

PRESS RELEASE
For Immediate Release

**FIRST REIT DELIVERS DPU OF 2.48 SINGAPORE CENTS IN FY2023,
WITH DPU OF 0.62 SINGAPORE CENT EACH QUARTER**

- Rental and Other Income ⁽¹⁾ bolstered by a built-in increment in rental income from Indonesia and Singapore, as well as a full-period contribution of rental income from Japan portfolio
- Appraised valuation resilient at S\$1.14 billion with developed markets accounting for 25.5% of assets under management as at 31 December 2023
- Healthy gearing ratio of 38.7% and 87.2% of debt on fixed rates or hedged

Summary of Financial Results for the period ended 31 December 2023

(\$' million)	FY2023	FY2022	Change (%)
Rental and Other Income	108.6	111.3	(2.4%)
Without FRS 116 Adjustment on rental straight-lining	93.4	91.9 ⁽²⁾	1.6%
Net Property and Other Income	105.3	108.6	(3.0%)
Without FRS 116 Adjustment on rental straight-lining	90.1	89.2 ⁽²⁾	1.1%
Distributable Amount	51.4	52.4	(1.9%)
Total issued and issuable units (millions) ⁽³⁾	2,081.5	2,063.6	0.9%
Distribution per unit (cents)	2.48	2.64	(6.1%)

SINGAPORE – 20 February 2024 – First REIT Management Limited, as manager (the “**Manager**”) of First Real Estate Investment Trust (“**First REIT**” or the “**Trust**”), today reported distribution per unit (“**DPU**”) of 0.62 Singapore cent for the quarter ended 31 December 2023 (“**4Q 2023**”), unchanged from the DPU in the preceding three quarters. DPU for the full year ended 31 December 2023 (“**FY 2023**”) of 2.48 Singapore cents was 6.1% lower year-on-year (“**Y-O-Y**”) due to higher financing costs, a depreciation of the Indonesia Rupiah and the Japanese Yen against the Singapore dollar, and a one-off increase in unit base ⁽³⁾.

⁽¹⁾ Without FRS 116 Adjustment on rental straight-lining

⁽²⁾ Includes rental income from Siloam Hospitals Surabaya before its divestment in September 2022

⁽³⁾ Total issued and issuable units include the issuance of 431.1 million Units in early March 2022 to partially fund an acquisition of 12 nursing homes.

Mr Victor Tan, Executive Director and Chief Executive Officer of the Manager, said, “Our portfolio of 32 high-quality healthcare and healthcare-related properties continued to see positive underlying performance in FY2023. Despite a challenging economic environment, the Trust remained resilient given our sustainable lease structures and the broadening of our tenant mix and geographical presence.

“Our nursing homes in Japan and Singapore now comprise more than one quarter of the Trust’s AUM in FY2023, and we will continue to work towards the target of having more than 50% of the Trust’s AUM in developed markets by FY2027, in line with First REIT’s 2.0 Growth Strategy. The strong demand for quality healthcare in our key markets and ongoing diversification strategy will continue to bode well for all our Unitholders in the long run.”

Rental and Other Income dipped 2.4% Y-O-Y to S\$108.6 million in FY2023. However, excluding an FRS 116 Adjustment on Rental Straight-lining, Rental and Other Income increased 1.6% Y-O-Y to S\$93.4 million in FY2023 from S\$91.9 million in FY2022. Rental and Other Income improved largely due to a built-in increment in rental income from Indonesia and Singapore, as well as a full-period contribution of rental income from 14 Japan nursing homes.

In Indonesia, ten hospitals registered a built-in increment of rental income of 4.5% in local currency terms while three hospitals ⁽⁴⁾ achieved a performance-based rent that is 8.0% of each hospital’s gross operating revenue in local currency terms in the preceding financial year. In addition, one hospital ⁽⁵⁾ increased its rental income by 2.0% in Singapore dollar terms.

A full-period contribution of rental income from 14 nursing homes in Japan also contributed to the increase in Rental and Other Income. The Trust acquired 12 nursing homes in March 2022 and another two nursing homes in September 2022. While in Singapore, First REIT’s three nursing homes continued to deliver rental growth of 2.0% in Singapore dollar terms.

⁽⁴⁾ Siloam Hospitals Kebon Jeruk, Siloam Hospitals Purwakarta, and Siloam Sriwijaya

⁽⁵⁾ Siloam Hospitals Lippo Cikarang

With the addition of a Japan portfolio, property operating expenses increased to S\$3.2 million in FY2023 from S\$2.7 million in FY2022. Hence Net Property and Other Income excluding the FRS 116 Adjustment on rental straight-lining increased by 1.1% Y-O-Y to S\$90.1 million. Finance costs increased to S\$22.7 million in FY2023 from S\$19.4 million in FY2022 due to higher borrowings and interest rate risk management. Correspondingly, distributable amount dipped 1.9% to S\$51.4 million in FY2023 from S\$52.4 million in FY2022. Coupled with an increase in the unit base by 431.1 million Units since March 2022¹, the DPU of 2.48 Singapore cents for FY2023 was 6.1% lower Y-O-Y.

As at 31 December 2023, the appraised valuation of First REIT's portfolio was resilient at S\$1.14 billion, largely due to a broad-based increase in rent in Indonesia, offset by currency translation impact for properties in Indonesia and in Japan. Net Asset Value ("**NAV**") per unit as at 31 December 2023, was 30.18 Singapore cents, marginally lower than 30.70 Singapore cents as at 31 December 2022, due to the depreciation of the Japanese Yen and the Indonesia Rupiah against the Singapore Dollar.

Focused on First REIT 2.0 Growth Strategy

In accordance with First REIT's 2.0 Growth Strategy, the Trust is focused on diversifying into developed markets, and reshaping its portfolio for capital efficient growth through the divestment of non-core, non-healthcare, or mature assets. As at 31 December 2023, 25.5% of First REIT's assets under management are in developed markets and the Trust targets to have more than 50% of assets under management from developed markets by FY2027.

On 29 December 2023, the Trust renewed its master lease agreement for Imperial Aryaduta Hotel & Country Club ("**IAHCC**") for one year until 31 December 2024 and a further term of another one year may also be granted upon mutual agreement ⁽⁶⁾. The renewed lease provides revenue stability from IAHCC while still allowing strategic flexibility, as IAHCC is a non-core asset which is being marketed for divestment.

⁽⁶⁾ Upon the mutual agreement of PT. Karya Sentra Sejahtera, an indirect wholly-owned subsidiary of First REIT, and PT. Lippo Karawaci Tbk. For further information, please refer to First REIT's SGX Announcement published on 29 December 2023.

The Trust is also committed to strengthening its capital structure. First REIT completed an early refinancing of a Japanese Yen denominated Tokutei Mokuteki Kaisha (“**TMK**”) bond In June 2023 with a new onshore banking institution. This further strengthened the REIT’s overall debt maturity profile, as the weighted average term to maturity increased to 3.6 years as at 31 December 2023, from 3.4 years as at 31 December 2022, and the REIT has no refinancing requirements until May 2026.

First REIT’s overall financial position remained strong with a gearing of 38.7% and healthy interest coverage ratio at 4.1 times as at 31 December 2023. To manage volatility in interest rates and currency, the Trust has increased the proportion of debt on fixed rates or hedged to 87.2% as at 31 December 2023 from 59.6% as at 31 December 2022. The Trust has also entered into non-deliverable forward contracts and call spreads to hedge net cashflow from Indonesia and Japan.

As at 31 December 2023, First REIT derives its rental income from 11 tenants, with its largest tenant PT Siloam International Hospitals Tbk and subsidiaries (“**Siloam**”) contributing 38.7% of rental income in FY2023 ⁽⁷⁾. Separately, there are rentals outstanding of approximately S\$4.0 million as at 31 December 2023 from a tenant PT Metropolis Propertindo Utama (“**PT MPU**”), while the security deposit received from PT MPU amounted to approximately S\$2.3 million. The Manager is engaging closely with PT MPU on repayments.

⁽⁷⁾ Without FRS 116 Adjustment on rental straight-lining

Outlook

Healthcare real estate continues to be a resilient asset class with robust demand fundamentals, and its long-term growth prospects are underpinned by demographic and structural factors. By 2050, the population in Japan aged 75 or older is expected to surpass 20% in all 47 prefectures excluding Tokyo, while the population aged 65 or older is expected to exceed 40% in 25 prefectures ⁽⁸⁾. In Singapore, due to rising life expectancy and falling birth rates, the ratio of working-age people relative to the elderly has declined from 7.4% in 2020 to 3.7% in 2023 ⁽⁹⁾. In Indonesia, a lack of access to healthcare had resulted in around 2 million Indonesians seeking health services abroad but structural demand could improve as the government ramps up public-private partnership initiatives ⁽¹⁰⁾.

With a continued focus on First REIT 2.0 Growth Strategy, strong support from its Sponsors, OUE Limited and OUE Healthcare Limited, First REIT is well positioned to deliver sustainable distributions to Unitholders in the long term.

⁽⁸⁾ The Japan News, 23 December 2023, '[Japan's 2050 Elderly Population to Top 40% in 25 Prefectures](#)'

⁽⁹⁾ Department of Statistics Singapore, '[Understanding Old-Age Support Ratio](#)'

⁽¹⁰⁾ Nikkei Asia, 18 October 2023, '[Indonesia is facing up to its need for health care investment](#)'

Distribution Details

Distribution	1 October 2023 to 31 December 2023
Distribution type	(a) Taxable income (b) Tax-Exempt income (c) Capital distribution
Distribution rate	Total: 0.62 cents per unit (a) Taxable income: 0.03 cents per unit (b) Tax-exempt income: 0.25 cents per unit (c) Capital distribution: 0.34 cents per unit
Ex-distribution date	27 February 2024 at 9.00 am
Book closure date	28 February 2024 at 5.00 pm
Payment date	28 March 2024

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About First REIT

First Real Estate Investment Trust (“**First REIT**” or the “**Trust**”), is a healthcare real estate investment trust focused on investing in income producing real estate properties which are primarily used for healthcare and healthcare related purposes. First REIT is managed by First REIT Management Limited (the “**Manager**”), which is headquartered in Singapore. The Manager is 40% directly held by OUE Healthcare Limited and 60% directly held by OUE Limited, who together are its Sponsors.

As at 31 December 2023, the Trust has a portfolio of 32 properties across Asia, with a total asset value of S\$1.14 billion. These include 15 properties in Indonesia comprising 11 hospitals, two integrated hospitals & malls, an integrated hospital & hotel and a hotel & country club; three nursing homes in Singapore; and 14 nursing homes in Japan. The Trust’s healthcare properties in Indonesia are operated by PT Siloam International Hospitals Tbk while healthcare properties in Singapore and Japan are operated by well-established third-party operators.

With a vision to become Asia’s premier healthcare trust, First REIT is actively executing its ‘2.0 Growth Strategy’ of four well-defined strategic pillars to drive sustainable long-term growth. The four pillars are to diversify into developed markets, reshape portfolio for capital efficient growth, strengthen capital structure to remain resilient, and continue to pivot to ride megatrends.

For the latest news from First REIT, visit www.first-reit.com

About OUE Limited

OUE Limited (SGX:LJ3) is a leading real estate and healthcare group, growing strategically to capitalise on growth trends across Asia.

OUE's real estate activities include the development, investment and management of real estate assets across the commercial, hospitality, retail, residential and healthcare sectors. OUE manages two SGX-listed REITs: OUE Commercial REIT, one of Singapore's largest diversified REITs, and First REIT, a pan-Asian healthcare REIT. As of 31 December 2022, OUE's real estate portfolio was valued at S\$9.5 billion, with S\$7.8 billion in funds under management across OUE's two REIT platforms and managed accounts.

OUE Healthcare, an SGX Catalist-listed subsidiary of OUE, operates and owns high-quality healthcare assets in high-growth Asian markets. With a vision of creating a regional healthcare ecosystem that is anchored on Singapore's medical best practices, OUE Healthcare's portfolio of owned and operated businesses includes hospitals, medical centres, clinics and senior care facilities in Singapore, China, Japan, Indonesia and Myanmar.

Anchored by its "Transformational Thinking" philosophy, OUE has built a strong reputation for developing iconic projects, transforming communities, providing exceptional service to customers and delivering long-term value to stakeholders.

For more information, please visit www.oue.com.sg

About OUE Healthcare Limited

OUE Healthcare Limited (“**OUE Healthcare**”) is a subsidiary company of OUE Limited. OUE Healthcare is a regional healthcare group that focuses on building a regional healthcare ecosystem.

Currently, OUE Healthcare owns, operates, and invests in quality healthcare businesses in high-growth markets including operating and managing a respiratory and cardiothoracic specialist group in Singapore, operating a hospital in Wuxi, China, and jointly developing and operating two hospitals in China with China Merchants Group, as well as jointly operating and managing Myanmar's leading private hospital group. OUE Healthcare is also the largest unitholder of First Real Estate Investment Trust, Singapore's first listed healthcare real estate investment trust, holding a direct stake of about 33%; and also holds a 40% stake of its manager, First REIT Management Limited.

OUE Healthcare continually seeks to grow its healthcare businesses in Asia via its three-pronged strategy comprising strategic partnerships, asset-light business model and regional expansion.

OUE Healthcare is a Singapore-incorporated company and has been listed on the Catalist of the SGX-ST since 8 July 2013.

For the latest news from OUE Healthcare, visit www.ouehealthcare.com

IMPORTANT NOTICE

The value of units in First REIT (“**Units**”) and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders of First REIT may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

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