

First Real Estate Investment Trust and its Subsidiaries

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

Condensed Interim Financial Statements
Six-month period and year ended 31 December 2021

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Introduction

First Real Estate Investment Trust (“First REIT” or the “Trust”) is a real estate investment trust constituted by the Trust Deed entered into on 19 October 2006 between First REIT Management Limited (the “Manager”) (formerly known as 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 (the “Trustee”).

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 nineteen properties located in Indonesia and Singapore, 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 and Lippo Plaza Buton, 16) Siloam Hospitals Yogyakarta, 17) Pacific Healthcare Nursing Home @ Bukit Merah, 18) Pacific Healthcare Nursing Home II @ Bukit Panjang and 19) The Lentor Residence.

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.

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.

Summary of Results

	Note	Group			Group		
		Six-month period ended			Full Year		
		31 Dec 2021	31 Dec 2020	Change	31 Dec 2021	31 Dec 2020	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Rental and Other Income	1	63,413	41,021	54.6%	102,346	79,619	28.5%
Net Property and Other Income	1	62,604	39,937	56.8%	100,216	77,465	29.4%
Distributable Amount		21,217	14,993	41.5%	42,120	33,413	26.1%
Distribution per unit (cts)	2	1.31	1.85	(29.2%)	2.61	4.15	(37.1%)
Adjusted Distribution per unit (cts)	2	2.56	1.85	38.4%	5.12	4.15	23.4%

Notes:

- Rental and Other Income and Net Property and Other Income have increased largely attributed to the accounting treatment under FRS 116 – Lease, the rental income from the restructured master lease agreements with minimum 4.5% annual escalation, was recognised on a straight-line basis for the entire lease term.
- Distribution per unit (“DPU”) is lower for 2H 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 to 4Q 2021 distribution. If the new rights units issued on 24 February 2021 are excluded in the distribution computation, the adjusted distribution per unit is 2.56 cents for 2H 2021 and 5.12 cents for FY2021.

DPU included (i) 1Q 2021 DPU of 0.65 cents which was paid on 28 June 2021, (ii) 2Q 2021 DPU of 0.65 cents which was paid on 24 September 2021 and (iii) 3Q 2021 DPU of 0.65 cents which was paid on 17 December 2021. The 4Q 2021 DPU is 0.66 cents.

Distribution Details

Distribution	1 October 2021 to 31 December 2021
Distribution type	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
Distribution rate	Total: 0.66 cents per unit (a) Taxable income: 0.04 cents per unit (b) Tax-exempt income: 0.14 cents per unit (c) Capital distribution: 0.48 cents per unit
Ex-distribution date	18 February 2022 at 9.00 am
Book closure date	21 February 2022 at 5.00 pm
Payment date	29 March 2022

Condensed Statement of Financial Position
As at 31 December 2021

	Note	Group		Trust	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Assets					
Plant and equipment		28	41	–	–
Investment properties	3	962,447	939,670	33,200	33,800
Investments in subsidiaries	4	–	–	669,173	661,867
Loan to a subsidiary		–	–	25,465	30,288
Non-current assets		<u>962,475</u>	<u>939,711</u>	<u>727,838</u>	<u>725,955</u>
Trade and other receivables	5	32,488	45,028	12,772	10,388
Loan to a subsidiary		–	–	4,191	4,191
Other assets		3,369	877	3,120	40
Cash and cash equivalents		51,203	19,292	35,137	10,738
Current assets		<u>87,060</u>	<u>65,197</u>	<u>55,220</u>	<u>25,357</u>
Total assets		<u>1,049,535</u>	<u>1,004,908</u>	<u>783,058</u>	<u>751,312</u>
Liabilities					
Deferred tax liabilities		20,601	19,968	–	–
Borrowings	6	249,953	293,660	249,953	293,660
Derivative financial instruments		–	3,866	–	3,866
Non-current liabilities		<u>270,554</u>	<u>317,494</u>	<u>249,953</u>	<u>297,526</u>

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

Condensed Statement of Financial Position (cont'd)
As at 31 December 2021

	Note	Group		Trust	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Liabilities					
Income tax payable		1,198	676	–	–
Trade and other payables		18,888	17,316	29,002	25,437
Borrowings	6	99,258	195,345	99,258	195,345
Other liabilities		7,144	10,107	2,103	2,062
Derivative financial instruments		673	–	673	–
Current liabilities		<u>127,161</u>	<u>223,444</u>	<u>131,036</u>	<u>222,844</u>
Total liabilities		<u>397,715</u>	<u>540,938</u>	<u>380,989</u>	<u>520,370</u>
Represented by:					
Net assets					
attributable to unitholders		591,145	403,092	341,394	170,064
Perpetual securities holders	7	<u>60,675</u>	<u>60,878</u>	<u>60,675</u>	<u>60,878</u>
Total net assets	9	<u>651,820</u>	<u>463,970</u>	<u>402,069</u>	<u>230,942</u>
Units in issue ('000)	8	<u>1,613,028</u>	<u>807,206</u>	<u>1,613,028</u>	<u>807,206</u>
Net asset value per unit in cents attributable to unitholders	9	<u>36.65</u>	<u>49.94</u>	<u>21.16</u>	<u>21.07</u>

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

Condensed Statement of Total Return
Six-month period and year ended 31 December 2021

	Note	Group			
		Six-month period ended 31/12/2021 \$'000	Six-month period ended 31/12/2020 \$'000	12-month period ended 31/12/2021 \$'000	12-month period ended 31/12/2020 \$'000
Rental and other income		63,413	41,021	102,346	79,619
Property operating expenses	10	(809)	(1,084)	(2,130)	(2,154)
Net property and other income		62,604	39,937	100,216	77,465
Interest income		94	–	146	1,436
Manager's management fees	10	(5,180)	(4,682)	(9,110)	(9,410)
Trustee fees		(157)	(203)	(311)	(416)
Finance costs	10	(8,533)	(7,911)	(17,035)	(17,826)
Other expenses	10	(937)	(5,018)	(2,244)	(5,705)
Net income before the undernoted		47,891	22,123	71,662	45,544
Net fair value losses on investment properties		(4,520)	(401,387)	(4,520)	(401,387)
Gains on disposal of an investment property		1,607	–	1,607	–
Gains on disposal of a subsidiary		1,106	–	1,106	–
Net fair value gains/(losses) of derivative financial instruments		1,495	1,255	3,193	(2,391)
Net foreign exchange gains		2,958	839	2,762	2
Total profit/(loss) for the period/year before income tax	10	50,537	(377,170)	75,810	(358,232)
Income tax (expense)/income		(6,597)	12,265	(12,697)	5,822
Total profit/(loss) for the period/year after income tax		43,940	(364,905)	63,113	(352,410)

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

Condensed Statement of Total Return (cont'd)
Six-month period and year ended 31 December 2021

Note	Group			
	Six-month period ended 31/12/2021 \$'000	Six-month period ended 31/12/2020 \$'000	12-month period ended 31/12/2021 \$'000	12-month period ended 31/12/2020 \$'000
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations, net of tax	3,685	(526)	3,705	(164)
Total comprehensive return for the year	<u>47,625</u>	<u>(365,431)</u>	<u>66,818</u>	<u>(352,574)</u>
Total profit/(loss) for the period/year after income tax attributable to:				
Unitholders of the Trust	42,425	(366,623)	59,908	(355,827)
Perpetual securities holders	1,515	1,718	3,205	3,417
	<u>43,940</u>	<u>(364,905)</u>	<u>63,113</u>	<u>(352,410)</u>
Total return attributable to:				
Unitholders of the Trust	46,110	(366,149)	63,613	(355,991)
Perpetual securities holders	1,515	1,718	3,205	3,417
	<u>47,625</u>	<u>(364,431)</u>	<u>66,818</u>	<u>(352,574)</u>
Earnings per unit in cents				
Basic and diluted	3.73	(42.84) ⁽¹⁾	4.00	(41.38) ⁽¹⁾

(1) The earnings per unit in cents is calculated after taking into consideration the rights issue units.

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

Statement of Distribution
Year ended 31 December 2021

	Group			
	Six-month period ended 31/12/2021 \$'000	Six-month period ended 31/12/2020 \$'000	12-month period ended 31/12/2021 \$'000	12-month period ended 31/12/2020 \$'000
Amount available for distribution to unitholders at beginning of the period/year	10,520	3,518	6,840	17,169
Total profit/(loss) for the period/year after income tax	43,940	(364,905)	63,113	(352,410)
Adjustments for tax purposes (Note A)	(22,783)	379,920	(21,053)	385,854
Amount available for distribution to unitholders	31,677	18,533	48,900	50,613
Total distribution paid to unitholders	(20,945)	(11,693)	(38,168)	(43,773)
Amount available for distribution to unitholders at end of the period/year	10,732	6,840	10,732	6,840
Distribution per unit (cents)	1.31	1.85	2.61	4.15

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

Statement of Distribution (cont'd)
Year ended 31 December 2021

Note A - Adjustments for tax purposes:

	Note	Group			
		Six-month period ended 31/12/2021 \$'000	Six-month period ended 31/12/2020 \$'000	12-month period ended 31/12/2021 \$'000	12-month period ended 31/12/2020 \$'000
Manager's management fees settled in units		2,415	2,334	4,465	4,679
Change in fair value on investment properties, net of deferred tax		4,991	383,119	4,991	383,119
Adjustment on rental straight lining		(22,703)	–	(22,703)	–
Net fair value (gains)/losses of derivative financial instruments		(1,495)	(1,255)	(3,193)	2,391
Amount reserved for distribution to perpetual securities holders		(1,515)	(1,718)	(3,205)	(3,417)
Foreign exchange adjustment losses/(gains)		(306)	(986)	(168)	(325)
Gains on disposal of an investment property and a subsidiary		(2,713)	–	(2,713)	–
Other non-tax deductible items and adjustments		(1,457)	(1,574)	1,473	(593)
		<u>(22,783)</u>	<u>379,920</u>	<u>(21,053)</u>	<u>385,854</u>

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

Condensed Statements of Movements in Unitholders' Funds
Year ended 31 December 2021

	Note	Group		Trust	
		31/12/2021 \$'000	31/12/2020 \$'000	31/12/2021 \$'000	31/12/2020 \$'000
OPERATIONS					
Balance at beginning of the financial year		403,092	794,836	170,064	288,018
Total return attributable to unitholders of the Trust		63,113	(352,410)	50,095	(78,784)
UNITHOLDERS' TRANSACTIONS					
Proceeds from rights issue, net of related costs		157,702	–	157,702	–
Manager's management fees settled in units		4,906	8,020	4,906	8,020
Change in net assets resulting from creation of units		162,608	8,020	162,608	8,020
Amount reserved for distribution to perpetual securities holders		(3,205)	(3,417)	(3,205)	(3,417)
Distributions to unitholders		(38,168)	(43,773)	(38,168)	(43,773)
Net increase/(decrease) in net assets resulting from unitholders' transactions		121,235	(39,170)	121,235	(39,170)
FOREIGN EXCHANGE RESERVE					
Net movement in other comprehensive income		3,705	(164)	–	–
Balance at end of the financial year		591,145	403,092	341,394	170,064

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

Condensed Statements of Movements in Unitholders' Funds (cont'd)
Year ended 31 December 2021

	Note	Group		Trust	
		31/12/2021 \$'000	31/12/2020 \$'000	31/12/2021 \$'000	31/12/2020 \$'000
PERPETUAL SECURITIES					
Balance at beginning of the financial year		60,878	60,878	60,878	60,878
Amount reserved for distribution to perpetual securities holders		3,205	3,417	3,205	3,417
Distribution to perpetual securities holders		(3,408)	(3,417)	(3,408)	(3,417)
Balance at the end of the financial year		60,675	60,878	60,675	60,878
Total		651,820	463,970	402,069	230,942

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

Condensed Statements of Cash Flows
Year ended 31 December 2021

	Group	
	12 months ended 31/12/2021 \$'000	12 months ended 31/12/2020 \$'000
Cash flows from operating activities		
Total profit/(loss) for the year after income tax	63,113	(352,410)
Adjustments for:		
Interest income	(146)	(1,436)
Interest expense	11,819	14,713
Depreciation expenses	13	14
Amortisation of transaction costs	5,216	3,113
Impairment losses on trade receivables	632	-
Net fair value losses on investment properties	4,520	401,387
Net foreign exchange adjustment losses/(gains)	-	(325)
Losses on disposal of quoted shares	3	6
Adjustment on rental straight-lining	(22,703)	-
Net fair value (gains)/losses of derivative financial instruments	(3,193)	2,391
Gains on disposal of a subsidiary	(1,106)	-
Gains on disposal of an investment property	(1,607)	-
Manager's management fees settled in units	4,465	2,750
Income tax expenses/(income)	12,697	(5,822)
Operating cash flows before changes in working capital	73,723	64,381
Trade and other receivables	5,539	3,770
Other non-financial assets	(2,492)	2,144
Trade and other payables	(3,182)	6,762
Other non-financial liabilities	(2,963)	(12,936)
Net cash flows from operating activities	70,625	64,121
Income taxes paid	(4,421)	(13,721)
Net cash flows from operating activities	66,204	50,400
Cash flows from investing activities		
Additions to investment properties	(662)	(425)
Proceeds from disposal of a subsidiary	40	-
Proceed from disposal of an investment property	6,114	-
Interest received	126	1,451
Investments in quoted shares	(570)	(268)
Disposals of quoted shares	567	262
Net cash flows from investing activities	5,615	1,020
Cash flows from financing activities		
Distribution to unitholders	(38,168)	(43,773)
Proceeds from rights issue, net of related costs	157,702	-
Proceeds from borrowings	252,374	-
Payment of transaction costs related to borrowings	(4,779)	-
Repayment of borrowings	(393,152)	-
Interest paid	(10,646)	(17,918)
Distribution to perpetual securities holders	(3,408)	(3,417)
Net cash flows used in financing activities	(40,077)	(65,108)
Net increase/(decrease) in cash and cash equivalents	31,742	(13,688)
Cash and cash equivalents at beginning of the year	19,292	32,980
Effect of exchange rate fluctuations on cash held	169	-
Cash and cash equivalents at 31 December	51,203	19,292

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

Condensed Statements of Cash Flows (cont'd)
Year ended 31 December 2021

Significant non-cash transactions

Group

There were units issued as settlement of the Manager's management fees:

- For the period from 1 January 2021 to 31 December 2021, 7,796,253 Units, amounting to approximately \$2,043,000 were issued to the Manager as satisfaction of the management base fee paid to the Manager.
- For the period from 1 January 2020 to 31 December 2020, 5,844,402 Units, amounting to approximately \$2,750,000 were issued to the Manager as satisfaction of the management base fee paid to the Manager.

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

Statements of Portfolio
As at 31 December 2021

	Carrying value as at 31/12/2021 \$'000	Percentage of net assets attributable to unitholders as at 31/12/2021 %	Carrying value as at 31/12/2020 \$'000	Percentage of net assets attributable to unitholders as at 31/12/2020 %
Group				
Investment properties in Indonesia	929,247	157.19	901,771	223.70
Investment properties in Singapore	33,200	5.62	33,800	8.39
Investment property in South Korea	–	–	4,099	1.02
Portfolio of investment properties at valuation – total	962,447	162.81	939,670	233.11
Other net liabilities	(310,627)	(52.55)	(475,700)	(118.01)
Net assets attributable to holders	651,820	110.26	463,970	115.10
Perpetual securities	(60,675)	(10.26)	(60,878)	(15.10)
Net assets attributable to unitholders	591,145	100.00	403,092	100.00
Trust				
Investment properties in Singapore	33,200	9.72	33,800	19.87
Portfolio of investment properties at valuation – total	33,200	9.72	33,800	19.87
Investments in subsidiaries	669,173	196.01	661,867	389.19
Other net liabilities	(300,304)	(87.96)	(464,725)	(273.26)
Net assets attributable to holders	402,069	117.77	230,942	135.80
Perpetual securities	(60,675)	(17.77)	(60,878)	(35.80)
Net assets attributable to unitholders	341,394	100.00	170,064	100.00

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

Statements of Portfolio (cont'd)
As at 31 December 2021

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 meters	Carrying value as at 31/12/2021 \$	Percentage of net assets attributable to unitholders as at 31/12/2021 %	Carrying value as at 31/12/2020 \$	Percentage of net assets attributable to unitholders as at 31/12/2020 %
<u>Singapore</u>					
Pacific Healthcare Nursing Home @ Bukit Merah 6 Lengkok Bahru, Singapore 159051 11 April 2007, Nursing Home 30 years leasehold from 2002 10+10 years/ 6 years	3,593	8,800	1.49	9,100	2.26
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/ 6 years	3,563	9,200	1.56	9,400	2.33
The Lantor Residence 51 Lantor Avenue, Singapore 786876 8 June 2007, Nursing Home 99 years leasehold from 1938 10+10 years/ 16 years	4,005	15,200	2.57	15,300	3.80
Portfolio of Investment Properties held by the Trust at Valuation – Sub-total		33,200	5.62	33,800	8.39

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

Statements of Portfolio (cont'd)
As at 31 December 2021

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 meters	Carrying value as at 31/12/2021 \$	Percentage of net assets attributable to unitholders as at 31/12/2021 %	Carrying value as at 31/12/2020 \$	Percentage of net assets attributable to unitholders as at 31/12/2020 %
Indonesia					
Siloam Hospitals Lippo Village Jalan Siloam No. 6 Lippo Karawaci 1600, Tangerang, Banten, Indonesia 11 December 2006, Hospital Hak Guna Bangunan ("HGB") 15+15 years/ 29 years	32,696	172,782	29.23	164,008	40.69
Siloam Hospitals Kebon Jeruk Jalan Raya Perjuangan Kav. 8 Kebon Jeruk, West Jakarta 11530, Indonesia 11 December 2006, Hospital HGB 15+15 years/ 29 years	20,268	77,784	13.16	73,800	18.31
Siloam Hospitals Surabaya Jalan Raya Gubeng No. 70, Gubeng Surabaya, East Java, 60281, Indonesia 11 December 2006, Hospital HGB 15+15 years/ 29 years	9,065	40,868	6.91	40,266	9.99
Imperial Aryaduta Hotel & Country Club Jalan Boulevard Jendral Sudirman, Kav. 401, Lippo Village 1300, Tangerang, Banten, Indonesia 11 December 2006, Hotel & Country Club HGB 1 year 21 days + 1 year/2 years	17,926	32,240	5.45	41,400	10.27

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

Statements of Portfolio (cont'd)
As at 31 December 2021

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 meters	Carrying value as at 31/12/2021 \$	Percentage of net assets attributable to unitholders as at 31/12/2021 %	Carrying value as at 31/12/2020 \$	Percentage of net assets attributable to unitholders as at 31/12/2020 %
Indonesia (cont'd)					
Mochtar Riady Comprehensive Cancer Centre Jalan Garnisun Dalam No. 2-3, Semanggi, Central Jakarta 12930, Indonesia 30 December 2010, Hospital HGB 15+15 years/ 29 years	37,933	133,650	22.61	126,859	31.47
Siloam Hospitals Lippo Cikarang Jalan Mohammad Husni Thamrin Kav. 105, Lippo Cikarang, Bekasi, Indonesia 17550 31 December 2010, Hospital HGB 15+15 years/ 19 years	13,256	49,800	8.42	49,800	12.35
Siloam Hospitals Manado & Hotel Aryaduta Manado Jalan Sam Ratulangi No. 22, Komplek Boulevard Center and Jalan Piere Tendean No. 1, Manado, North Sulawesi Indonesia 95111 Siloam Hospitals Manado 30 November 2012, Hospital HGB 15+15 years/ 29 years Hotel Aryaduta Manado 30 November 2012, Hotel HGB 15+15 years/21 years	36,051	79,617	13.47	77,460	19.22

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

Statements of Portfolio (cont'd)
As at 31 December 2021

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 meters	Carrying value as at 31/12/2021 \$	Percentage of net assets attributable to unitholders as at 31/12/2021 %	Carrying value as at 31/12/2020 \$	Percentage of net assets attributable to unitholders as at 31/12/2020 %
Indonesia (cont'd)					
Siloam Hospitals Makassar Jalan Metro Tanjung Bunga Kav 3-5, Makassar City, South Sulawesi, Indonesia 30 November 2012, Hospital HGB 15+15 years/ 29 years	14,307	69,563	11.77	66,024	16.38
Siloam Hospitals Bali Jalan Sunset Road No. 818, Kuta, Badung, Bali, Indonesia 13 May 2013, Hospital HGB 15+15 years/ 29 years	20,958	66,382	11.23	63,006	15.63
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/ 29 years	18,605	44,178	7.47	41,931	10.40
Siloam Hospitals Purwakarta Jalan Raya Bungursari No. 1, Purwakarta, West Java, Indonesia 28 May 2014, Hospital HGB 15+15 years/ 29 years	8,254	24,038	4.07	22,910	5.68

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

Statements of Portfolio (cont'd)
As at 31 December 2021

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 meters	Carrying value as at 31/12/2021 \$	Percentage of net assets attributable to unitholders as at 31/12/2021 %	Carrying value as at 31/12/2020 \$	Percentage of net assets attributable to unitholders as at 31/12/2020 %
Indonesia (cont'd)					
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/ 29 years	15,709	25,527	4.32	24,687	6.12
Siloam Hospitals Kupang & Lippo Plaza Kupang Jalan Veteran, No. 4, Arena Pameran Fatululi, Kupang, East Nusa Tenggara, Indonesia	55,368	53,977	9.13	53,459	13.26
Siloam Hospitals Kupang 14 December 2015, Hospital & Mall Build, Operate and Transfer ("BOT") scheme 15+15 years/ 29 years					
Lippo Plaza Kupang 14 December 2015, Mall BOT scheme 15+15 years/24 years					
Siloam Hospitals Labuan Bajo Jalan Gabriel Gampur, Labuan Bajo, East Nusa Tenggara, Indonesia 30 December 2016, Hospital HGB 15+15 years/ 29 years	7,604	12,002	2.03	11,178	2.77

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

Statements of Portfolio (cont'd)
As at 31 December 2021

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 meters	Carrying value as at 31/12/2021 \$	Percentage of net assets attributable to unitholders as at 31/12/2021 %	Carrying value as at 31/12/2020 \$	Percentage of net assets attributable to unitholders as at 31/12/2020 %
Indonesia (cont'd)					
Siloam Hospitals Buton & Lippo Plaza Buton Jalan Sultan Hasanuddin No. 50, 52, 54 and 58 Bau Bau, Sulawesi Tenggara, Indonesia	21,934	25,688	4.34	24,909	6.18
Siloam Hospitals Buton 10 October 2017, Hospital Build, Operate and Transfer ("BOT") scheme 15+15 years/ 29 years					
Lippo Plaza Buton 10 October 2017, Mall BOT scheme 15+15 years/26 years					
Siloam Hospitals Yogyakarta Jalan Laksda Adi Sucipto No. 32-34 Yogyakarta, Indonesia	12,474	21,151	3.58	20,074	4.98
22 December 2017, Hospital HGB 15+15 years/ 29 years					
South Korea					
Sarang Hospital No. 9 Bongsannam 3 rd Street, Yeosu City, Jeonranam-Do, South Korea	4,982	—	—	4,099	1.02
5 August 2011, Hospital Freehold 10+10 years/ NIL ⁽¹⁾					
Portfolio of Investment Properties held by the Group at Valuation – Total		962,447	162.81	939,670	233.11

Note 1: Sarang Hospital was divested in August 2021.

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

Notes:

- (a): This refers to the entire tenure of the master lease terms on the basis that the underlying HGB Titles of each of the properties can be extended and renewed, 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): This refers to the remaining tenure of the master lease terms as at 31 December 2021 on the basis that the underlying HGB Titles of each of the properties can be extended and renewed, except for Siloam Sriwijaya which is held on a strata title basis under BOT scheme, and Siloam Hospitals Kupang & Lippo Plaza Kupang and Siloam Hospitals Buton & Lippo Plaza Buton which are under BOT schemes.

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

(a) 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) 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.

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

Notes to the interim financial statements

These notes form an integral part of the financial statements.

1 General

First Real Estate Investment Trust and its Subsidiaries (the “Trust”) is a Singapore-domiciled unit trust constituted pursuant to 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, Supplemental Deed of Retirement and Appointment of Trustee dated 1 November 2017, Fifth Supplemental Deed dated 22 May 2018, Sixth Supplemental Deed dated 30 April 2019 and Seventh Supplemental Deed dated 7 April 2020) (the “Trust Deed”) between First REIT Management Limited (formerly known as 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 333 Orchard Road #33-02 Mandarin Orchard Singapore, Singapore 238867.

The consolidated condensed interim financial statements (“Financial Statements”) relate to the Trust and its subsidiaries (the “Group”).

2 Basis of preparation

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 Singapore Accounting Standards Council.

The financial statements do not contain all of the information required for full annual financial statements.

2 Basis of preparation (cont'd)

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.

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 period. 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.

In preparing this financial statements, significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the six-month period and year ended 31 December 2021 and year ended 31 December 2020.

The accounting policies applied by the Group in this financial statements are the same as those applied by the Group in its financial statements as at and for the year ended 31 December 2020, except for adoption of the revised version of RAP 7 and new and revised standards that are effective for annual periods beginning on 1 January 2021. The adoption of these new and revised standards did not have a material impact on the Group's financial statements.

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing this financial statements.

3 Investment properties

	Group		Trust	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
At 1 January	939,670	1,340,780	33,800	34,500
Additions	939	425	90	212
Disposal	(4,219)	–	–	–
Adjustment on rental straight-lining	22,703	–	74	–
Fair value losses recognised in profit or loss	(4,520)	(401,387)	(764)	(912)
Effects of movement in exchange rates	7,874	(148)	–	–
At 31 December	<u>962,447</u>	<u>939,670</u>	<u>33,200</u>	<u>33,800</u>
 Rental income from investment properties	 <u>101,428</u>	 <u>79,316</u>	 <u>4,226</u>	 <u>3,375</u>
 Direct operating expenses (including repairs and maintenance) arising from investment properties that generated rental income during the reporting year	 <u>(2,130)</u>	 <u>(2,154)</u>	 <u>(233)</u>	 <u>(46)</u>

As at 31 December 2021, the fair value of investment properties were determined by external independent valuers having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The independent valuers provide the fair value of the Group's investment property portfolio every year.

The fair values were derived based on the discounted cash flow, capitalisation and/or direct comparison methods. The valuation methods involve certain estimates including those relating to discount rate, terminal capitalisation rate, capitalisation rate and price per square metre. The specific risks inherent in each of the properties are taken into consideration in arriving at the valuations. The valuation technique(s) considered by the valuers for each property is in line with market practices generally adopted in the jurisdiction in which the property is located.

On 19 July 2021, the Group has entered into conditional sale and purchase agreements in relation to the disposal of Sarang Hospital. The divestment was completed in August 2021.

4 Investments in subsidiaries

	Trust	
	2021	2020
	\$'000	\$'000
Movements during the year, at cost:		
At 1 January	661,867	754,569
Redemption of redeemable preference shares	(27,473)	(17,245)
Reversal/(Allowance) for impairment losses	34,779	(75,457)
At 31 December	669,173	661,867
Total cost comprising:		
Unquoted equity shares at cost	414,292	414,292
Redeemable preference shares at cost	303,695	331,168
Allowance for impairment losses	(48,814)	(83,593)
Total at cost	669,173	661,867
Movement in allowance for impairment losses:		
At 1 January	83,593	8,136
Impairment loss (reversal)/allowance	(34,779)	75,457
At 31 December	48,814	83,593

Allowance for impairment loss on investments in subsidiaries

At each reporting date, the Trust carried out impairment assessment of its investments in subsidiaries to assess whether there is any indication of impairment. The Trust evaluates, amongst other factors, the future profitability of the subsidiaries, including factors such as industry performance, operational and financing cash flows. The recoverable amounts were estimated by taking into consideration the net assets of the subsidiaries which comprised predominantly investment properties whose recoverable amounts were estimated using external valuation report. The recoverable amount of the investments could change significantly as a result of the changes in market conditions and the assumptions used in determining the recoverable amount. Based on this assessment, the Trust reversed impairment loss of \$34,779,000 (2020: recognised an impairment loss of \$75,457,000) on its investments in subsidiaries.

5 Trade and other receivables

	Note	Group		Trust	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Trade receivables:					
- Third parties		–	8,169	–	24
- Related parties		1,381	11,678	8	8
Less Impairment allowance		–	(5,050)	–	–
Trade receivables – net		<u>1,381</u>	<u>14,797</u>	<u>8</u>	<u>32</u>
Other receivables:					
- Third parties		361	3,196	265	381
- Subsidiaries		–	–	11,581	10,542
- Related party (a)		30,746	27,035	918	–
Less Impairment allowance		–	–	–	(567)
Other receivables – net		<u>31,107</u>	<u>30,231</u>	<u>12,764</u>	<u>10,356</u>
Total trade and other receivables		<u>32,488</u>	<u>45,028</u>	<u>12,772</u>	<u>10,388</u>

- (a) The amount comprises progress payments made to a related party, PT Saputra Karya (“PT SK”), interest income on progress payments, and professional fees, in relation to the development works of a new Siloam Hospitals Surabaya in prior years. On 7 December 2021, the wholly-owned subsidiary of the Trust, PT Tata Prima Indah (“PT TPI”) has entered into a progress payments settlement agreement with PT Lippo Karawaci TBK (“LPKR”) and PT SK, where PT SK shall make payment to of the amount of the progress payments of IDR281,250,090,000 (equivalent to \$27.0 million) and the interest of IDR28,001,721,252 (equivalent to \$2.7 million) by monthly instalments from January 2022 to June 2022.

In addition, PT TPI has on 7 December 2021 entered into a project expenses settlement agreement with PT SK and the Trustee to make payment to the Trust of the aggregate amount of the project expenses of \$0.9 million incurred by the Trustee on behalf of PT TPI.

5 Trade and other receivables (cont'd)

Movement in allowance for impairment losses in respect of trade and other receivables during the year were as follows:

	Group		Trust	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
At 1 January	(5,050)	(4,324)	(567)	(567)
Impairment losses				
reversed/(recognised)	(632)	(842)	567	–
Utilised	5,682	–	–	–
Effect of movements in				
exchange rates	–	116	–	–
At 31 December	–	(5,050)	–	(567)

The expected credit loss (“ECL”) on the trade receivables are based on the simplified approach to measuring ECL which uses a lifetime ECL allowance approach for all trade receivables recognised from the initial recognition of these assets. The Group has only a few customers, which credit risk can be graded individually and these are recorded at inception net of expected lifetime ECL.

For the few customers with large balances at the end of the reporting year, a loss allowance is recognised if there has been a significant increase in credit risk since initial recognition. At every reporting period, the historical observed default rates are updated and changes in the forward-looking estimates (including the impact of the COVID-19 pandemic) are analysed.

The loss allowance of \$5,050,000 as at 31 December 2020 was due to the receivable from the tenant of Sarang Hospital, which was disposed in August 2021.

6 Borrowings

	Group and Trust	
	2021	2020
	\$'000	\$'000
Current		
Bank loan A (secured)	–	195,345
Bank loan B (secured)	99,258	–
	99,258	195,345
Non-current		
Bank loan A (secured)	–	194,972
Bank loan B (secured)	–	98,688
Bank loan C (secured)	249,953	–
	249,953	293,660
Total	349,211	489,005

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

On 24 December 2020, the Trustee entered into a facility agreement with two of the existing lenders, Oversea-Chinese Banking Corporation Ltd (“OCBC”) and CIMB Bank Berhad (“CIMB”) in respect of a facility of up to \$260 million to partly refinance Bank loan A. In March 2021, the Trust drew down Bank loan C under this \$260 million syndicated secured financing facility. Bank loan C consists of a 2-year Singapore dollar term loan and a 2-year Singapore dollar revolving credit facility loan. The amounts under Bank loan C are due in March 2023.

The Trust has entered into interest rate swaps arrangements to manage the interest rate risk exposure arising from the bank loans with floating rates.

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

Terms and debts repayment schedule

Terms and conditions of outstanding borrowings are as follows:

	Currency	Year of maturity	2021	2020
			\$'000	\$'000
Group and Trust				
Secured bank loan B	SGD	2022	99,258	98,688
Secured bank loan C	SGD	2023	249,953	–
			349,211	98,688

6 Borrowings (cont'd)

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

- 1) Legal mortgage over all the properties of the Group except for Siloam Hospitals Yogyakarta (2020: Sarang Hospitals, 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 Yogyakarta (2020: 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 Yogyakarta (2020: 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 the Trust's Singapore subsidiaries except for Kalmore Investments Pte. Ltd. and Icon1 Holdings Pte. Ltd. (2020: Siloam Hospitals Surabaya and Siloam Hospitals Yogyakarta).
- 5) Charge of all of the Trust's shares in the Singapore subsidiaries and subsidiaries of the Trust's Singapore subsidiaries except for Kalmore Investments Pte. Ltd. and Icon1 Holdings Pte. Ltd. (2020: 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 the Joint-operation company, PT Yogya Central Terpadu (2020: 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 directly and indirectly is at least at 8%.
- 9) OUE Limited's interest in First REIT Management Limited directly and indirectly is at least at 40%.
- 10) OUE Limited's interest in the Trust directly and indirectly is at least at 10%.
- 11) Compliance with certain financial covenants.

7 Perpetual securities

In 2016, the Trust issued \$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. The distribution rate applicable to the perpetual securities in respect of the period from the First Reset Date (being 8 July 2021) to the immediately following reset date (being 8 July 2026) shall be 4.9817%, being the prevailing five-year swap offer rate of 1.0567% per annum with respect to the relevant reset date plus the initial spread of 3.925%, in accordance with the terms and conditions of the perpetual securities.

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. An amount of \$3,205,000 and \$3,417,000 were reserved for distribution to perpetual securities holders for each of the reporting years ended 31 December 2021 and 31 December 2020 respectively. Management has taken the view that as there is no contractual obligation to repay the principal or to pay any distributions, 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.

8 Units in issue

	Note	Group and Trust	
		2021 '000	2020 '000
At 1 January		807,206	797,675
Issuance of new units for rights issue exercise	(a)	791,062	–
Issuance of new units as settlement of the Manager's management fees	(b)	14,760	9,531
At 31 December		<u>1,613,028</u>	<u>807,206</u>

- (a) A total of 791,062,000 (2020: Nil) new units at an issue price of S\$0.20 per unit were issued in respect of the rights issue exercise on 24 February 2021.
- (b) A total of 14,760,000 (2020: 9,531,000) new units at an issue price range from \$0.2358 to \$1.0013 (2020: \$0.4668 to \$1.0013) 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, 3,303,000 (2020: 3,493,000) 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.

The Trust does not hold any treasury units and there is no subsidiary holding as at end of current financial period and as at end of the corresponding period of the immediately preceding financial year.

9 Net assets value attributable to unitholders

	Group		Trust	
	31/12/2021 \$'000	31/12/2020 \$'000	31/12/2021 \$'000	31/12/2020 \$'000
Net assets value attributable to unitholders	<u>591,145</u>	<u>403,092</u>	<u>341,394</u>	<u>170,064</u>
Net assets value per unit (in cents) attributable to unitholders	<u>36.65</u>	<u>49.94</u>	<u>21.16</u>	<u>21.07</u>

9 Net assets value attributable to unitholders (cont'd)

A. Movements in components of unitholders' funds and perpetual securities holders were as follows:

Group	Unitholders' funds			Subtotal \$'000	Perpetual securities \$'000	Total \$'000
	Issued equity \$'000	Retained earnings \$'000	Foreign exchange reserve \$'000			
2021:						
Opening balance at 1 January 2021	353,466	48,510	1,116	403,092	60,878	463,970
Total comprehensive return for the year	–	59,908	3,705	63,613	3,205	66,818
Proceeds from rights issue, net of related costs	157,702	–	–	157,702	–	157,702
Manager's management fees settled in units	4,906	–	–	4,906	–	4,906
Distributions to perpetual securities holders	–	–	–	–	(3,408)	(3,408)
Distributions to unitholders	(34,624)	(3,544)	–	(38,168)	–	(38,168)
Closing balance at 31 December 2021	481,450	104,874	4,821	591,145	60,675	651,820
2020:						
Opening balance at 1 January 2020	368,318	425,238	1,280	794,836	60,878	855,714
Total comprehensive return for the year	–	(355,827)	(164)	(355,991)	3,417	(352,574)
Manager's management fees settled in units	8,020	–	–	8,020	–	8,020
Distributions to perpetual securities holders	–	–	–	–	(3,417)	(3,417)
Distributions to unitholders	(22,872)	(20,901)	–	(43,773)	–	(43,773)
Closing balance at 31 December 2020	353,466	48,510	1,116	403,092	60,878	463,970

9 Net assets value attributable to unitholders (cont'd)

	Unitholders' funds			Perpetual securities \$'000	Total \$'000
	Issued equity \$'000	Accumulated losses \$'000	Subtotal \$'000		
Trust					
2021:					
Opening balance at 1 January 2021	353,466	(183,402)	170,064	60,878	230,942
Total comprehensive return for the year	–	46,890	46,890	3,205	50,095
Proceeds from right issues, net of related costs	157,702	–	157,702	–	157,702
Manager's management fees settled in units	4,906	–	4,906	–	4,906
Distributions to perpetual securities holders	–	–	–	(3,408)	(3,408)
Distributions to unitholders	(34,624)	(3,544)	(38,168)	–	(38,168)
Closing balance at 31 December 2021	481,450	(140,056)	341,394	60,675	402,069
2020:					
Opening balance at 1 January 2020	368,318	(80,300)	288,018	60,878	348,896
Total comprehensive return for the year	–	(82,201)	(82,201)	3,417	(78,784)
Manager's management fees settled in units	8,020	–	8,020	–	8,020
Distributions to perpetual securities holders	–	–	–	(3,417)	(3,417)
Distributions to unitholders	(22,872)	(20,901)	(43,773)	–	(43,773)
Closing balance at 31 December 2020	353,466	(183,402)	170,064	60,878	230,942

10 Total profit/(loss) for the period/year before income tax

	Group			
	Six-month period ended 31/12/2021 \$'000	Six-month period ended 31/12/2020 \$'000	12-month period ended 31/12/2021 \$'000	12-month period ended 31/12/2020 \$'000
Property tax expense	107	–	202	–
Valuation expenses	138	108	320	242
Professional fees	391	451	747	860
Impairment allowance on trade and other receivables	–	418	632	842
Others	173	107	229	210
Property operating expenses	809	1,084	2,130	2,154
Base fees	2,095	2,701	4,145	5,552
Performance fees	3,085	1,981	4,965	3,858
Manager's management fees	5,180	4,682	9,110	9,410
Interest expense	5,782	6,376	11,819	14,713
Amortisation of transaction costs	2,751	1,535	5,216	3,113
Finance costs	8,533	7,911	17,035	17,826
Handling and processing fees	169	127	274	287
Professional fees	423	220	766	455
Project expenses	238	4,575	965	4,795
Others	107	96	239	168
Total other expenses	937	5,018	2,244	5,705

11 Earnings per unit

The following table illustrates the numerators and denominators used to calculate basic and diluted earnings per unit which has no par value:

	Group			
	Six-month period ended 31/12/2021 \$'000	Six-month period ended 31/12/2020 \$'000	12-month period ended 31/12/2021 \$'000	12-month period ended 31/12/2020 \$'000
Denominator: Weighted average number of units outstanding during the period/year ('000)	1,138,144	804,930	1,499,382	802,634
Numerator: Profit/(Loss) attributable to unitholders Total profit/ (loss) after income tax (\$'000)	42,425	(366,623)	59,908	(355,827)
Earnings per unit (in cents) Basic and diluted	3.73	(42.84) ¹	4.00	(41.38) ¹

Note:

¹ With the completion of the issuance of rights units on 24 February 2021, prior year comparatives for earnings per unit were restated through retrospective application of a bonus factor to the average weighted number of units. The bonus factor is derived from the division of fair value per unit immediately before the exercise of rights by the theoretical ex-rights fair value.

12 Financial ratios

	Group			
	Six-month period ended 31/12/2021	Six-month period ended 31/12/2020	12-month period ended 31/12/2021	12-month period ended 31/12/2020
Expenses to average net assets attributable to unitholders ratio - excluding performance related fees ⁽¹⁾	0.04%	1.20%	0.79%	1.95%
Expenses to average net assets attributable to unitholders ratio - including performance related fees ⁽¹⁾	0.57%	1.53%	1.79%	2.59%
Portfolio turnover ratio ⁽²⁾	5.74%	N/M	2.78%	N/M
Total operating expenses (\$'000) ⁽³⁾	4,125	10,148	11,033	11,864
Total operating expenses to net asset value ratio ⁽³⁾	(0.42%)	5.56%	(0.28%)	2.94%

⁽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 period/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 16 April 2020 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 during the financial year ended 31 December 2020.

13 Operating segments

Information about reportable segment profit or loss and assets

The Group is engaged in a single business of investing in investment properties in the healthcare and/or healthcare related sector. As at 31 December 2021, the Group had two (2020: three) reportable operating segments: Indonesia operations and Singapore operations.

	Indonesia \$'000	Singapore \$'000	South Korea \$'000	Total \$'000
1 July 2021 to 31 December 2021				
Profit or loss reconciliation				
Rental and other income	60,221	3,099	93	63,413
Net property income and other income	59,766	2,746	92	62,604
Interest income	77	17	–	94
Manager's management fees				(5,180)
Trustee fees				(157)
Finance costs	–	(8,533)	–	(8,533)
Other expenses				(937)
Net income before the undernoted				47,891
Net fair value losses on investment properties	(3,756)	(764)	–	(4,520)
Gains on disposal of an investment property	–	–	1,607	1,607
Gains on disposal of a subsidiary	–	–	1,106	1,106
Net fair value gains of derivative financial instruments				1,495
Net foreign exchange gains				2,958
Total profit before income tax				50,537
Income tax expense	(6,597)	–	–	(6,597)
Total profit after income tax				43,940
Assets				
Segment assets including investment properties	975,284	74,251	–	1,049,535
Total assets				1,049,535

13 Operating segments (cont'd)

	Indonesia \$'000	Singapore \$'000	South Korea \$'000	Total \$'000
1 July 2020 to 31 December 2020				
Profit or loss reconciliation				
Rental and other income	38,182	2,355	484	41,021
Impairment allowance on trade receivables	–	–	(418)	(418)
Net property income and other income	37,734	2,201	2	39,937
Interest income	–	–	–	–
Manager's management fees				(4,682)
Trustee fees				(203)
Finance costs	–	(7,911)	–	(7,911)
Other expenses				(5,018)
Net income before the undernoted				22,123
Net fair value losses on investment properties	(396,641)	(912)	(3,834)	(401,387)
Net fair value gains of derivative financial instruments				1,255
Net foreign exchange gains				839
Total loss before income tax				(377,170)
Income tax income/(expenses)	13,404	(1,467)	328	12,265
Total loss after income tax				(364,905)
Assets				
Segment assets including investment properties	953,431	45,102	6,375	1,004,908
Total assets				1,004,908

13 Operating segments (cont'd)

	Indonesia \$'000	Singapore \$'000	South Korea \$'000	Total \$'000
From 1 January 2021 to 31 December 2021				
Profit or loss reconciliation				
Rental and other income	96,631	5,144	571	102,346
Impairment allowance on trade receivables	–	–	(632)	(632)
Net property income and other income	95,646	4,689	(119)	100,216
Interest income	124	22	–	146
Manager's management fees				(9,110)
Trustee fees				(311)
Finance costs	–	(17,035)	–	(17,035)
Other expenses				(2,244)
Net income before the undernoted				71,662
Net fair value losses on investment properties	(3,756)	(764)	–	(4,520)
Gains on disposal of an investment property	–	–	1,607	1,607
Gains on disposal of a subsidiary	–	–	1,106	1,106
Net fair value gains of derivative financial instruments				3,193
Net foreign exchange gains				2,762
Total profit before income tax				75,810
Income tax expense	(12,697)	–	–	(12,697)
Total profit after income tax				63,113
Assets				
Segment assets including investment properties	975,284	74,251	–	1,049,535
Total assets				1,049,535

13 Operating segments (cont'd)

	Indonesia \$'000	Singapore \$'000	South Korea \$'000	Total \$'000
From 1 January 2020 to 31 December 2020				
Profit or loss reconciliation				
Rental and other income	75,129	3,678	812	79,619
Impairment allowance on trade receivables	–	–	(842)	(842)
Net property income and other income	74,249	3,353	(137)	77,465
Interest income	1,345	91	–	1,436
Manager's management fees				(9,410)
Trustee fees				(416)
Finance costs	–	(17,826)	–	(17,826)
Other expenses				(5,705)
Net income before the undernoted				45,544
Net fair value losses on investment properties	(396,641)	(912)	(3,834)	(401,387)
Net fair value losses of derivative financial instruments				(2,391)
Net foreign exchange gains				2
Total loss before income tax				(358,232)
Income tax income/(expense)	6,961	(1,467)	328	5,822
Total loss after income tax				(352,410)
Assets				
Segment assets including investment properties	953,431	45,102	6,375	1,004,908
Total assets				1,004,908

Income are attributed to countries on the basis of the location of the investment properties. The non-current assets comprises of mainly investment properties which 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 \$90,807,000 and \$96,639,000 (2020: \$65,413,000 and \$75,128,000) respectively.

14 Financial assets and financial liabilities

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value:

Group	Fair value – hedging instruments \$'000	Financial assets at amortised cost \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2021								
Financial liabilities measured at fair value								
Derivative financial instruments								
– interest rate swaps	(673)	–	–	(673)	–	(673)	–	(673)
2020								
Financial liabilities measured at fair value								
Derivative financial instruments								
– interest rate swaps	(3,866)	–	–	(3,866)	–	(3,866)	–	(3,866)

14 Financial assets and financial liabilities (cont'd)

	Fair value – hedging instruments \$'000	Financial assets at amortised cost \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Trust								
2021								
Financial liabilities measured at fair value								
Derivative financial instruments								
– interest rate swaps	(673)	–	–	(673)	–	(673)	–	(673)
2020								
Financial liabilities measured at fair value								
Derivative financial instruments								
– interest rate swaps	(3,866)	–	–	(3,866)	–	(3,866)	–	(3,866)

Other Information Required by Listing Rule Appendix 7.2

Explanatory Notes

A. Statement of Financial Position (Please refer to Pages FS1 – FS2)

1. Other Financial liabilities

The decrease from \$489.0 million to \$349.2 million is mainly due to net partial repayment of S\$140.1 million bank loan upon maturity in March 2021. The current bank loan as at 31 December 2020 has been refinanced by a new bank loan facility entered by the Trust with Oversea-Chinese Banking Corporation Limited and CIMB Bank Berhad, Singapore Branch, which was drawn down on 1 March 2021.

B. Statement of Total Return

		Group		
		Full Year		
Note		31 Dec 2021	31 Dec 2020	Change
		S\$'000	S\$'000	%
	Rental and other income	102,346	79,619	28.5%
	Property operating expenses	(2,130)	(2,154)	1.1%
	Net property and other income	100,216	77,465	29.4%
	Interest income	146	1,436	(89.8%)
	Manager's management fees	(9,110)	(9,410)	3.2%
	Trustee fees	(311)	(416)	25.2%
	Finance costs	(17,035)	(17,826)	4.4%
	Other expenses	(2,244)	(5,705)	60.7%
	Net income before the undernoted	71,662	45,544	57.3%
	Net fair value losses on investment properties	(4,520)	(401,387)	98.9%
	Gains on disposal of an investment property	1,607	–	NM
	Gains on disposal of a subsidiary	1,106	–	NM
	Net fair value gains/(losses) of derivative financial instruments	3,193	(2,391)	NM
	Foreign exchange gains	2,762	2	NM
	Total return for the year before income tax	75,810	(358,232)	NM
	Income tax (expense)/income	(12,697)	5,822	NM
	Total return for the year after income tax	63,113	(352,410)	NM
	Other comprehensive income:			
	Items that may be reclassified subsequently to profit or loss:			
	Exchange differences on translating foreign operations, net of tax	3,705	(164)	NM
	Total comprehensive return for the period	66,818	(352,574)	NM
	Total return attributable to:			
	Unitholders of the Trust	59,908	(355,827)	NM
	Perpetual securities holders	3,205	3,417	(6.2%)
		63,113	(352,410)	NM

Note: NM – Not meaningful

Other Information Required by Listing Rule Appendix 7.2 (Cont'd)

C. Statement of Total Return

1. Rental and other income for FY2021 increased by 28.5% to \$102.3 million compared to FY2020 mainly due to accounting treatment under FRS116 – Lease, the rental income from the restructured master lease agreements with minimum 4.5% annual escalation, was recognised on a straight-line basis for the entire lease term.
2. Finance costs for FY2021 decreased by 4.4% to \$17.0 million compared to FY2020 mainly due to partial repayment of bank loans upon their maturity in March 2021.
3. Other expense for FY 2021 decreased by 60.7% to \$2.2 million in FY2020 mainly due to the absence of project expenses incurred in FY2020 in relation to Indonesia properties Master Lease Agreement (“MLA”) restructuring and right issues.
4. Net fair value losses on investment properties was lower in FY2021 compared to FY2020. Net fair value losses for FY2020 was due to the MLA restructuring exercise for the Indonesia properties.
5. Gains on disposal of an investment property and a subsidiary arose from the disposal of the South Korea property.
6. Net fair value gains/(losses) of derivative financial instruments for FY2021 relates to the revaluation of interest rate swap contracts.
7. Income tax expense for FY2021 of \$12.7 million as compared to income tax benefit of \$5.8 million for FY2020 mainly due to the write back of provision for deferred taxation on fair value loss on investment properties resulting from master leases restructuring exercise in FY2020.

D. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by our auditors.

E. Where the figures have been audited or reviewed, the auditor’s report (including any qualifications or emphasis of matter)

Not applicable.

Other Information Required by Listing Rule Appendix 7.2 (cont'd)

F. Variance between the forecast or prospectus statement (if disclosed previously) and the actual results

First REIT has not disclosed any forecast to the market.

The results for this year are in line with the commentary made in paragraph 10 of FY 2021 half year result announcement.

G. Commentary on the competitive conditions of the industry

According to Bank Indonesia, the growth forecast for Indonesia's gross domestic product ("GDP") is expected to expand between 3.2% and 4.0% for 2021 and between 4.7% and 5.5% for 2022.¹ Domestic consumption and production have returned to pre-pandemic levels in the fourth quarter of 2021, even though Indonesia's economic recovery was affected by a new wave of COVID-19 infections from July to September. Annual inflation reached an 18-month high in December at 1.87%² with Bank Indonesia maintaining its key interest rate at a record low of 3.5% in November 2021³ in a bid to provide liquidity flush in the economy, and keep the Rupiah currency stable.

As the highly transmissible Omicron variant of the virus started to spread in December 2021, Indonesia has continued to step up its efforts in the fight against COVID-19 on all fronts including diagnostics, testing, tracing, treatment, activity restrictions and vaccination. According to Indonesia's Health Ministry, as at 18 January 2022, it has administered more than 300 million doses of vaccines against the COVID-19 virus since the campaign began in 2021. This represents 72.0% of the target of 416.4 million doses which the government is aiming for in order to create "population immunity" against the virus, with 85.3% of the target population having received one dose and 58.1% having been fully vaccinated.⁴

In view of the evolving situation of the pandemic, First REIT's assets continue to operate under strict precautionary measures while the hospitals operated under PT Siloam International Hospitals Tbk are contributing to Indonesia's fight against the pandemic through the provision of testing services and healthcare professionals to assist in vaccination. Overall, private healthcare demand continues to remain supported over the long term and First REIT will continue to seek accretive prospects from its strong network of healthcare assets from its sponsor group, comprising OUE Limited and OUELH, and also assets from third parties within and outside Asia to boost future growth.

For the Trust's new Japanese market, demand for nursing homes will continue to rise as Japan is poised to become the first "super-aged" nation in the world with a projection that approximately 35.5% of its population to be over the age of 65 by 2040. Additionally, the Japanese society has come to welcome the availability and use of elderly support facilities, driven by factors including long-term care insurance introduced by the government and shrinking household sizes in Japan.

¹ 27 December 2021, Business Times, Indonesia central bank sees 4.7% to 5.5% growth in 2022

² 3 January 2022, Channel NewsAsia, Indonesia inflation at 18-month high in December

³ 18 November 2021, Business Times, Indonesia central bank keeps rates steady to support recovery from pandemic

⁴ 18 January 2022, Jakarta Globe, Indonesia Passes 300 Million Covid-19 Vaccine Doses

Other Information Required by Listing Rule Appendix 7.2 (cont'd)

H. Distributions

(a) Current financial period reported on

Any distributions declared for the current financial period? Yes

Distribution Type

Name of Distribution Distribution for the period from 1 October 2021 to 31 December 2021

i. Distribution Type Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.04
Tax-Exempt Income	0.14
Capital	0.48
Total	0.66

Tax Rate

Taxable Income Distribution

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%.

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

Tax-Exempt Income Distribution

Tax-Exempt Income Distribution is exempt from Singapore income tax in the hands of all unitholders.

Capital Distribution

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 First REIT Units, the amount of capital distribution will be applied to reduce the cost base of their First REIT Units for Singapore income tax purposes.

Other Information Required by Listing Rule Appendix 7.2 (cont'd)

H. Distributions (cont'd)

(b) Corresponding period of the immediately preceding period

Any distributions declared for the corresponding period of the immediate preceding period?
 Yes

Distribution Type

Name of Distribution Distribution for the period from 1 October 2020 to 31 December 2020

i. Distribution Type Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.10
Capital	0.74
Total	0.84

Tax Rate

Taxable Income Distribution

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%.

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

Capital Distribution

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 First REIT Units, the amount of capital distribution will be applied to reduce the cost base of their First REIT Units for Singapore income tax purposes.

Other Information Required by Listing Rule Appendix 7.2 (cont'd)

H. Distributions (cont'd)

- (c) Book closure date: The Transfer Books and Register of Unitholders of First Real Estate Investment Trust will be closed at 5.00p.m. on 21 February 2022 for the purposes of determining each unitholder's entitlement to First REIT's distribution. The ex-distribution date will be on 18 February 2022 at 9.00am.
- (d) Date Payable: 29 March 2022

I. If no distribution has been declared/recommended, a statement to that effect

Not applicable.

J. If no IPT mandate has been obtained, a statement to that effect

First REIT has not obtained a general mandate from unitholders.

K. In the review of the performance, the factors leading to any material changes in contributions to turnover and earnings by the business and geographical segments.

Refer to the review of actual performance on paragraph C.

L. A breakdown of sales as follows:

	31 Dec 2021	31 Dec 2020	Change
	S\$'000	S\$'000	%
Gross revenue reported for first half year	38,933	38,598	0.9%
Total return after income tax for first half year	19,173	12,495	53.4%
Total return after income tax but before change in fair values of investment properties net of deferred tax, net change in fair value of derivative financial instruments and unrealised exchange for first half year	17,613	16,802	4.8%
Gross revenue reported for second half year	63,413	41,021	54.6%
Total return/(loss) after income tax for second half year	43,940	(364,905)	NM
Total return after income tax but before change in fair values of investment properties net of deferred tax, net change in fair value of derivative financial instruments and unrealised exchange for second half year	21,714	15,972	36.0%

Note: NM – Not meaningful

Other Information Required by Listing Rule Appendix 7.2 (cont'd)

- L. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:**

	Latest Full Year	Previous Full Year
	<u>S\$'000</u>	<u>S\$'000</u>
Distribution to unitholders	38,168	43,773

- M. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual, First REIT Management Limited (the "Company"), as manager of First REIT Estate Investment Trust ("First REIT") wishes to confirm that there was no person occupying managerial position in the Company or any of its principal subsidiaries who is a relative of a Director or Chief Executive Officer or Substantial Shareholder of the Company or Substantial Unitholder of First REIT for the financial year ended 31 December 2021.

- N. Certificate pursuant to Paragraph 7.3 of the Property Funds Guidelines**

The Manager hereby certifies that in relation to the distribution to the unitholders of First REIT for the period ended 31 December 2021:

- 1) First REIT will declare a distribution ("Distribution") in excess of its profits (defined as the total return for the period before distribution for the purpose of this certification). The excess is attributed to capital receipts comprising amounts received by First REIT from the redemption of redeemable preference shares in the Singapore special purpose companies ("SPCs") and the shareholder loan repayment by the Singapore SPC.
- 2) The Manager is satisfied on reasonable grounds that, immediately after making the Distribution, First REIT will be able to fulfill, from its deposited properties, its liabilities as they fall due.

The distribution is computed based on the accounts of First REIT for the period ended 31 December 2021 and is verified by our external tax consultant.

First REIT's current distribution policy is to distribute at least 90.0% of its tax-exempt income (after deduction of applicable expenses) and capital receipts.

- O. Confirmation that the Issuer has procured undertakings from all its directors and executive officers under Rule 720(1)**

The Manager does hereby confirms that it has procured undertakings from all the directors and executives.

Other Information Required by Listing Rule Appendix 7.2 (cont'd)

BY ORDER OF THE BOARD OF
FIRST REIT MANAGEMENT LIMITED
(AS MANAGER OF FIRST REAL ESTATE INVESTMENT TRUST)

Tan Kok Mian Victor
Executive Director and Chief Executive Officer
10 February 2022
