



FIRST REAL ESTATE INVESTMENT TRUST

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

QUARTERLY BUSINESS UPDATE: FIRST REIT POSTS 1Q 2021 DPU OF 0.65 CENTS

The Board of Directors of First REIT Management Limited, in its capacity as manager of First Real Estate Investment Trust (“**First REIT**”, and as manager of First REIT, the “**Manager**”), today announced its business update for the first quarter ended 31 March 2021 (“**1Q 2021**”).

1. Financial Results and Distribution Details

The Manager today announced a distribution per unit (“**DPU**”) of 0.65 Singapore cents for 1Q 2021. The payment date will be on 28 June 2021.

Summary of Financial Results for the period ended 31 March 2021

(\$’000)	1Q 2021	1Q 2020	Change (%)
Rental and Other Income ⁽ⁱ⁾	19,348	28,889	(33.0)
Net Property and Other Income ⁽ⁱ⁾	18,644	28,208	(33.9)
Distributable Income to Unitholders ⁽ⁱⁱ⁾	10,367	14,917	(30.5)
Applicable number of units for calculation of DPU	1,601,761,593	807,206,351	98.4
DPU (cents) ⁽ⁱⁱⁱ⁾	0.65	1.86	(65.1)
Adjusted DPU (cents) ⁽ⁱⁱⁱ⁾	1.27	1.86	(31.7)

Notes

- (i) The 33.0% decline in First REIT’s rental and other income and 33.9% slide in net property income for 1Q 2021, were largely attributable to the restructured master lease agreements (“**MLAs**”) of 14 Indonesia hospitals which took effect from 1 January 2021.
- (ii) Distributable Income includes management fees payable to the Manager in First REIT units of S\$1.1 million for 1Q 2021 (1Q 2020: S\$1.4 million). Distributable Income declined due to (a) lower management fees payable in units and (b) lower net property income due to the restructured MLAs.
- (iii) 1Q 2021 DPU dipped to 0.65 Singapore cents as a consequence of the issuance of 791,062,223 rights units on 24 February 2021, which are entitled to participate in the 1Q 2021 distribution. If the new rights units issued are excluded in the distribution computation, the adjusted DPU is 1.27 Singapore cents for 1Q 2021.

Summary of Distribution Details	
Distribution	1 January 2021 to 31 March 2021
Distribution type	(a) Taxable income (b) Capital distribution
Distribution rate	Total: 0.65 cents per unit (a) Taxable income distribution: 0.05 cents per unit (b) Capital distribution: 0.60 cents per unit
Book closure date	18 May 2021 at 5.00 pm
Ex-dividend date	17 May 2021 at 9.00 am
Payment date	28 June 2021

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

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

The Manager hereby confirms that, after making payment of the 1Q 2021 distribution, First REIT has sufficient financial resources to fulfil its liabilities as and when they fall due.

2. Business Updates

Further to the announcements by the Manager:

- (i) dated 29 November 2020 (the “**MLA Restructuring Announcement**”) in relation to (a) the proposed restructuring of the MLAs for all of the hospitals which First REIT had leased to either PT. Lippo Karawaci Tbk (“**LPKR**”) or LPKR and certain subsidiaries of PT Siloam International Hospitals Tbk (“**Siloam**”) (the “**LPKR MLAs**”, and the proposed restructuring of the LPKR MLAs, the “**Proposed LPKR MLA Restructuring**”), and (b) the restructuring of the MLAs entered into with PT. Metropolis Propertindo Utama (“**MPU**”) in respect of Siloam Sriwijaya, Siloam Hospitals Purwakarta and Siloam Hospitals Kupang (the “**MPU Hospitals**”, and the MLAs entered into with MPU in respect of the MPU Hospitals, the “**MPU MLAs**”, and the restructuring of the MPU MLAs, the “**MPU MLA Restructuring**”); and
- (ii) dated 19 January 2021 in relation to the approval of unitholders of First REIT for, among other things, the Proposed LPKR MLA Restructuring,

the Manager had on 11 March 2021 announced that in respect of Siloam Hospitals Surabaya, Siloam Hospitals Kebon Jeruk, Siloam Hospitals Lippo Village, Mochtar Riady Comprehensive Cancer Centre, Siloam Hospitals Makassar, Siloam Hospitals Manado & Hotel Aryaduta Manado, Siloam Hospitals TB Simatupang and Siloam Hospitals Bali, each of the relevant wholly-owned subsidiaries of First REIT, as a master lessor under the relevant LPKR MLA, had on 10 March 2021 entered into a supplemental MLA with LPKR to effect the Proposed LPKR MLA Restructuring for the relevant LPKR MLA.

On 30 March 2021, the Manager made a similar announcement in respect of Siloam Hospitals Labuan Bajo, Siloam Hospitals Buton and Siloam Hospitals Yogyakarta. Accordingly, the restructured LPKR MLAs will take effect from 1 January 2021.

On 19 February 2021, the Manager announced that it had successfully completed its rights issue, raising approximately S\$158.2 million. Approximately S\$140.1 million of the gross proceeds was used to repay part of the syndicated loan facilities of up to S\$400 million, out of which S\$195.6 million is due on 1 March 2021, with the remaining repayable in March 2022 and March 2023.

Additionally, as contemplated in the MLA Restructuring Announcement, it is further intended that a subsidiary of Siloam will be added as a party to each of the MPU MLAs and Siloam will be added as a party to each of the LPKR MLAs to establish the direct payment of rental amounts by the relevant subsidiaries of Siloam to the relevant master lessors for each of the LPKR Hospitals¹ and for each of the MPU Hospitals.

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

3. Outlook

The Indonesian Chamber of Commerce and Industry (Kadin) has forecast that the national economy will grow positively in 2021, returning to a range of 4.3% to 5.5%. This is based on improvements in a number of economic indicators, the daily trend in positive cases of COVID-19 which has continued to decline, and the increasingly massive COVID-19 vaccination programme in various regions, all of which are factors that will improve the business world.²

The government's health budget for 2021 is planned at Rp169.7 trillion or equivalent to 6.2% of the State Budget, and geared towards facilitating the procurement of vaccine, management of infectious diseases and ensuring a more effective and sustainable national health insurance programme, amongst others.³

With the rollout of the vaccination programme and record state budget to aid in economic recovery, First REIT believes that as conditions gradually improve and return to a state of the new normal, healthcare being a robust and resilient sector will gradually recover.

Referring to Siloam's results for the first quarter ended 31 March 2021, the healthcare operator saw sustainable year-on-year improvement and quarter-on-quarter recovery. Siloam recorded a revenue of Rp1.91 trillion in 1Q2021, growing 32.5% year-on-year; net profit also grew 672% year-on-year to Rp150 billion in 1Q2021. As at the end of first quarter 2021, Siloam's cash and cash equivalents on hand was Rp1.13 trillion, with a gearing ratio of 2.2%.⁴

By Order of the Board

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

4 May 2021

¹ "LPKR Hospitals" refers to the hospitals which First REIT had leased to either LPKR or LPKR and certain subsidiaries of Siloam.

² 8 April 2021, Antara News - Indonesian economy to show positive growth in 2021: Kadin

³ Cabinet Secretariat of the Republic of Indonesia - Address of the President of the Republic of Indonesia on the Presentation of the Government Statement on the Bill on the State Budget for the 2021 Fiscal Year and Its Financial Note Before the Plenary Session of the House of Representatives of the Republic of Indonesia

⁴ 27 April 2021, Siloam Press Release - Siloam Hospitals Net profit grew 672% year on year in First Quarter 2021

Important Notice

This Announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in First REIT (“Units”).

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. The past performance of First REIT is not necessarily indicative of the future performance of First REIT.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “SGX-ST”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This Announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s view of future events.

This advertisement has not been reviewed by the Monetary Authority of Singapore.