

**FOR IMMEDIATE RELEASE**

**First REIT posts distributable income of S\$20.9 million for 1H 2021, up  
13.3% from 1H 2020**

**SINGAPORE – 29 July 2021** – First REIT Management Limited, as manager (the “**Manager**”) of First Real Estate Investment Trust (“**First REIT**” or the “**Trust**”), today reported a 13.3% year-on-year (“**y-o-y**”) rise in distributable income to S\$20.9 million for the first half ended 30 June 2021 (“**1H 2021**”), up from S\$18.4 million of the corresponding period a year ago (“**1H 2020**”).

Distribution per unit (“**DPU**”) for 1H 2021 was 1.30 Singapore cents compared to 2.30 Singapore cents in 1H 2020 due to an enlarged unit base<sup>1</sup> resulting from the 98-for-100 rights issue done in February 2021. On an adjusted basis without the rights units, 1H 2021 DPU rose 11.3% y-o-y to 2.56 Singapore cents.

For the period under review, rental and other income rose 0.9% y-o-y to S\$38.9 million from S\$38.6 million in 1H 2020, while net property and other income grew 0.2% to S\$37.6 million from S\$37.5 million in 1H 2020.

In respect of the restructuring of the master lease agreements (“**MLAs**”) of the 14 Indonesia hospitals - eight leased to PT Lippo Karawaci Tbk (“**Lippo Karawaci**”), three to Lippo Karawaci and PT Siloam International Hospitals Tbk (“**Siloam**”), and three to PT. Metropolis Propertindo Utama (“**MPU**”), First REIT has entered into the relevant supplemental leases in May 2021 for all 14 hospitals, with the terms of the restructured MLAs taking effect from 1 January 2021. Additionally, Siloam or its subsidiary is now included as a party to each of the 14 hospital MLAs.

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<sup>1</sup> Issuance of 791,062,223 rights units on 24 February 2021, enlarging the total number of units in issue to 1,606,630,878 as at 30 June 2021 from 807,206,351 as at 31 December 2020

“The new terms within the restructured tripartite MLAs will provide for a more sustainable and stable long-term master lease structure with regular fixed increments of 4.5% per annum, or potential additional upside through the performance-based rent component being 8.0% of the preceding year’s hospital gross operating revenue, whichever is higher,” said Mr Victor Tan, Chief Executive Officer of the Manager.

On 7 July 2021, First REIT announced that it will not be redeeming its S\$60.0 million perpetual securities on its first call on 8 July 2021. The reset distribution rate of 4.9817% per annum, being the prevailing five-year swap offer rate of 1.0567% per annum plus the initial spread of 3.925%, shall be applicable from the first reset date being 8 July 2021 to the immediately following reset date of 8 July 2026.

“Considering the current macroeconomic environment, we have taken a more prudent approach to not redeem the S\$60.0 million perpetual securities on its first call to preserve cashflow and liquidity. With the completion of our rights issue and the partial repayment of bank loans in the first quarter of 2021, we managed to lower our gearing to 34.7% as at 30 June 2021 with interest cover at 3.8 times, giving us ample debt headroom for acquisition opportunities and asset enhancement initiatives to optimise our portfolio when the market recovers,” said Mr Tan.

Added Mr Tan, “The Trust has also recently announced the divestment of Sarang Hospital, our rehabilitative and nursing facilities in Yeosu City, South Korea. Accounting for less than 1% of our total portfolio rental income in FY2020, this divestment presents a great opportunity for the Trust to divest this mature asset to rebalance our portfolio and optimise returns for Unitholders, allowing us to unlock capital to boost our financial flexibility.”

First REIT announced the divestment of Sarang Hospital on 19 July 2021, for an aggregate sale price of approximately US\$4.52 million. This is an approximate 1.7% discount to the independent valuation of US\$4.6 million as at 1 June 2021, conducted by Colliers International (Hong Kong) Limited. The aggregate sale price is also approximately 32.6% higher than the latest book value of Sarang Hospital at US\$3.1 million based on the marked down valuation as at 30 June 2021, in consideration of the potential upcoming capital expenditure costs.

## Outlook

Following a spike in COVID-19 cases that has overwhelmed Indonesia's medical system, the government has downgraded its gross domestic product ("GDP") growth forecast to between 3.7% to 4.5%, from between 4.5% to 5.3% after reinstating stringent emergency public activity restrictions that cover most of the country. On a quarter-on-quarter basis, GDP is expected to hit 6.3% and 5.5% in the third and fourth quarters respectively. Bank Indonesia has kept its key interest rate at a record low of 3.5% since February and its focus for the rest of the year is on keeping rates low and liquidity flush to support the economy, and maintaining a stable exchange rate.<sup>2</sup>

The government's health budget for 2021 has increased to Rp193.9 trillion (US\$13.4 billion) as the number of cases continue to rise. The budgeted funds are set aside for diagnostics, testing and tracing, health equipment, COVID-19 hospital treatment and financial incentive for healthcare workers. It has also procured more than 53.9 million doses of vaccines and aims to increase the vaccine rollout to 2 million doses per day as soon as possible, and eventually to 3 million doses per day by October.<sup>3</sup>

First REIT's Indonesia hospitals operated by Siloam have aided the government through the provision of swab tests, rapid tests and antibody test services, as well as providing healthcare professionals to assist with the nation's vaccination programme. Amid the ongoing pandemic and in line with government regulations, First REIT's assets continue to operate under strict precautionary measures that prioritise the health and safety of all its patients, staff, and visitors.

With reference to Siloam's recent results announcement for the first half ended 30 June 2021, Siloam has shown sustainable growth momentum. Revenue grew 51.7% y-o-y to Rp3.8 trillion in 1H 2021 while net profit recovered from a loss a year ago to Rp302 billion in 1H 2021. Patient volumes, both inpatient admissions and outpatient visits, have also shown steady upward trend, expanding for the last four consecutive quarters.

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<sup>2</sup> 13 July 2021, Business Times - Bank Indonesia looking at tightening policy from late next year

<sup>3</sup> 5 July 2021, The Jakarta Post - Indonesia increases health spending, wants vaccinations day and night

### Summary of Financial Results for the period ended 30 June 2021

(\$'000)	1H 2021	1H 2020	Change (%)
Rental and Other Income	<b>38,933</b>	38,598	0.9
Net Property and Other Income	<b>37,612</b>	37,528	0.2
Distributable Amount	<b>20,887</b>	18,435	13.3
DPU (cents)	<b>1.30*</b>	2.30	(43.5)
Adjusted DPU (cents)	<b>2.56*</b>	2.30	11.3

\* DPU is lower for 1H 2021 mainly due to the issuance of 791,062,223 rights units on 24 February 2021. These new rights units are entitled to participate in the 1Q and 2Q 2021 distribution. If the new rights units issued on 24 February 2021 are excluded in the distribution computation, the adjusted DPU is 2.56 cents for 1H 2021. The DPU included 1Q 2021 DPU of 0.65 cents which was paid on 28 June 2021. The 2Q 2021 DPU is 0.65 cents.

### Distribution Details

<b>Distribution</b>	1 April 2021 to 30 June 2021
<b>Distribution type</b>	(a) Taxable income (b) Capital distribution
<b>Distribution rate</b>	Total: 0.65 cents per unit (a) Taxable income distribution: 0.04 cents per unit (b) Capital distribution: 0.61 cents per unit
<b>Ex-dividend date</b>	12 August 2021 at 9.00 am
<b>Book closure date</b>	13 August 2021 at 5.00 pm
<b>Payment date</b>	24 September 2021

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### About First REIT

First Real Estate Investment Trust ("First REIT") is a real estate investment trust constituted by the Trust Deed entered into on 19 October 2006 between First REIT Management Limited (formerly Bowsprit Capital Corporation Limited) as the Manager and HSBC Institutional Trust Services (Singapore) Limited as the Trustee. First REIT was listed on the Singapore Exchange Securities Trading Limited on 11 December 2006. On 1 March 2018, HSBC Institutional Trust Services (Singapore) Limited retired as the Trustee of First REIT in favour of Perpetual (Asia) Limited.

First REIT is Singapore's first healthcare real estate investment trust that aims to invest in a diversified portfolio of income-producing real estate and / or real estate-related assets in Asia that are primarily used for healthcare and / or healthcare-related purposes.

Managed by First REIT Management Limited,, First REIT's portfolio consists of 20 properties located in Indonesia, Singapore and South Korea, namely 1) Siloam Hospitals Lippo Village, 2) Siloam Hospitals Kebon Jeruk, 3) Siloam Hospitals Surabaya, 4) Imperial Aryaduta Hotel & Country Club, 5) Mochtar Riady Comprehensive Cancer Centre, 6) Siloam Hospitals Lippo Cikarang, 7) Siloam Hospitals Manado & Hotel Aryaduta Manado, 8) Siloam Hospitals Makassar, 9) Siloam Hospitals Bali, 10) Siloam Hospitals TB Simatupang, 11) Siloam Hospitals Purwakarta, 12) Siloam Sriwijaya, 13) Siloam Hospitals Kupang & Lippo Plaza Kupang, 14) Siloam Hospitals Labuan Bajo, 15) Siloam Hospitals Buton & Lippo Plaza Buton, 16) Siloam Hospitals Yogyakarta, 17) Pacific Healthcare Nursing Home @ Bukit Merah, 18) Pacific Healthcare Nursing Home II @ Bukit Panjang, 19) The Lentor Residence and 20) Sarang Hospital<sup>4</sup>.

Its hospital assets in Indonesia are operated by PT Siloam International Hospitals Tbk, a subsidiary of PT Lippo Karawaci Tbk, a strong brand name in the Indonesian healthcare industry supported by a team of international healthcare professionals whereas The Imperial Aryaduta Hotel & Country Club and Hotel Aryaduta Manado are operated by The Aryaduta Hotel and Resort Group. The Lippo Plaza Kupang and Lippo Plaza Buton are managed by PT Lippo Malls Indonesia. In Singapore, the nursing homes at Bukit Merah and Bukit Panjang are operated by Pacific Healthcare Nursing Home Pte. Ltd. and Pacific Eldercare and Nursing Pte. Ltd., respectively. The Lentor Residence is operated by The Lentor Residence Pte. Ltd. In South Korea, the Sarang Hospital<sup>4</sup> is operated by a private doctor.

Through First REIT, investors can participate in an asset class that has a focus towards Asia's growing healthcare sector, which is boosted by an increase in life expectancy in Indonesia and the rest of Southeast Asia.

## **IMPORTANT NOTICE**

The value of units in First REIT ("Units") and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders of First REIT 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 document is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of First REIT is not necessarily indicative of the future performance of First REIT. This document 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,

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<sup>4</sup> As announced on 19 July 2021, the Manager has entered into Sale and Purchase Agreements in relation to the divestment of Sarang Hospital and entire shareholding interest in Kalmore (Korea) Limited. Completion of the Divestment is subject to fulfilment of certain customary conditions and is expected to take place by August 2021.



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.