

**First Real Estate Investment Trust**

**(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 full year ended 31 December 2022

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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”) 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 has a portfolio of 32 properties with 11 hospitals, two integrated hospital & malls, one integrated hospital & hotel and one hotel & country club, located in Indonesia, three nursing homes in Singapore and fourteen nursing homes in Japan.

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 Japan, seven nursing homes are operated by Hikari Heights Varus Co., Ltd, two nursing homes are operated by Safety Life Co., Ltd, three nursing homes are operated by Orchard Care Co., Ltd, one nursing home is operated by Benesse Style Care Co. Ltd and one nursing home is operated by Social Welfare Research Institute Co. 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, Japan, Singapore and the rest of Asia.

## Summary of Results

	Group			Group			
	Six-month period ended			Full Year			
	31 Dec 2022	31 Dec 2021	Change	31 Dec 2022	31 Dec 2021	Change	
	Note	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Rental and other income</b>	1	57,488	63,413	(9.3%)	111,275	102,346	8.7%
<b>Net property and other income</b>	1	55,835	62,604	(10.8%)	108,559	100,216	8.3%
Distributable amount		27,146	21,233	27.8%	52,400	42,120	24.4%
<b>Distribution per unit (cts)</b>	2	1.32	1.31	0.8%	2.64	2.61	1.1%

### Note:

The results for FY 2022 includes contribution from the 12 and two Japan properties which were acquired in March and September 2022 respectively.

- Rental and other income, and net property and other income increased largely attributed to the contribution from Japan properties which were acquired in March and September 2022 and higher rental income from Indonesia and Singapore's properties. The decrease in 2H 2022 rental and other income, net property and other income was mainly due to the full year 2021 straight-lining adjustments of S\$22.7 million were recognised in 2H 2021.
- The DPU payment for the quarters are as follows.

Quarter	DPU (cents)	Paid/ Payable
1Q 2022	0.66	24 June 2022
2Q 2022	0.66	26 September 2022
3Q 2022	0.66	23 December 2022
4Q 2022	0.66	30 March 2023
<b>Total</b>	<b>2.64</b>	

### Distribution Details

<b>Distribution</b>	1 October 2022 to 31 December 2022
<b>Distribution type</b>	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
<b>Distribution rate</b>	Total: 0.66 cents per unit (a) Taxable income: 0.03 cents per unit (b) Tax-exempt income: 0.33 cents per unit (c) Capital distribution: 0.30 cents per unit
<b>Ex-distribution date</b>	21 February 2023 at 9.00 am
<b>Book closure date</b>	22 February 2023 at 5.00 pm
<b>Payment date</b>	30 March 2023

**Condensed Statements of Financial Position**  
**As at 31 December 2022**

	Note	Group		Trust	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Non-current assets</b>					
Plant and equipment		14	28	–	–
Investment properties	3	1,145,343	962,447	32,500	33,200
Investments in subsidiaries	4	–	–	764,149	669,173
Loan to a subsidiary		–	–	19,600	25,465
Derivative financial instruments		1,248	–	1,248	–
		<u>1,146,605</u>	<u>962,475</u>	<u>817,497</u>	<u>727,838</u>
<b>Current assets</b>					
Trade and other receivables	5	5,027	32,488	19,827	12,772
Loan to a subsidiary		–	–	4,191	4,191
Other assets		890	3,369	400	3,120
Cash and cash equivalents		46,103	51,203	20,259	35,137
		<u>52,020</u>	<u>87,060</u>	<u>44,677</u>	<u>55,220</u>
<b>Total assets</b>		<u><u>1,198,625</u></u>	<u><u>1,049,535</u></u>	<u><u>862,174</u></u>	<u><u>783,058</u></u>
<b>Non-current liabilities</b>					
Deferred tax liabilities		50,755	20,601	–	–
Borrowings	6	449,613	249,953	326,313	249,953
Other liabilities		11,704	–	2,038	–
		<u>512,072</u>	<u>270,554</u>	<u>328,351</u>	<u>249,953</u>

**Condensed Statements of Financial Position (cont'd)**  
**As at 31 December 2022**

	Note	Group		Trust	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Current liabilities</b>					
Income tax payable		1,065	1,198	6	–
Trade and other payables		14,994	18,888	70,021	29,002
Borrowings	6	1,453	99,258	–	99,258
Other liabilities		3,186	7,144	106	2,103
Derivative financial instruments		493	673	493	673
		<u>21,191</u>	<u>127,161</u>	<u>70,626</u>	<u>131,036</u>
<b>Total liabilities</b>		<u>533,263</u>	<u>397,715</u>	<u>398,977</u>	<u>380,989</u>
Represented by:					
<b>Net assets value attributable to unitholders</b>					
	8	632,080	591,145	429,915	341,394
Perpetual securities	7	<u>33,282</u>	<u>60,675</u>	<u>33,282</u>	<u>60,675</u>
<b>Total net assets</b>		<u>665,362</u>	<u>651,820</u>	<u>463,197</u>	<u>402,069</u>
<b>Units in issue ('000)</b>	8	<u>2,058,581</u>	<u>1,613,028</u>	<u>2,058,581</u>	<u>1,613,028</u>
<b>Net asset value per unit in cents attributable to unitholders</b>	8	<u>30.70</u>	<u>36.65</u>	<u>20.88</u>	<u>21.16</u>

**Condensed Statements of Total Return**  
**Six-month period and full year ended 31 December 2022**

	Note	Group			
		Six-month period ended 31/12/2022 \$'000	Six-month period ended 31/12/2021 \$'000	12-month period ended 31/12/2022 \$'000	12-month period ended 31/12/2021 \$'000
<b>Rental and other income</b>		57,488	63,413	111,275	102,346
Property operating expenses	9	(1,653)	(809)	(2,716)	(2,130)
<b>Net property and other income</b>		55,835	62,604	108,559	100,216
Interest income		156	94	277	146
Manager's management fees	9	(4,751)	(5,180)	(9,469)	(9,110)
Asset management fees		(552)	–	(908)	–
Trustee fees		(195)	(157)	(378)	(311)
Finance costs	9	(11,037)	(8,533)	(19,434)	(17,035)
Other expenses	9	(777)	(937)	(1,717)	(2,244)
<b>Net income before the undernoted</b>		38,679	47,891	76,930	71,662
Net fair value losses on investment properties	3	(12,905)	(4,520)	(22,651)	(4,520)
Gains on disposal of an investment property		–	1,607	–	1,607
(Loss)/Gains on disposal of a subsidiary	15	(713)	1,106	(713)	1,106
Net fair value (losses)/gains of derivative financial instruments		(1,093)	1,495	(420)	3,193
Foreign exchange (losses)/gains		(494)	2,958	(1,192)	2,762
<b>Total return for the period/year before income tax</b>	12	23,474	50,537	51,954	75,810
Income tax expenses	12	(9,551)	(6,597)	(18,369)	(12,697)
<b>Total return for the period/year after income tax</b>	12	13,923	43,940	33,585	63,113

**Condensed Statements of Total Return (cont'd)**  
**Six-month period and year ended 31 December 2022**

	Note	Group			
		Six-month period ended 31/12/2022 \$'000	Six-month period ended 31/12/2021 \$'000	12-month period ended 31/12/2022 \$'000	12-month period ended 31/12/2021 \$'000
<b>Other comprehensive income:</b>					
<b>Items that may be reclassified subsequently to profit or loss:</b>					
Exchange differences on translating foreign operations, net of tax		(57,886)	3,685	(84,097)	3,705
<b>Total comprehensive return for the period/year</b>		<u>(43,963)</u>	<u>47,625</u>	<u>(50,512)</u>	<u>66,818</u>
<b>Total return for the period/year after income tax attributable to:</b>					
Unitholders of the Trust		12,829	42,425	31,009	59,908
Perpetual securities holders		1,094	1,515	2,576	3,205
		<u>13,923</u>	<u>43,940</u>	<u>33,585</u>	<u>63,113</u>
<b>Total return attributable to:</b>					
Unitholders of the Trust		(45,057)	46,110	(53,088)	63,613
Perpetual securities holders		1,094	1,515	2,576	3,205
		<u>(43,963)</u>	<u>47,625</u>	<u>(50,512)</u>	<u>66,818</u>
<b>Earnings per unit (in cents)</b>					
Basic and diluted	10	<u>0.73</u>	<u>3.73</u>	<u>1.56</u>	<u>4.00</u>



**Statement of Distribution**  
**Six-month period and year ended 31 December 2022**

	<b>Group</b>				
	<b>Note</b>	<b>Six-month period ended 31/12/2022 \$'000</b>	<b>Six-month period ended 31/12/2021 \$'000</b>	<b>12-month period ended 31/12/2022 \$'000</b>	<b>12-month period ended 31/12/2021 \$'000</b>
<b>Amount available for distribution to unitholders at beginning of the period/year</b>		13,506	10,520	10,732	6,840
Total return for the period/year after income tax		13,923	43,940	33,585	63,113
Adjustments for tax purposes (Note A)		13,303	(22,783)	18,765	(21,053)
<b>Amount available for distribution to unitholders</b>		40,732	31,677	63,082	48,900
Total distribution paid to unitholders		(27,139)	(20,945)	(49,489)	(38,168)
<b>Amount available for distribution to unitholders at end of the period/year</b>		13,593	10,732	13,593	10,732
<b>Distribution per unit (cents)</b>		1.32	1.31	2.64	2.61

**Statement of Distribution (cont'd)**  
**Six-month period and year ended 31 December 2022**

Note A - Adjustments for tax purposes:

	Note	Group			
		Six-month period ended 31/12/2022 \$'000	Six-month period ended 31/12/2021 \$'000	12-month period ended 31/12/2022 \$'000	12-month period ended 31/12/2021 \$'000
Manager's management fees settled in units		2,450	2,415	4,712	4,465
Change in fair value on investment properties, net of deferred tax		14,403	4,991	26,209	4,991
Adjustment on rental straight lining		(9,916)	(22,703)	(19,387)	(22,703)
Loss/(Gains) on disposal of an investment property and a subsidiary		713	(2,713)	713	(2,713)
Net fair value loss/(gains) of derivative financial instruments		1,093	(1,495)	420	(3,193)
Foreign exchange adjustment gains		(1,115)	(306)	(924)	(168)
Amount reserved for distribution to perpetual securities holders		(1,094)	(1,515)	(2,576)	(3,205)
Other non-tax deductible items and adjustments		6,769	(1,457)	9,598	1,473
		13,303	(22,783)	18,765	(21,053)

**Condensed Statements of Movements in Unitholders' Funds**  
**As at 31 December 2022**

Group	Note	← Unitholders' funds →			Subtotal \$'000	Perpetual securities \$'000	Total \$'000
		Issued equity \$'000	Retained earnings \$'000	Foreign exchange reserve \$'000			
<b>Operations</b>							
<b>At 1 January 2022</b>		481,450	104,874	4,821	591,145	60,675	651,820
Total return for the year		–	33,585	–	33,585	–	33,585
Less: Amount reserved for distribution to perpetual securities holders		–	(2,576)	–	(2,576)	2,576	–
<b>Net increase in net assets resulting from operations</b>		–	31,009	–	31,009	2,576	33,585
<b>Transactions with unitholders and perpetual securities holders</b>							
Partial consideration for acquisition of subsidiaries paid in units	14	131,500	–	–	131,500	–	131,500
Manager's management fees settled in units		3,952	–	–	3,952	–	3,952
Manager's divestment fees settled in units		202	–	–	202	–	202
Perpetual securities redemption, distribution and gain on redemption, net of transaction costs		–	7,858	–	7,858	(26,980)	(19,122)
Change in net assets resulting from creation of units and perpetual securities redemption		135,654	7,858	–	143,512	(26,980)	116,532
Distributions to unitholders		(30,321)	(19,168)	–	(49,489)	–	(49,489)
Distributions to perpetual securities holders		–	–	–	–	(2,989)	(2,989)
<b>Net increase/(decrease) in net assets resulting from transactions with unitholders and perpetual securities holders</b>		105,333	(11,310)	–	94,023	(29,969)	64,054
<b>Foreign exchange reserve</b>							
Exchange differences on translating foreign operations, net of tax		–	–	(84,097)	(84,097)	–	(84,097)
<b>At 31 December 2022</b>		586,783	124,573	(79,276)	632,080	33,282	665,362

**Condensed Statements of Movements in Unitholders' Funds (cont'd)**  
**As at 31 December 2022**

	← Unitholders' funds →			Subtotal \$'000	Perpetual securities \$'000	Total \$'000
	Issued equity \$'000	Retained earnings \$'000	Foreign exchange reserve \$'000			
<b>Group</b>						
<b>Operations</b>						
<b>At 1 January 2021</b>	353,466	48,510	1,116	403,092	60,878	463,970
Total return for the year	–	63,113	–	63,113	–	63,113
Less: Amount reserved for distribution to perpetual securities holders	–	(3,205)	–	(3,205)	3,205	–
<b>Net increase in net assets resulting from operations</b>	–	59,908	–	59,908	3,205	63,113
<b>Transactions with unitholders and perpetual securities holders</b>						
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
Change in net assets resulting from creation of units	162,608	–	–	162,608	–	162,608
Distributions to unitholders	(34,624)	(3,544)	–	(38,168)	–	(38,168)
Distributions to perpetual securities holders	–	–	–	–	(3,408)	(3,408)
<b>Net increase/(decrease) in net assets resulting from transactions with unitholders and perpetual securities holders</b>	127,984	(3,544)	–	124,440	(3,408)	121,032
<b>Foreign exchange reserve</b>						
Exchange differences on translating foreign operations, net of tax	–	–	3,705	3,705	–	3,705
<b>At 31 December 2021</b>	481,450	104,874	4,821	591,145	60,675	651,820

**Condensed Statements of Movements in Unitholders' Funds (cont'd)**  
**As at 31 December 2022**

	Note	← Unitholders' funds →			Perpetual securities \$'000	Total \$'000
		Issued equity \$'000	Accumulated losses \$'000	Subtotal \$'000		
<b>Trust</b>						
<b>Operations</b>						
<b>At 1 January 2022</b>		481,450	(140,056)	341,394	60,675	402,069
Total return for the year		–	(2,926)	(2,926)	–	(2,926)
Less: Amount reserved for distribution to perpetual securities holders		–	(2,576)	(2,576)	2,576	–
<b>Net decrease in net assets resulting from operations</b>		–	(5,502)	(5,502)	2,576	(2,926)
<b>Transactions with unitholders and perpetual securities holders</b>						
Partial consideration for acquisition of subsidiaries paid in units	14	131,500	–	131,500	–	131,500
Manager's management fees settled in units		3,952	–	3,952	–	3,952
Manager's divestment fees settled in units		202	–	202	–	202
Perpetual securities redemption, distribution and gain on redemption, net of transaction costs		–	7,858	7,858	(26,980)	(19,122)
Change in net assets resulting from creation of units and perpetual securities redemption		135,654	7,858	143,512	(26,980)	116,532
Distributions to unitholders		(30,321)	(19,168)	(49,489)	–	(49,489)
Distributions to perpetual securities holders		–	–	–	(2,989)	(2,989)
<b>Net increase/(decrease) in net assets resulting from transactions with unitholders and perpetual securities holders</b>		105,333	(11,310)	94,023	(29,969)	64,054
<b>At 31 December 2022</b>		586,783	(156,868)	429,915	33,282	463,197

**Condensed Statements of Movements in Unitholders' Funds (cont'd)**  
**As at 31 December 2022**

	← Unitholders' funds →			Perpetual securities \$'000	Total \$'000
	Issued equity \$'000	Accumulated losses \$'000	Subtotal \$'000		
<b>Trust</b>					
<b>Operations</b>					
<b>At 1 January 2021</b>	353,466	(183,402)	170,064	60,878	230,942
Total return for the year	–	50,095	50,095	–	50,095
Less: Amount reserved for distribution to perpetual securities holders	–	(3,205)	(3,205)	3,205	–
<b>Net increase in net assets resulting from operations</b>	–	46,890	46,890	3,205	50,095
<b>Transactions with unitholders and perpetual securities holders</b>					
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
Change in net assets resulting from creation of units	162,608	–	162,608	–	162,608
Distributions to unitholders	(34,624)	(3,544)	(38,168)	–	(38,168)
Distributions to perpetual securities holders	–	–	–	(3,408)	(3,408)
<b>Net increase/(decrease) in net assets resulting from transactions with unitholders and perpetual securities holders</b>	127,984	(3,544)	124,440	(3,408)	121,032
<b>At 31 December 2021</b>	481,450	(140,056)	341,394	60,675	402,069

**Condensed Statements of Cash Flows**  
**As at 31 December 2022**

	<b>Group</b>	
	<b>12 months ended 31/12/2022 \$'000</b>	<b>12 months ended 31/12/2021 \$'000</b>
<b>Cash flows from operating activities</b>		
Total return for the year after income tax	33,585	63,113
Adjustments for:		
Interest income	(277)	(146)
Interest expense	14,073	11,819
Amortisation of transaction costs	5,361	5,216
Depreciation expense	14	13
Unrealised foreign exchange gain	(924)	–
Impairment losses on trade receivables	–	632
Net fair value losses on investment properties	22,651	4,520
Adjustments on rental straight lining	(19,387)	(22,703)
Loss on disposal of quoted shares	30	3
Loss/(Gains) on disposal of a subsidiary	713	(1,106)
Gains on disposal of an investment property	–	(1,607)
Net fair value loss/(gain) of derivatives financial instruments	420	(3,193)
Manager's management fees settled in units	4,712	4,465
Income tax expenses	18,369	12,697
Operating cash flows before changes in working capital	79,340	73,723
Trade and other receivables	10,783	5,539
Other financial asset	(1,847)	–
Other assets	2,613	(2,492)
Trade and other payables	2,996	(3,182)
Other liabilities	2,671	(2,963)
	96,566	70,625
Income taxes paid	(5,323)	(4,421)
<b>Net cash flows from operating activities</b>	<b>91,233</b>	<b>66,204</b>
<b>Cash flows from investing activities</b>		
Capital expenditures on investment properties	(4,306)	(662)
Acquisition of investment properties	(31,061)	–
Proceeds from disposal of a subsidiary, net of cash	37,954	40
Proceeds from disposal of an investment property	–	6,114
Net cash acquired relating to the acquisition of subsidiaries	5,284	–
Interest received	277	126
Investments in quoted shares	(522)	(570)
Disposals of quoted shares	492	567
<b>Net cash flows from investing activities</b>	<b>8,118</b>	<b>5,615</b>

**Condensed Statements of Cash Flows (cont'd)**  
**As at 31 December 2022**

	<b>Group</b>	
	<b>12 months ended 31/12/2022 \$'000</b>	<b>12 months ended 31/12/2021 \$'000</b>
<b>Cash flows from financing activities</b>		
Distribution to unitholders	(49,489)	(38,168)
Proceeds from right issue, net of related costs	–	157,702
Proceeds from borrowings	379,271	252,374
Repayment of borrowings	(381,534)	(393,152)
Payment of transaction costs related to borrowings	(12,269)	(4,779)
Perpetual securities redemption, distribution and gain on redemption, net transaction costs	(19,122)	–
Interest paid	(14,672)	(10,646)
Distribution to perpetual securities holders	(2,989)	(3,408)
<b>Net cash flows used in financing activities</b>	<b>(100,804)</b>	<b>(40,077)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,453)</b>	<b>31,742</b>
Cash and cash equivalents at beginning of the year	51,203	19,292
Effect of exchange rate fluctuations on cash held	(3,647)	169
<b>Cash and cash equivalents at 31 December</b>	<b>46,103</b>	<b>51,203</b>

**Significant non-cash transactions**

**Group**

During the period, there were the following significant non-cash transactions:

- For the period from 1 January 2022 to 31 December 2022, 7,218,563 Units, amounting to approximately \$1,998,000 were issued to the Manager as satisfaction of the base management fee paid to the Manager. The performance management fees for the period from 1 January 2022 to 31 December 2022 amounting to approximately \$2,714,000 will be issued to the Manager in financial year 2023 based on 10 days volume weighted average price as at 31 December 2022.
- 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 base management fee paid to the Manager. The performance management fees for the period from 1 January 2021 to 31 December 2021 approximately \$2,422,000 will be issued to the Manager in financial year 2022 based on 10 days volume weighted average price as at 31 December 2021.
- On 1 March 2022, 431,147,541 Units, amounting to approximately \$131,500,000 were issued to OUE Lippo Healthcare Limited (“OUELH”), a related party as partial consideration paid pursuant to the acquisition of subsidiaries.
- A novation of existing intercompany loans and balances payable by OUELH, amounting to \$19,934,000 were novated from OUELH to First REIT to net off from the purchase consideration payable by First REIT pursuant to the acquisition of subsidiaries.
- On 22 December 2022, 791,394 Units, amounting to approximately \$202,000 were issued to the Manager as divestment fees for the divestment of an indirect subsidiary that hold Siloam Hospitals Surabaya.



**Statements of Portfolio**  
**As at 31 December 2022**

	<b>Carrying value as at 31/12/2022 \$'000</b>	<b>Percentage of net assets attributable to unitholders as at 31/12/2022 %</b>	<b>Carrying value as at 31/12/2021 \$'000</b>	<b>Percentage of net assets attributable to unitholders as at 31/12/2021 %</b>
<b>Group</b>				
Investment properties in Singapore	32,500	5.14	33,200	5.62
Investment properties in Indonesia	825,580	130.61	929,247	157.19
Investment property in Japan	287,263	45.45	–	–
Portfolio of investment properties at valuation – total	1,145,343	181.20	962,447	162.81
Other net liabilities	(479,981)	(75.94)	(310,627)	(52.55)
Net assets attributable to holders	665,362	105.26	651,820	110.26
Perpetual securities	(33,282)	(5.26)	(60,675)	(10.26)
Net assets attributable to unitholders	632,080	100.00	591,145	100.00
<b>Trust</b>				
Investment properties in Singapore	32,500	7.56	33,200	9.72
Portfolio of investment properties at valuation – total	32,500	7.56	33,200	9.72
Investments in subsidiaries	764,149	177.74	669,173	196.01
Other net liabilities	(333,452)	(77.56)	(300,304)	(87.96)
Net assets attributable to holders	463,197	107.74	402,069	117.77
Perpetual securities holders	(33,282)	(7.74)	(60,675)	(17.77)
Net assets attributable to unitholders	429,915	100.00	341,394	100.00

**Statements of portfolio (cont'd)**  
**As at 31 December 2022**

**By Geographical Area**

Description of property / Location / Acquisition date/ Type of property / Land title type / Term of lease <sup>(a)</sup> / Remaining term of lease <sup>(b)</sup>	Gross floor area in square meters	Carrying value as at 31/12/2022 \$'000	Percentage of net assets attributable to unitholders as at 31/12/2022 %	Carrying value as at 31/12/2021 \$'000	Percentage of net assets attributable to unitholders as at 31/12/2021 %
<b><u>Singapore</u></b>					
Pacific Healthcare Nursing Home @ Bukit Merah 6 Lengkok Bahru, Singapore 159051 11 April 2007, Nursing Home 30 years leasehold from 2002 10+10 years/ 4.5 years	3,593	8,500	1.34	8,800	1.49
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/ 4.5 years	3,563	8,900	1.41	9,200	1.56
The Lentor Residence 51 Lentor Avenue, Singapore 786876 8 June 2007, Nursing Home 99 years leasehold from 1938 10+10 years/ 14.5 years	4,005	15,100	2.39	15,200	2.57
Portfolio of investment properties held by the Trust at valuation – Sub-total		32,500	5.14	33,200	5.62

**Statements of Portfolio (cont'd)**  
**As at 31 December 2022**

**By Geographical Area**

Description of property / Location / Acquisition date/ Type of property / Land title type / Term of lease <sup>(a)</sup> / Remaining term of lease <sup>(b)</sup>	Gross floor area in square meters	Percentage of net assets attributable to		Percentage of net assets attributable to	
		Carrying value as at 31/12/2022 \$'000	unitholders as at 31/12/2022 %	Carrying value as at 31/12/2021 \$'000	unitholders as at 31/12/2021 %
<b>Indonesia</b>					
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/ 28 years	32,696	162,185	25.65	172,782	29.23
Siloam Hospitals Kebon Jeruk Jalan Raya Perjuangan Kav. 8 Kebon Jeruk, West Jakarta 11530, Indonesia 11 December 2006, Hospital HGB 15+15 years/ 28 years	20,268	70,843	11.21	77,784	13.16
Siloam Hospitals Surabaya Jalan Raya Gubeng No. 70, Gubeng Surabaya, East Java, 60281, Indonesia 11 December 2006, Hospital HGB 15+15 years/ Nil <sup>(1)</sup>	9,065	–	–	40,868	6.91
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+1 year/ 1 years	17,926	27,550	4.36	32,240	5.45

<sup>(1)</sup> Siloam Hospitals Surabaya was disposed in September 2022.

**Statements of Portfolio (cont'd)**  
**As at 31 December 2022**

**By Geographical Area**

Description of property / Location / Acquisition date / Type of property / Land title type / Term of lease <sup>(a)</sup> / Remaining term of lease <sup>(b)</sup>	Gross floor area in square meters	Percentage of net assets attributable to		Percentage of net assets attributable to	
		Carrying value as at 31/12/2022 \$'000	unitholders as at 31/12/2022 %	Carrying value as at 31/12/2021 \$'000	unitholders as at 31/12/2021 %
<b><u>Indonesia (cont'd)</u></b>					
Mochtar Riady Comprehensive Cancer Centre	37,933	124,445	19.69	133,650	22.61
Jalan Garnisun Dalam No. 2- 3, Semanggi, Central Jakarta 12930, Indonesia 30 December 2010, Hospital HGB 15+15 years/ 28 years					
Siloam Hospitals Lippo Cikarang	13,256	50,440	7.98	49,800	8.42
Jalan Mohammad Husni Thamrin Kav. 105, Lippo Cikarang, Bekasi, Indonesia 17550 31 December 2010, Hospital HGB 15+15 years/ 18 years					
Siloam Hospitals Manado & Hotel Aryaduta Manado	36,051	77,703	12.29	79,617	13.47
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/ 28 years					
Hotel Aryaduta Manado 30 November 2012, Hotel HGB 15+15 years/ 20 years					

**Statements of Portfolio (cont'd)**  
**As at 31 December 2022**

**By Geographical Area**

Description of property / Location / Acquisition date / Type of property / Land title type / Term of lease <sup>(a)</sup> / Remaining term of lease <sup>(b)</sup>	Gross floor area in square meters	Percentage of net assets attributable to		Percentage of net assets attributable to	
		Carrying value as at 31/12/2022 \$'000	unitholders as at 31/12/2022 %	Carrying value as at 31/12/2021 \$'000	unitholders as at 31/12/2021 %
<b><u>Indonesia (cont'd)</u></b>					
Siloam Hospitals Makassar Jalan Metro Tanjung Bunga Kav 3-5, Makassar City, South Sulawesi, Indonesia 30 November 2012, Hospital HGB 15+15 years/ 28 years	14,307	65,407	10.35	69,563	11.77
Siloam Hospitals Bali Jalan Sunset Road No. 818, Kuta, Badung, Bali, Indonesia 13 May 2013, Hospital HGB 15+15 years/ 28 years	20,958	61,710	9.76	66,382	11.23
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/ 28 years	18,605	41,119	6.51	44,178	7.47
Siloam Hospitals Purwakarta Jalan Raya Bungursari No. 1, Purwakarta, West Java, Indonesia 28 May 2014, Hospital HGB 15+15 years/ 28 years	8,254	21,550	3.41	24,038	4.07

**Statements of Portfolio (cont'd)**  
**As at 31 December 2022**

**By Geographical Area**

Description of property / Location / Acquisition date / Type of property / Land title type / Term of lease <sup>(a)</sup> / Remaining term of lease <sup>(b)</sup>	Gross floor area in square meters	Percentage of net assets attributable to		Percentage of net assets attributable to	
		Carrying value as at 31/12/2022 \$'000	unitholders as at 31/12/2022 %	Carrying value as at 31/12/2021 \$'000	unitholders as at 31/12/2021 %
<b><u>Indonesia (cont'd)</u></b>					
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/ 28 years	15,709	22,805	3.61	25,527	4.32
Siloam Hospitals Kupang & Lippo Plaza Kupang Jalan Veteran, No. 4, Arena Pameran Fatululi, Kupang, East Nusa Tenggara, Indonesia	55,368	48,528	7.68	53,977	9.13
Siloam Hospitals Kupang 14 December 2015, Hospital Build, Operate and Transfer ("BOT") scheme 15+15 years/ 28 years					
Lippo Plaza Kupang 14 December 2015, Mall BOT scheme 15+15 years/ 23 years					
Siloam Hospitals Labuan Bajo Jalan Gabriel Gampur, Labuan Bajo, East Nusa Tenggara, Indonesia 30 December 2016, Hospital HGB 15+15 years/ 28 years	7,604	9,952	1.57	12,002	2.03

**Statements of Portfolio (cont'd)**  
**As at 31 December 2022**

**By Geographical Area**

Description of property / Location / Acquisition date / Type of property / Land title type / Term of lease <sup>(a)</sup> / Remaining term of lease <sup>(b)</sup>	Gross floor area in square meters	Percentage of net assets attributable to		Percentage of net assets attributable to	
		Carrying value as at 31/12/2022 \$'000	unitholders as at 31/12/2022 %	Carrying value as at 31/12/2021 \$'000	unitholders as at 31/12/2021 %
<b><u>Indonesia (cont'd)</u></b>					
Siloam Hospitals Buton & Lippo Plaza Buton Jalan Sultan Hasanuddin No. 50, 52, 54 and 58 Bau Bau, Sulawesi Tenggara, Indonesia	21,934	22,480	3.56	25,688	4.34
Siloam Hospitals Buton 10 October 2017, Hospital Build, Operate and Transfer ("BOT") scheme 15+15 years/ 28 years					
Lippo Plaza Buton 10 October 2017, Mall BOT Scheme 15+15 years/ 25 years					
Siloam Hospitals Yogyakarta Jalan Laksda Adi Sucipto No. 32-34 Yogyakarta, Indonesia 22 December 2017, Hospital HGB 15+15 years/ 28 years	12,474	18,863	2.98	21,151	3.58

**Statements of Portfolio (cont'd)**  
**As at 31 December 2022**

**By Geographical Area**

Description of Property/ Location/Acquisition Date/ Type of Property/Land Title Type/Term of Lease <sup>(a)</sup> / Remaining Term of Lease <sup>(b)</sup>	Gross floor area in square meters	Percentage of net assets attributable to		Percentage of net assets attributable to	
		Carrying value as at 31/12/2022 \$'000	unitholders as at 31/12/2022 %	Carrying value as at 31/12/2021 \$'000	unitholders as at 31/12/2021 %
<b><u>Japan</u></b>					
Hikari Heights Varus Ishiyama Ishiyama 1-jo 3-3-33 Minami-ku, Sapporo, Hokkaido 01 March 2022, Nursing Home Freehold 20 years	8,747	8,639	1.37	–	–
Hikari Heights Varus Tsukisamu Koen Misono 9-jo 8-5-1, Toyohira-ku Sapporo, Hokkaido 01 March 2022, Nursing Home Freehold 20 years	4,362	6,753	1.07	–	–
Hikari Heights Varus Fujino Fujino 3-jo 11-10-11, Minami-ku Sapporo, Hokkaido 01 March 2022, Nursing Home Freehold 20 years	9,782	17,238	2.73	–	–
Hikari Heights Varus Kotoni Nijuyonken 4-jo 1-3-1, Nishi-ku, Sapporo, Hokkaido 01 March 2022, Nursing Home Freehold 20 years	20,756	67,728	10.72	–	–
Varus Cuore Yamanote Yamanote 6-jo 2-1-1, Nishi-ku Sapporo, Hokkaido 01 March 2022, Nursing Home Freehold 20 years	2,808	11,526	1.82	–	–



**Statements of Portfolio (cont'd)**  
**As at 31 December 2022**

**By Geographical Area**

Description of Property/ Location/Acquisition Date/ Type of Property/Land Title Type/Term of Lease <sup>(a)</sup> / Remaining Term of Lease <sup>(b)</sup>	Gross floor area in square meters	Percentage of net assets attributable to		Percentage of net assets attributable to	
		Carrying value as at 31/12/2022 \$'000	unitholders as at 31/12/2022 %	Carrying value as at 31/12/2021 \$'000	unitholders as at 31/12/2021 %
<b><u>Japan (cont'd)</u></b>					
Hikari Heights Varus Makomanai Koen Makomanai Midoricho 1-1-1 Minami-ku, Sapporo, Hokkaido 01 March 2022, Nursing Home Freehold 20 years	13,301	48,858	7.73	–	–
Varus Cuore Sapporo Kita/ Annex Tonden 8-jo 9-3-7, Kita-ku Sapporo, Hokkaido 01 March 2022, Nursing Home Freehold 20 years	7,637	30,702	4.86	–	–
ElySION Gakuenmae Nakatomioka 1-1994-6, Nara-shi, Nara 01 March 2022, Nursing Home Freehold 20 years	3,790	16,932	2.68	–	–
ElySION Mamigaoka/ Mamigaoka Annex Umami-minami 4-1-19, Koryocho Kitakatsuragi-gun, Nara 01 March 2022, Nursing Home Freehold 20 years	10,259	24,480	3.87	–	–
Orchard Amanohashidate Aza Mannen Koaza Akaiwa 1060-1, Miyazu, Kyoto 01 March 2022, Nursing Home Freehold 20 years	2,927	9,180	1.45	–	–

**Statements of Portfolio (cont'd)**  
**As at 31 December 2022**

**By Geographical Area**

Description of Property/ Location/Acquisition Date/ Type of Property/Land Title Type/Term of Lease <sup>(a)</sup> / Remaining Term of Lease <sup>(b)</sup>	Gross floor area in square meters	Percentage of net assets attributable to		Percentage of net assets attributable to	
		Carrying value as at 31/12/2022 \$'000	unitholders as at 31/12/2022 %	Carrying value as at 31/12/2021 \$'000	unitholders as at 31/12/2021 %
<b><u>Japan (cont'd)</u></b>					
Orchard Kaichi North Kaichi 2-3-50, Matsumoto, Nagano 01 March 2022, Nursing Home Freehold 20 years	5,058	13,668	2.16	–	–
Orchard Kaichi West Kaichi 2-3-50, Matsumoto, Nagano 01 March 2022, Nursing Home Freehold 20 years	1,562	4,325	0.68	–	–
Medical Rehabilitation Home Bon Séjour Komaki 3-chōme-1 Shiroyama, Komaki, Aichi 485-0812, Japan 27 September 2022, Nursing Home Freehold 4.4 years	8,858	15,606	2.47	–	–
Loyal Residence Ayase 4695-1, 7- chōme, Fukaya, Ayase city, Kanagawa 29 September 2022, Nursing Home Freehold 20.7 years	3,387	11,628	1.84	–	–
Portfolio of Investment Properties held by the Group at valuation – Total		1,145,343	181.20	962,447	162.81

**Statements of Portfolio (cont'd)**  
**As at 31 December 2022**

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 2022 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 are as follows:

**(a) Hak Guna Bangunan (“HGB”) Title**

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

**(b) Build, Operate and Transfer Scheme (“BOT Scheme”)**

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

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

**(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.

## **Notes to the Condensed Interim Financial Statements**

These notes form an integral part of the financial statements.

### **1 General**

First Real Estate Investment Trust (the “Trust”) is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 19 October 2006 (subsequently amended by a First Supplemental Deed dated 6 September 2007, a second Supplemental Deed dated 19 April 2010, a third Supplemental Deed dated 26 April 2011, a fourth Supplemental Deed dated 1 April 2013, a first Amending and Restating Deed dated 23 March 2016, a supplemental Deed of Retirement and Appointment of Trustee dated 1 November 2017, a fifth Supplemental Deed dated 22 May 2018, a sixth Supplemental Deed dated 30 April 2019, a seventh Supplemental Deed dated 7 April 2020) and an eighth supplemental deed dated 25 February 2022) (the “Trust Deed”) between First REIT Management 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 consolidated condensed interim financial statements (“Financial Statements”) relate to the Trust and its subsidiaries (the “Group”).

The registered office of the Manager is 333 Orchard Road #33-02 Singapore 238867.

### **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 Investment Funds” (“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, which is the Trust's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

The preparation of financial statements in conformity with RAP 7 requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from those estimates.

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 2022 and year ended 31 December 2021.

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 2021, 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 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing this financial statements.

### **2.1 Seasonal operations**

The business of the Group is not affected significantly by seasonal or cyclical factors during the financial period/year.

### 3 Investment properties

	Note	Group		Trust	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
At 1 January		962,447	939,670	33,200	33,800
Acquisition of subsidiaries	14	296,741	–	–	–
Acquisition of investment properties <sup>(a)</sup>		31,061	–	–	–
Capital expenditures		4,306	939	226	90
Disposal of an investment property <sup>(b)</sup>		–	(4,219)	–	–
Disposal of a subsidiary	15	(40,438)	–	–	–
Net fair value losses recognised in profit or loss		(22,651)	(4,520)	(918)	(764)
Adjustment on rental straight-lining		19,387	22,703	(8)	74
Effects of movement in exchange rates		(105,510)	7,874	–	–
At 31 December		<u>1,145,343</u>	<u>962,447</u>	<u>32,500</u>	<u>33,200</u>

<sup>(a)</sup> During the year, the group has acquired two Japan nursing homes, Medical Rehabilitation Home Bon Sejour Komaki and Loyal Residence Ayase, for a total consideration of JPY 2,580,000,000 (approximately \$27,606,000), with a total acquisition cost capitalised amounting to \$3,455,000.

<sup>(b)</sup> In 2021, the Group disposed Sarang Hospital for a consideration of USD4,493,000 (approximately \$6,144,000).

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.

For the Group's refinancing purposes, management engaged external independent valuers to perform an annual valuation for the Group's investment portfolio (excluding the two Japan nursing homes acquired in September 2022) with a valuation date as of 7 November 2022 ("Annual Valuation 2022").

For annual year-end reporting purposes, management engaged those external independent valuers who performed the Annual Valuation 2022 and the external independent valuers who performed the valuation of the two Japan nursing homes as at 21 September 2022, to conduct a valuation update of the key assumptions and key parameters for the valuation of each investment property. These independent external valuers have generally maintained the same valuation methodologies with an update of the key parameters and assumptions as of 31 December 2022.

### 3 Investment properties (cont'd)

The fair values of investment properties were estimated using 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.

### 4 Investments in subsidiaries

	<b>Trust</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Movements during the year, at cost:		
At 1 January	669,173	661,867
Acquisition of subsidiaries	169,022	–
Investment in redeemable preference shares	14,042	–
Redemption of redeemable preference shares by subsidiaries	(42,617)	(27,473)
(Allowance)/Reversal for impairment losses	(45,471)	34,779
At 31 December	764,149	669,173
Total cost comprising:		
Unquoted equity shares at cost	583,314	414,292
Redeemable preference shares at cost	275,120	303,695
Allowance for impairment losses	(94,285)	(48,814)
Total at cost	764,149	669,173

The redeemable preference shares are redeemable at the option of the Singapore subsidiaries.

#### **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 value of the subsidiaries which comprised predominantly investment properties measured at fair value determined by external independent valuers.

The recoverable amount of the investments could change significantly as a result of changes in market conditions and the assumptions used in determining the recoverable amount. Based on this assessment, the Trust recognised an impairment loss of \$45,471,000 (2021: reversed impairment loss of \$34,779,000) on its investments in subsidiaries during the year.

## 5 Trade and other receivables

	Group		Trust	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Trade receivables:				
- Third parties <sup>(a)</sup>	3,014	–	218	–
- Related parties	1,418	1,381	8	8
Trade receivables – net	<u>4,432</u>	<u>1,381</u>	<u>226</u>	<u>8</u>
Other receivables:				
- Third parties	595	361	531	265
- Subsidiaries	–	–	19,070	11,581
- Related party <sup>(b)</sup>	–	30,746	–	918
Other receivables – net	<u>595</u>	<u>31,107</u>	<u>19,601</u>	<u>12,764</u>
Total trade and other receivables	<u>5,027</u>	<u>32,488</u>	<u>19,827</u>	<u>12,772</u>

<sup>(a)</sup> The rents under the PT Metropolis Propertindo Utama (“PT MPU”) master lease agreements are payable quarterly in advance. As at 31 December 2022, the rentals outstanding from PT MPU amounts to approximately IDR 30,672,652,000 (approximately \$2,669,000), while security deposits of IDR31,857,684,000 (approximately \$2,772,000) was received from PT MPU. At 31 December 2022, the security deposits are in excess of the outstanding rental receivables.

PT MPU has committed to repay the outstanding rental receivables in March 2023 and the management will continue to engage closely with PT MPU on the repayment of the rental arrears.

<sup>(b)</sup> The amount comprised 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 which was no longer progressing. In 2020, a termination notice was served to PT SK to terminate the development work agreement. The amount receivable included \$918,000 relating to project expenses incurred by the Trust on behalf of a wholly-owned subsidiary of the Trust, PT Tata Prima Indah (“PT TPI”).

On 7 December 2021, PT TPI entered into a progress payments settlement agreement with PT Lippo Karawaci Tbk and PT SK, where PT SK shall make payment to PT TPI 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. During the year, the outstanding balances from PT SK were fully received.

In addition, PT TPI had 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 Trust on behalf of PT TPI. The project expenses were received by the Trust in January 2022.

Other receivables from third parties are mainly net GST receivables from the tax authorities.



## 6 Borrowings

		Group		Trust	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Bank loan A	(a)				
(secured)		–	100,000	–	100,000
Bank loan B	(b)				
(secured)		–	252,374	–	252,374
Guaranteed bonds	(c)	100,000	–	100,000	–
Social term loan A	(d)	235,713	–	235,713	–
Social term loan B	(e)	16,932	–	–	–
Secured Tokutei					
Mokuteki	(f)				
Kaisha					
(“TMK”) bonds		108,553	–	–	–
Less: Unamortised transaction costs		(10,132)	(3,163)	(9,400)	(3,163)
		451,066	349,211	326,313	349,211
Current		1,453	99,258	–	99,258
Non-current		449,613	249,953	326,313	249,953
		451,066	349,211	326,313	349,211

The borrowings comprise the owing:

### (a) Bank loan A

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

### (b) Bank loan B

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. In March 2021, the Trust drew down Bank loan B under this \$260 million syndicated secured financing facility. Bank loan B consists of a 2-year Singapore dollar term loan and a 2-year Singapore dollar revolving credit facility loan of \$210 million and \$50 million respectively. The amounts under Bank loan B are due in March 2023. The loan has been fully repaid on 1 December 2022.

### (c) Guaranteed bonds

On 7 April 2022, \$100 million guaranteed bonds at a coupon rate of 3.25% due in April 2027 were issued by Trust to refinance Bank loan A. The guaranteed bonds amounting to \$100 million are unconditionally and irrevocably guaranteed by the Credit Guarantee and Investment Facility, a trust fund of the Asian Development Bank. The interest of the bonds is payable half-yearly in arrears. The bonds are listed on the Singapore Exchange Securities Trading Limited.

## **6 Borrowings (cont'd)**

### **(d) Social term loan A**

On 25 November 2022, the Trustee entered into a facility agreement with two of the existing lenders, OCBC and CIMB in respect of a \$300 million social term loan and revolving credit facilities agreement (the “Facilities”) to refinance Bank loan B. On 1 December 2022, the Trust drew down Social loan A amounting to \$235 million under this Facilities which falls due in May 2026.

### **(e) Social term loan B**

On 29 September 2022, the Trust’s indirect subsidiary, First REIT Japan Two GK, secured a JPY1.66 billion non-recourse social loan due in 27 September 2026 from Shinsei Trust Bank, Ltd. The proceeds from Social term loan B was utilised to partially funded the acquisition of two nursing homes, Loyal Residence Ayase and Medical Rehabilitation Homes Bon Sejour Komaki, in Japan during the year.

### **(f) Secured TMK bonds**

TMK is an investment vehicle incorporated under the Asset Liquidation Law of Japan to acquire real estate and obtain debt financing in real estate finance transactions in Japan. A TMK may issue TMK bonds, which are generally issued to qualified institutional investors. The TMK grants to holders of TMK bonds the right to receive all payments due in relation to such TMK bonds out of the assets of the TMK prior to any payments to other unsecured creditors. This statutory right is generally referred to as a general security interest. Unless otherwise provided in the Asset Liquidation plan, such general security is automatically created by operation of law.

The secured TMK bonds pertain to bond issued by the Trust’s indirect subsidiary, OUELH Japan First TMK, a 5 years JPY10.6 billion due in May 2025 to Shinsei Bank Limited.

The Trust has entered into interest rate swaps and interest rate cap 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, approximately their fair values at reporting date.

## 6 Borrowings (cont'd)

### Terms and debts repayment schedule

Terms and conditions of outstanding borrowings are as follows:

	Currency	Nominal interest rate	Year of maturity	Face value \$'000	Carrying amount \$'000
<b>2022</b>					
<b>Group</b>					
Guaranteed bond	SGD	3.25% (2021: N/A)	2027	100,000	95,571
Social term loan A	SGD	5.12% - 5.56% (2021: N/A)	2026	235,713	230,742
Social term loan B	JPY	1.00% (2021: N/A)	2026	16,932	16,629
Secured TMK bonds	JPY	1.00% (2021: N/A)	2025	108,553	108,124
<hr/>					
<b>Trust</b>					
Guaranteed bond	SGD	3.25% (2021: N/A)	2027	100,000	95,571
Social term loan A	SGD	5.12% - 5.56% (2021: N/A)	2026	235,713	230,742
<hr/>					
<b>2021</b>					
<b>Group</b>					
Secured bank loan A	SGD	2.30% - 2.46% (2021: 2.23% - 2.38%)	2022	100,000	99,258
Secured bank loan B	SGD	2.65% - 6.06% (2021: 2.65% - 4.39%)	2023	252,374	249,953
<hr/>					
<b>Trust</b>					
Secured bank loan A	SGD	2.30% - 2.46% (2021: 2.23% - 2.38%)	2023	100,000	99,258
Secured bank loan B	SGD	2.65% - 6.06% (2021: 2.65% - 4.39%)	2023	252,374	249,953
<hr/>					

## 6 Borrowings (cont'd)

The bank loans, social term loan A, and guaranteed bonds agreements provide amongst other matters for the following:

- 1) Legal mortgage over the properties in Singapore and Indonesia of the Group except for Imperial Aryaduta Hotel and Country Club and Siloam Hospitals Yogyakarta (2021: the properties in Singapore and Indonesia of the Group except for 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 Imperial Aryaduta Hotel and Country Club and Siloam Hospitals Yogyakarta (2021: Indonesia properties and the Singapore properties except for 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 Imperial Aryaduta Hotel and Country Club Siloam Hospitals Yogyakarta (2021: Siloam Hospitals Yogyakarta).
- 4) A debenture containing first fixed and floating charges over all assets and undertakings of the Trust's Singapore subsidiaries and subsidiaries of Trust's Singapore subsidiaries except for Lovage International Pte. Ltd., IAHCC Investment Pte. Ltd., Kalmore Investments Pte. Ltd. and Icon1 Holdings Pte. Ltd. (2021: Kalmore Investments Pte. Ltd. and Icon1 Holdings Pte. Ltd).
- 5) Charge of all of the Trust's shares in the Singapore subsidiaries and subsidiaries of Trust's Singapore subsidiaries except for Lovage International Pte. Ltd., IAHCC Investment Pte. Ltd., Kalmore Investments Pte. Ltd. and Icon1 Holdings Pte. Ltd. (2021: Kalmore Investments 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 (2021: 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 Limited's interest in the Trust directly and indirectly is at least at 20%.
- 9) OUE Lippo Healthcare Limited's (2021: OUE Lippo Healthcare Limited's) interest in the Trust directly and indirectly is at least at 20% (2021: 8%).
- 10) OUE Limited's interest in First REIT Management Limited directly and indirectly is at least at 51% (2021: 40%).
- 11) Compliance with all financial covenants.

## 6 Borrowings (cont'd)

The secured TMK bonds agreement provides among other matters for the following:

- 1) Negative pledge against the total assets of a subsidiary of the Trust which mainly comprises of investment properties in Japan and cash and cash equivalents.
- 2) A corporate guarantee from the Trust.

The secured social term loan B agreement provides amongst other matters for negative pledge against the total assets of a subsidiary of the Trust which mainly comprises of investment properties in Japan and cash and cash equivalents.

## 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 \$2,576,000 and \$3,205,000 were reserved for distribution to perpetual securities holders for each of the reporting years ended 31 December 2022 and 31 December 2021 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.

On 22 August 2022, there was a partial redemption of perpetual securities at purchase price of 70% of the principal amount of the securities, amounting to \$26,750,000. The principal amount together with the distribution to perpetual securities holders arising from the partial redemption, totalled \$26,980,000.

The \$33,282,000 (2021: \$60,675,000) presented in the statement of financial position represents the carrying value of the remaining perpetual securities and the total return attributable to the perpetual securities holders from the last distribution date.

## 8 Units in issue and net assets value attributable to unitholders

	Note	Group and Trust	
		2022 '000	2021 '000
At 1 January		1,613,028	807,206
Issuance of new units for rights issue exercise	(a)	–	791,062
Issuance of new units for acquisition of subsidiaries	(b)	431,148	–
Issuance of new units for divestment of subsidiary	(c)	791	–
Issuance of new units as settlement of the Manager's management fees	(d)	13,614	14,760
At 31 December		<u>2,058,581</u>	<u>1,613,028</u>

- (a) A total of 791,062,000 new units at an issue price of \$0.20 per unit were issued in respect of the rights issue exercise in 2021.
- (b) A total of 431,148,000 new units at an issue price of \$0.305 per unit were issued to OUE Lippo Healthcare Limited, a related party for the acquisition of subsidiaries on 1 March 2022 (note 14).
- (c) A total of 791,000 new units at an issue price of \$0.2549 per unit were issued to the Manager as divestment fee in relation to the divestment of an indirect subsidiary, PT TPI completed on 27 September 2022 (note 15).
- (d) A total of 13,614,000 (2021: 14,760,000) new units at an issue price range from \$0.2705 to \$0.3003 (2021: \$0.2358 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, 5,021,113 (2021: 3,303,000) 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 the end of the current financial period and as at the end of the corresponding period of the immediately preceding financial year.

## 8 Units in issue and net assets value attributable to unitholders (cont'd)

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

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

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

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

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

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

	<b>Group</b>		<b>Trust</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Net assets value attributable to unitholders	632,080	591,145	429,915	341,394
Net assets value per unit in cents attributable to unitholders	30.70	36.65	20.88	21.16

## 9 Total return for the period/year before income tax

	<b>Group</b>			
	<b>Six-month period ended 31/12/2022 \$'000</b>	<b>Six-month period ended 31/12/2021 \$'000</b>	<b>12-month period ended 31/12/2022 \$'000</b>	<b>12-month period ended 31/12/2021 \$'000</b>
Property tax expense	740	107	1,280	202
Valuation expenses	166	138	267	320
Professional fees	493	391	854	747
Impairment allowance on trade and other receivables	–	–	–	632
Others	254	173	315	229
<b>Property operating expenses</b>	<b>1,653</b>	<b>809</b>	<b>2,716</b>	<b>2,130</b>
Base fees	1,959	2,095	4,041	4,145
Performance fees	2,792	3,085	5,428	4,965
<b>Manager's management fees</b>	<b>4,751</b>	<b>5,180</b>	<b>9,469</b>	<b>9,110</b>
Interest expense	8,263	5,782	14,073	11,819
Amortisation of transaction costs	2,774	2,751	5,361	5,216
<b>Finance costs</b>	<b>11,037</b>	<b>8,533</b>	<b>19,434</b>	<b>17,035</b>
Depreciation expense	7	6	14	13
Handling and processing fees	204	169	365	274
Professional fees	370	423	694	766
Project expenses	97	238	389	965
Others	99	101	255	226
<b>Total other expenses</b>	<b>777</b>	<b>937</b>	<b>1,717</b>	<b>2,244</b>



## 10 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:

	<b>Group</b>			
	<b>Six-month period ended 31/12/2022 \$'000</b>	<b>Six-month period ended 31/12/2021 \$'000</b>	<b>12-month period ended 31/12/2022 \$'000</b>	<b>12-month period ended 31/12/2021 \$'000</b>
Denominator: Weighted average number of units outstanding during the period/year ('000)	1,769,000	1,138,144	1,981,551	1,499,382
Numerator: Total return attributable to unitholders during the period/year (\$'000)	12,829	42,425	31,009	59,908
<b>Earnings per unit (in cents)</b>				
Basic and diluted	0.73	3.73	1.56	4.00

There were no potential dilutive units for the years ended 31 December 2022 and 31 December 2021. As such, the total return attributable to unitholders and the weighted average number of units used in the calculation of diluted earnings per unit are the same as those used in the calculation of basic earnings per unit.

## 11 Financial ratios

	Group			
	Six-month period ended 31/12/2022	Six-month period ended 31/12/2021	12-month period ended 31/12/2022	12-month period ended 31/12/2021
Expenses to average net assets attributable to unitholders ratio - excluding performance related fees <sup>(1)</sup>	0.53%	0.55%	1.15%	1.35%
Expenses to average net assets attributable to unitholders ratio - including performance related fees <sup>(1)</sup>	0.95%	1.09%	2.04%	2.35%
Portfolio turnover ratio <sup>(2)</sup>	30.68%	5.74%	15.30%	2.78%
Total operating expenses (\$'000) <sup>(3)</sup>	17,479	13,680	33,557	26,492
Total operating expenses to net asset value ratio <sup>(3)</sup>	2.77%	2.31%	5.31%	4.48%

- <sup>(1)</sup> 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.
- <sup>(2)</sup> 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.
- <sup>(3)</sup> The revised CIS Code 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 attributable to unitholders as at the end of the financial period/year) and taxation incurred in relation to the property fund's real estate assets.

## 12 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 2022, the Group had three reportable segments: Indonesia operations, Singapore operations, and Japan operations (31 December 2021: three reportable operating segment: Indonesia operations, Singapore operations, and Korea operations). For management purposes the Group is organised into one major strategic operating segment that offers all the investment properties for healthcare and/or healthcare related purposes.

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

There are no significant inter-segment transactions.

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

	<b>Indonesia \$'000</b>	<b>Singapore \$'000</b>	<b>Japan<sup>1</sup> \$'000</b>	<b>Total \$'000</b>
<b>1 January 2022 to 31 December 2022</b>				
<b>Total return reconciliation</b>				
Rental and other income	94,364	4,226	12,685	111,275
Net property income and other income	93,743	3,773	11,043	108,559
Interest income	176	101	–	277
Manager's management fees				(9,469)
Asset management fees				(908)
Trustee fees				(378)
Finance costs	–	(18,174)	(1,260)	(19,434)
Other expenses				(1,717)
Net income before the undernoted				76,930
Net fair value losses on investment properties	(21,278)	(917)	(456)	(22,651)
Loss on disposal of a subsidiary	(713)	–	–	(713)
Net fair value losses of derivative financial instruments				(420)
Foreign exchange losses				(1,192)
Total return before income tax				51,954
Income tax expense	(14,007)	–	(4,362)	(18,369)
Total return after income tax				33,585
<b>31 December 2022</b>				
<b>Assets</b>				
Segment assets including investment properties	836,982	55,269	306,374	1,198,625
Total assets				1,198,625

<sup>1</sup> Pertain to subsidiaries acquired in March 2022 and subsidiaries set-up in September 2022 and relate to amounts for the period from 1 March 2022 to 31 December 2022.

## 12 Operating segments (cont'd)

	Indonesia \$'000	Singapore \$'000	South Korea <sup>1</sup> \$'000	Total \$'000
<b>From 1 January 2021 to 31 December 2021</b>				
<b>Total return reconciliation</b>				
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 of 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 gain of derivatives financial instruments				3,193
Net foreign exchange gains				2,762
Total return before income tax				75,810
Income tax expense	(12,697)	–	–	(12,697)
Total return after income tax				63,113
<b>31 December 2021</b>				
<b>Assets</b>				
Segment assets including investment properties	975,284	74,251	–	1,049,535
Total assets				1,049,535

<sup>1</sup> Disposed in August 2021.

Income is attributed to countries on the basis of the location of the investment properties. The non-current assets comprise mainly investment properties which are analysed by the geographical area where 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 are from Indonesia. In aggregate, such revenue amounted to \$88,064,000 and \$94,364,000 (2021: \$90,807,000 and \$96,639,000) and contributed 78.8% and 84.5% of the Group's revenue respectively during the years ended 31 December 2022 and 31 December 2021.

## 13 Financial assets and financial liabilities

### Accounting classifications and fair values

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

Group	Derivative financial instruments \$'000	Financial assets at amortised cost \$'000	Guaranteed bonds \$'000	Total carrying amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>31 December 2022</b>								
<b>Financial assets measured at fair value</b>								
Derivative financial instruments								
– interest rate swaps (net-settled)	176	–	–	176	–	176	–	176
– interest rate cap (net-settled)	1,072	–	–	1,072	–	1,072	–	1,072
	<u>1,248</u>	<u>–</u>	<u>–</u>	<u>1,248</u>				
<b>Financial liabilities not measured at fair value</b>								
– forward exchange contracts (net-settled)	(493)	–	–	(493)	–	(493)	–	(493)
– Guaranteed bonds	–	–	(95,571)	(95,571)	(95,356)	–	–	(95,356)
– Security deposits	(11,704)	–	–	(11,704)	–	–	(8,504)	(8,504)
	<u>(12,197)</u>	<u>–</u>	<u>(95,571)</u>	<u>(107,768)</u>				
<b>31 December 2021</b>								
<b>Financial liabilities measured at fair value</b>								
Derivative financial instruments –								
interest rate swaps (net-settled)	(673)	–	–	(673)	–	(673)	–	(673)

## 13 Financial assets and financial liabilities (cont'd)

	Derivative financial instruments \$'000	Financial assets at amortised cost \$'000	Guaranteed bonds \$'000	Total carrying amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Trust</b>								
<b>31 December 2022</b>								
<b>Financial assets measured at fair value</b>								
Derivative financial instruments								
– interest rate swaps (net-settled)	176	–	–	176	–	176	–	176
– interest rate cap (net-settled)	1,072	–	–	1,072	–	1,072	–	1,072
	<u>1,248</u>	<u>–</u>	<u>–</u>	<u>1,248</u>				
<b>Financial liabilities not measured at fair value</b>								
– forward exchange contracts (net-settled)	(493)	–	–	(493)	–	(493)	–	(493)
– Guaranteed bonds	–	–	(95,571)	(95,571)	(95,356)	–	–	(95,356)
– Security deposits	(2,038)	–	–	(2,038)	–	–	(1,684)	(1,684)
	<u>(2,531)</u>	<u>–</u>	<u>(95,571)</u>	<u>(98,102)</u>				
<b>31 December 2021</b>								
<b>Financial liabilities measured at fair value</b>								
Derivative financial instruments – interest rate swaps (net-settled)	(673)	–	–	(673)	–	(673)	–	(673)

## 14 Acquisition of subsidiaries

On 1 March 2022, the Trust completed its acquisition of 100.0% of the issued and paid-up share capital of OUELH Japan Medical Facilities Pte. Ltd. (“JMF”) and 100.0% of the issued and paid-up share capital of OUELH Japan Medical Assets Pte. Ltd. (“JMA”) (collectively known as the “Japan Subsidiaries”).

The acquisition of the Japan Subsidiaries was accounted for as an asset acquisition.

The fair value of identifiable assets and liabilities of the Japan Subsidiaries as the date of acquisition and the cashflow effects of the acquisition were as follows:

	<b>\$'000</b>
Investment properties	296,741
Trade and other receivables	41,801
Cash and cash equivalents	22,008
Borrowings	(126,574)
Trade and other payables	(32,082)
Deferred tax liabilities	(32,861)
Income tax payable	(11)
Total identifiable net assets at fair value	169,022
Purchase consideration	165,947
Acquisition costs	3,075
<b>Purchase consideration (including acquisition costs*)</b>	<b>169,022</b>

\* Acquisition costs amounts to \$3,075,000

### Effect of the acquisition on cash flows

Purchase consideration (including acquisition costs)	169,022
Less:	
- Cash at bank of subsidiaries acquired	(22,008)
- Considerations paid in units	(131,500)
- Accrued acquisition costs	(864)
- Novation of intercompany loans and balances	(19,934)
Net cash inflow on acquisition net of cash acquired	(5,284)

## 15 Disposal of a subsidiary

On 27 September 2022, the Group has through its indirect wholly-owned subsidiaries, Primerich Investments Pte. Ltd. and Surabaya Hospitals Investment Pte. Ltd., completed the disposal of 100% of issued and paid-up share capital of PT TPI for a total sales consideration of IDR430,000,000,000 (approximately \$40,345,000).

PT TPI previously contributed net profit after tax of \$2,146,000 from 1 January 2022 to the date of disposal.

### Effect of the disposal

The cash flow relating to assets and liabilities of PT TPI disposed during the year were as follows:

	<b>\$'000</b>
Investment properties	40,438
Cash and cash equivalents	_*
Other payables	_*
Net assets disposed	40,438
Realisation of foreign exchange reserve	44
Tax expense relating to the disposal	(2,017)
	38,465
Loss on disposal of a subsidiary	(713)
	37,752
Less: Cash and cash equivalents disposed	_*
Add: Transaction costs – Manager’s divestment fees paid in units	202
Net cash flow on disposal of a subsidiary	37,954

\*Amount less than \$1,000



## **Other Information Required by Listing Rule Appendix 7.2**

### **Explanatory Notes**

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

1. Investment properties and investment in subsidiaries

Investment properties increased from \$962.4 million to \$1,145.3 million and investment in subsidiaries increased from \$669.2 million to \$764.1 million was mainly due to the acquisition of subsidiaries holding 14 Japan properties in March and September 2022.

2. Trade and other receivables

The decrease from \$32.5 million to \$5.0 million was mainly due to the receipt of progress payments, interest income on progress payments and professional fees in relation to the development works of a new Siloam Hospitals Surabaya in prior years which was no longer processing during the period.

3. Deferred tax liabilities

The increase from \$20.6 million to \$50.8 million was mainly related to deferred tax liabilities of 12 Japan properties assumed from the acquisition of subsidiaries, additional deferred tax expenses recognized during the period for the 14 Japan properties and partly offset by the foreign currency exchange movement from the depreciation of Japanese Yen and Indonesian Rupiah.

4. Borrowings – current and non-current

The increase from \$349.2 million to \$451.1 million is mainly due to TMK bonds assumed after the completion of 12 Japan properties acquisition in March 2022, and non-recourse social term loan obtained to partially funded the acquisition of two additional Japan properties in September 2022.

5. Perpetual Securities

The decrease from \$60.7 million to \$33.3 million is mainly due to the partial redemption of perpetual securities at purchase price of 70% of the principal amount of the securities, totalling \$26,750,000.

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

**Explanatory Notes**

**B. Statement of Total Return**

		<b>Group</b>		
		<b>Full Year</b>		
<b>Note</b>	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>	<b>Change</b>	
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	
<b>Rental and other income</b>	<b>111,275</b>	<b>102,346</b>	<b>8.7%</b>	
Property operating expenses	(2,716)	(2,130)	27.5%	
<b>Net property and other income</b>	<b>108,559</b>	<b>100,216</b>	<b>8.3%</b>	
Interest income	277	146	89.7%	
Manager's management fees	(9,469)	(9,110)	3.9%	
Asset management fees	(908)	–	NM	
Trustee fees	(378)	(311)	21.5%	
Finance costs	(19,434)	(17,035)	14.1%	
Other expenses	(1,717)	(2,244)	(23.5%)	
<b>Net income before the undernoted</b>	<b>76,930</b>	<b>71,662</b>	<b>7.4%</b>	
Net fair value losses on investment properties	(22,651)	(4,520)	NM	
Gains on disposal of an investment property	–	1,607	NM	
(Losses)/Gains on disposal of a subsidiary	(713)	1,106	NM	
Net fair value (losses)/gains of derivative financial instruments	(420)	3,193	NM	
Foreign exchange (losses)/gains	(1,192)	2,762	NM	
<b>Total return for the year before income tax</b>	<b>51,954</b>	<b>75,810</b>	<b>(31.5%)</b>	
Income tax expense	(18,369)	(12,697)	44.7%	
<b>Total return for the year after income tax</b>	<b>33,585</b>	<b>63,113</b>	<b>(46.8%)</b>	
<b>Other comprehensive income: Items that may be reclassified subsequently to profit or loss:</b>				
Exchange differences on translating foreign operations, net of tax	(84,097)	3,705	NM	
<b>Total comprehensive return for the period</b>	<b>(50,512)</b>	<b>66,818</b>	<b>NM</b>	
<b>Total return attributable to:</b>				
Unitholders of the Trust	31,009	59,908	(48.2%)	
Perpetual securities holders	2,576	3,205	(19.6%)	
	<b>33,585</b>	<b>63,113</b>	<b>(46.8%)</b>	

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 FY 2022 increased by 8.7% to \$111.3 million compared to FY 2021 mainly due to contribution from the 14 Japan properties which acquired in March and September 2022 and higher rental income from Indonesia and Singapore's properties.
2. Property operating expenses for FY 2022 increased by 27.5% compared to FY 2021 mainly due to property expenses of Japan properties which were acquired in March and September 2022.
3. Manager's management fees for FY 2022 increased by 3.9% to \$9.5 million compared to FY 2021 was mainly due to higher total assets and net property income resulting from acquisition of subsidiaries with the 12 Japan properties in March 2022 and the acquisition of two Japan properties in September 2022. The Manager's management fee was derived after deducting the asset management fee charged by the Japan asset management company.
4. Asset management fee was charged by Japan asset management company for managing the Japan properties.
5. Trustee fees for FY 2022 increased by 21.5% to \$378,000 compared to FY 2021 was mainly due to higher total assets resulting from acquisition of subsidiaries in March 2022 and acquisition of two Japan properties in September 2022.
6. Finance costs for FY 2022 increased by 14.1% to \$19.4 million compared to FY 2021 mainly due to higher borrowings, assuming the TMK bonds with the completion of acquisition of subsidiaries in March 2022 and the additional loans obtained for the acquisition of two Japan properties in September 2022, coupled with higher interest rates.
7. Other expense for FY 2022 decreased by 23.5% to \$1.7 million mainly due to the absence of project expenses incurred in FY 2021 in relation to right issues.
8. Net fair value losses of investment properties relate to revaluation losses on investment properties during the year and the recognition of FRS 116 rental straight-lining adjustments for the Indonesia hospital properties and Singapore properties.
9. Losses on disposal of subsidiary for FY 2022 relate to divestment of Indonesia subsidiary, PT Tata Prima Indah which held Siloam Hospitals Surabaya in September 2022.
10. Net fair value losses of derivative financial instruments for FY 2022 relates to the revaluation of interest rate swap and interest rate caps contracts, as well as currency hedging contracts.
11. Income tax expense for FY 2022 increased by 44.7% to \$18.4 million mainly due to the provision of deferred tax on undistributable profits of Japan subsidiaries and sales tax on divestment of Indonesia subsidiary which held Siloam Hospitals Surabaya.

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

**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.

**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.

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

### **G. Commentary on the competitive conditions of the industry**

The healthcare sector offers immense opportunities, underpinned by factors such as the structural demographic megatrend of ageing population, and a demand for quality healthcare services in markets that lack capacity. To capture these opportunities, First REIT is diversifying into developed markets to comprise more than 50% of its portfolio by 2027 and reshaping its portfolio for capital efficient growth through the divestment of non-core, non-healthcare, or mature assets, in line with First REIT's 2.0 Growth Strategy.

In developed markets such as Japan and Singapore, which already comprises 25.1% First REIT's portfolio as at 31 December 2022, the percentage of population aged 65 years or older is higher than the world average. Between 2022 and 2030, this age group is expected to grow from 29.9% of the total population to 31.4% in Japan, and from 15.1% to 22.8% in Singapore<sup>1</sup>. In developing markets such as Indonesia, the average number of hospital beds of 1.0 per 1,000 people remains below the Asia Pacific average of 1.1 per 1,000 people for lower-middle and low income countries, 2.0 per 1,000 people for upper-middle income countries, and 3.4 per 1,000 people for high income countries<sup>2</sup>. With growing affluence in Indonesia, the demand for quality hospital services is expected to increase.

Nonetheless, global inflationary pressures, rising interest rates, exchange rate volatility, and geopolitical risks have resulted in a challenging real estate investment environment. To remain resilient, First REIT is strengthening its capital structure by diversifying funding sources and optimising its financial position, which is another key thrust of First REIT's 2.0 Growth Strategy.

As at 31 December 2022, 59.8% of First REIT's debt are on fixed rates after entering into interest rate swaps and interest rate caps amounting to S\$175 million; 76.7% of First REIT's debt are now social finance instruments and contribute to the achievement of United Nations Sustainable Development Goals ("UN SDG")<sup>3</sup>. To manage exchange rate volatility, First REIT has hedged approximately 60% of its income denominated in the Indonesia Rupiah.

Amid the easing of cross-border travel restrictions due to a waning pandemic, First REIT will continue to seek accretive acquisitions in the burgeoning healthcare real estate market by tapping on a strong network from its sponsor group, comprising OUE Limited and OUE Lippo Healthcare Limited, in addition to evaluating opportunities from third parties. With strong sponsor support and First REIT 2.0 Growth Strategy in motion, First REIT remains committed to balancing growth and stability in its portfolio, delivering sustainable distributions to unitholders.

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<sup>1</sup> United Nations, Department of Economic and Social Affairs, Population Division (2023). Available from <https://population.un.org/DataPortal/>

<sup>2</sup> OECD/WHO (2022), Health at a Glance: Asia/Pacific 2022: Measuring Progress Towards Universal Health Coverage, OECD Publishing, Paris, <https://doi.org/10.1787/c7467f62-en>

<sup>3</sup> UN SDG Goal 3 "Good Health and Well-Being", UN SDG Goal 5 "Gender Equality", UN SDG Goal 8 "Decent Work and Economic Growth"

**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 2022 to 31 December 2022

i.      Distribution Type      Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.03
Tax-Exempt Income	0.33
Capital	0.30
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.

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

**H. Distributions (cont'd)**

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.

(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 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.

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

### **H. Distributions (cont'd)**

#### 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.

ii. Book closure date: The Transfer Books and Register of Unitholders of First Real Estate Investment Trust will be closed at 5.00p.m. on 22 February 2023 for the purposes of determining each unitholder's entitlement to First REIT's distribution. The ex-distribution date will be on 21 February 2023 at 9.00am.

(c) Date Payable: 30 March 2023

### **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.

The Manager hereby certifies that in relation to the distribution to the unitholders of First REIT for the period ended 31 December 2022:

- 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 2022 and is verified by our external tax consultant.

First REIT's current distribution policy is to distribute at least 90% of its taxable income, whereas the tax-exempt income and capitalised receipts with the actual level distribution to be determined at the Manager's discretion.



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

**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:**

	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Gross revenue reported for first half year	53,787	38,933	38.2%
Total return after income tax for first half year	19,662	19,173	2.6%
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	22,021	17,671	24.6%
Gross revenue reported for second half year	57,488	63,413	(9.3%)
Total return after income tax for second half year	13,923	43,940	(68.3%)
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	20,673	20,564	0.5%

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

	<b>Latest Full Year</b>	<b>Previous Full Year</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Distribution to unitholders	49,489	38,168

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

- N. 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 Real 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 2022.

- 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.

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

13 February 2023

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