessy Holdings Limited ("Hennessy")	–	151,953,839(9)
14.	Prime Success Limited ("PSL")	–	151,953,839(10)
15.	Lippo Limited ("LL")	–	151,953,839(11)
16.	Lippo Capital Limited ("LCL")	–	151,953,839(12)
17.	Lippo Capital Holdings Company Limited ("LCH")	–	151,953,839(13)
18.	Lippo Capital Group Limited ("LCG")	–	151,953,839(14)
19.	Admiralty Station Management Limited ("Admiralty")	–	151,953,839(15)
20.	Argyle Street Management Limited ("ASML")	–	151,953,839(16)
21.	Argyle Street Management Holdings Limited ("ASMHL")	–	151,953,839(17)
22.	Kin Chan	–	151,953,839(18)
23.	V-Nee Yeh	–	151,953,839(19)
24.	PT Trijaya Utama Mandiri ("PT TUM")	–	151,953,839(20)
25.	James Tjahaja Riady	–	151,953,839(21)
26.	Stephen Riady	–	151,953,839(22)

SUBSTANTIAL UNITHOLDERS (continued)

(As recorded in the Register of Substantial Unitholders' Unitholdings as at 20 March 2020) (continued)

Notes:

1. OHI is 100% owned by OUELH (Singapore). OUELH (Singapore) is 100% owned by OUELH (SEA). OUELH (SEA) is 100% owned by OUELH. OUELH is an indirect subsidiary of OUE. Accordingly, each of OUE, OUELH, OUELH (SEA) and OUELH (Singapore) is deemed to be interested in OHI's interest in the Units.
2. Bowsprit is 40% directly held by OUELH and 60% directly held by OUE. Accordingly, each of OUELH and OUE has a deemed interest in Bowsprit's interest in the Units.
3. OUER is the holding company of OUE and has a deemed interest in the Units in which OUE has a deemed interest.
4. GCAL is the holding company of OUER and has a deemed interest in the Units in which OUER has a deemed interest.
5. FCL is the holding company of GCAL and has a deemed interest in the Units in which GCAL has a deemed interest.
6. LAAPL is the holding company of FCL and has a deemed interest in the Units in which FCL has a deemed interest.
7. LAAPL is jointly held by HKC Property and Admiralty. Accordingly, HKC Property is deemed to have an interest in the Units in which LAAPL has a deemed interest.
8. HCL is the immediate holding company of HKC Property. Accordingly, HCL is deemed to have an interest in the Units in which HKC Property has a deemed interest.
9. Hennessy is an intermediate holding company of HKC Property. Accordingly, Hennessy is deemed to have an interest in the Units in which HKC Property has a deemed interest.
10. PSL is an intermediate holding company of HKC Property. Accordingly, PSL is deemed to have an interest in the Units in which HKC Property has a deemed interest.
11. LL is an intermediate holding company of HKC Property. Accordingly, LL is deemed to have an interest in the Units in which HKC Property has a deemed interest.
12. LCL is an intermediate holding company of HKC Property. Accordingly, LCL is deemed to have an interest in the Units in which HKC Property has a deemed interest.
13. LCH is an intermediate holding company of HKC Property. Accordingly, LCH is deemed to have an interest in the Units in which HKC Property has a deemed interest.
14. LCG is the holding company of LCH, which in turn is an intermediate holding company of HKC Property. Accordingly, LCG is deemed to have an interest in the Units in which HKC Property has a deemed interest.
15. LAAPL is jointly held by HKC Property and Admiralty. Accordingly, Admiralty is deemed to have an interest in the Units in which LAAPL has a deemed interest.
16. ASML owns 100% of the voting shares in the capital of Admiralty. Accordingly, ASML is deemed to have an interest in the Units in which Admiralty has a deemed interest.
17. ASMHL is the holding company of ASML. Accordingly, ASMHL is deemed to have an interest in the Units in which ASML has a deemed interest.
18. Kin Chan is the beneficial owner of more than 20% of the issued share capital of ASMHL. Accordingly, Kin Chan is deemed to have an interest in the Units in which ASMHL has a deemed interest.
19. V-Nee Yeh is the beneficial owner of more than 20% of the issued share capital of ASMHL. Accordingly, V-Nee Yeh is deemed to have an interest in the Units in which ASMHL has a deemed interest.
20. PT TUM holds more than 20% of the shares in LCL, which in turn is an intermediate holding company of HKC Property. Accordingly, PT TUM is deemed to have an interest in the Units in which HKC Property has a deemed interest.
21. Mr James Tjahaja Riady effectively holds all the shares in PT TUM, which holds more than 20% of the shares in LCL. LCL in turn is an intermediate holding company of HKC Property. Accordingly, Mr James Tjahaja Riady is deemed to have an interest in the Units in which HKC Property has a deemed interest.
22. Dr Stephen Riady holds the entire issued share capital of LCG, which is the holding company of LCH. LCH in turn is an intermediate holding company of HKC Property. Accordingly, Dr Stephen Riady is deemed to have an interest in the Units in which HKC Property has a deemed interest.

STATISTICS OF UNITHOLDINGS

As at 20 March 2020

Manager's Directors' Unitholdings

(As recorded in the Register of Directors' Unitholdings as at 21 January 2020)

	No. of Units Direct Interest	No. of Units Deemed Interest
1. Tan Kok Mian Victor	102,569	—

Free Float

Based on the information made available to the Manager as at 20 March 2020, approximately 80.99% of the Units in First REIT are held in hands of the Public. Accordingly, First REIT is in compliance with Rule 723 of the Listing Manual of the SGX-ST.

Treasury Units and Subsidiary Holdings

As at 20 March 2020, First REIT does not hold any treasury units and there is no subsidiary holding.

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FIRST REIT

FIRST REAL ESTATE INVESTMENT TRUST

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Bowsprit Capital

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