



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

## BUSINESS UPDATE FOR 1Q 2022

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 three months ended 31 March 2022 (“**1Q 2022**”).

### 1. Financial Results and Distribution Details

The Manager reported a distribution per unit (“**DPU**”) of 0.66 Singapore cents for 1Q 2022, up 1.5% from 0.65 Singapore cents for the same period a year ago (“**1Q 2021**”). The payment date for 1Q 2022 will be on 24 June 2022.

#### Summary of Financial Results for the period ended 31 March 2022

| (\$'000)                                     | 1Q 2022 | 1Q 2021 | Change (%) |
|--|---------|---------|------------|
| Rental and Other Income <sup>(i)</sup>       | 25,545  | 19,348  | 32.0       |
| Net Property and Other Income <sup>(i)</sup> | 25,150  | 18,644  | 34.9       |
| Distributable Amount <sup>(ii)</sup>         | 11,749  | 10,367  | 13.3       |
| DPU (cents)                                  | 0.66    | 0.65    | 1.5        |
| Annualised DPU (cents)                       | 2.64    | 2.61    | 1.1        |

#### Notes

- (i) Year-on-year (“**y-o-y**”) increase in both Rental and Other Income and Net Property and Other Income were largely due to the one-month maiden contribution from the Japan properties following the completion of their acquisition on 1 March 2022 as well as the accounting treatment under the Financial Reporting Standards (“**FRS**”) 116 Leases. In addition, the increase for Net Property and Other Income for 1Q 2022 was also a result of lower property operating expenses due to the absence of impairment on receivable for Sarang Hospital made in 1Q 2021.
- (ii) Distributable amount included the Manager’s management fees which increased 13.3% to S\$11.7 million due to higher total assets as a result of the completion of the 12 Japan nursing homes (the “**Japan Properties**”) as announced on 1 March 2022, higher net property income from the Japan Properties and recognition of the FRS 116 rental straight lining adjustments for the Indonesia hospital properties and Singapore properties.

## Business Update

Further to the announcement made on 8 December 2021 on the proposed acquisition of the 12 Japan Properties, the Trust announced on 1 March 2022 the successful completion of the acquisition of the well-established freehold nursing homes for an agreed purchase price of JPY 24.2 billion. Successfully taking its first step of the First REIT 2.0 Growth Strategy to expand into developed markets and diversify geographical risk, the acquisition is First REIT's maiden entry into a high growth market underpinned by rapid ageing demographics and positive reception for eldercare facilities in Japan.

In conjunction with the announcement, the settlement for the terminated development works agreement over the construction of a new hospital in Surabaya for approximately S\$30.6 million also came into effect, with full settlement expected by 30 June 2022.

In April 2022, the Trust successfully priced Singapore's first healthcare social bond, aligning to its newly established Social Finance Framework which ties financing to achieving specific social benefit outcomes with the United Nations Sustainability Development Goals. With a credit guarantee from the Credit Guarantee and Investment Facility ("**CGIF**"), a trust fund of the Asian Development Bank, the launch also marked the first time CGIF is providing a guarantee for a social bond issued within the Singapore real estate investment trust market and the Singapore debt market in general. The five-year guaranteed bond at S\$100 million of 3.25%, issued on 7 April 2022, is payable semi-annually in arrears.

## 2. Outlook

Following a decline in COVID-19 cases in Indonesia, the government eased some restrictions at the start of the Ramadan period and lifted quarantine requirements for overseas travellers<sup>1</sup>. However, the government continues to employ its four-level public activity restrictions system (PPKM) to implement domestic COVID-19 controls, to ensure no sudden spike in cases<sup>2</sup>.

The Trust's Indonesia hospital operator, PT Siloam International Hospitals Tbk ("**Siloam**") reported stable quarter-on-quarter performance for its first quarter 2022 results despite the impact of the Omicron variant which peaked in February 2022, according to Siloam's results announcement on 27 April 2022.

With stabilising COVID-19 situation in Japan, the government has been gradually easing its rules on border controls. Since April 2022, it started to allow up to 10,000 non-tourists per day entry into the country and now it is looking to further ease border controls in June.<sup>3</sup>

In Singapore, the government has taken decisive steps in living with COVID-19. In April 2022, it reopened its borders to all fully vaccinated travellers as well as eased restrictions in Singapore where there are no restrictions on social gatherings and optional to wear masks outdoors, among others.<sup>4</sup>

The Trust's nursing homes in Japan and Singapore continue to enjoy high occupancy rates with safety measures in place to ensure the health and safety of their residents.

With improving operating environment and stabilising COVID-19 situation, First REIT remains confident of the resilient healthcare market in Indonesia, Japan as well as Singapore. It will continue to harness its 2.0 Growth Strategy to stabilise the Trust's performance and maximise returns for Unitholders.

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<sup>1</sup> 23 March 2022, Business Times - Indonesia scraps travel quarantine, eases curbs on Ramadan traditions

<sup>2</sup> 6 April 2022, Crisis24 - Indonesia: Authorities ease COVID-19 international entry restrictions as of April 7

<sup>3</sup> 6 May 2022, Kyodo News - Japan to ease COVID border controls like G-7 states in June: Kishida

<sup>4</sup> 24 March 2022, CNA - Singapore to reopen borders to all fully vaccinated travellers on Apr 1; existing VTLs will be retired

### 3. Distribution Details

| <b>Summary of Distribution Details</b>                     |   |
|--|---|
| <b>Distribution before issuance of consideration units</b> |   |
| Distribution   | 1 January 2022 to 28 February 2022  |
| Distribution type  | (a) Taxable income<br>(b) Tax-exempt income<br>(c) Capital distribution   |
| <b>Distribution rate</b>                                   | Total: 0.43 cents per unit<br>(a) Taxable income distribution: 0.03 cents per unit<br>(b) Tax-exempt income: 0.06 cents per unit<br>(c) Capital distribution: 0.34 cents per unit |
| <b>Distribution after issuance of consideration units</b>  |   |
| Distribution   | 1 March 2022 to 31 March 2022   |
| Distribution rate  | Total: 0.23 cents per unit<br>(a) Taxable income distribution: 0.01 cents per unit<br>(b) Tax-exempt income: 0.04 cents per unit<br>(c) Capital distribution: 0.18 cents per unit |
| Ex-dividend date   | 17 May 2022 at 9.00 am  |
| Book closure date  | 18 May 2022 at 5.00 pm  |
| Payment date   | 24 June 2022  |

By Order of the Board

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

6 May 2022

## 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, 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.