



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

## BUSINESS UPDATE FOR 9M 2024

The Board of Directors of First REIT Management Limited, in its capacity as manager of First Real Estate Investment Trust (“**First REIT**”, and as manager of First REIT, the “**Manager**”), today announced its business update for the nine months ended 30 September 2024 (“**9M 2024**”).

### 1. Financial Results and Distribution Details

The Manager reported a distribution per unit (“**DPU**”) of 0.58 Singapore cent for the three months ended 30 September 2024 (“**3Q 2024**”) and 1.78 Singapore cents for 9M 2024. The payment date for 3Q 2024 DPU will be on 20 December 2024.

#### Summary of Financial Results for the period ended 30 September 2024

(S\$' million)	9M 2024	9M 2023	Change (%)
Rental and Other Income	77.0	81.4	(5.3%)
Without FRS 116 Adjustment on rental straight-lining	68.4	69.6	(1.8%)
Net Property and Other Income	74.4	79.1	(6.0%)
Without FRS 116 Adjustment on rental straight-lining	65.7	67.4	(2.5%)
Distributable Amount	37.0	38.4	(3.4%)
Total issued and issuable units (millions)	2,094	2,077	0.8%
Distribution per unit (cent)	1.78	1.86	(4.3%)

### 2. Business Update

Rental and Other Income declined 5.3% year-on-year to S\$77.0 million in 9M 2024 and Net Property and Other Income fell 6.0% year-on-year to S\$74.4 million over the same period. Rental and Other Income and Net Property and Other Income in 9M 2024 were impacted by the depreciation of Japanese Yen and Indonesian Rupiah against Singapore Dollar<sup>1</sup>. The currency impact was partly offset by higher rental income in local currency terms from Indonesia and Singapore properties.

<sup>1</sup> Based on average exchange rates, SGD/IDR depreciated 3.5% from 11,364 in 9M 2023 to 11,765 in 9M 2024, while SGD/JPY depreciated 10.9% from 101 to 112 over the same period.

Distributable Amount declined by 3.4% year-on-year to S\$37.0 million in 9M 2024 and DPU has consequently dipped from 1.86 Singapore cent in 9M 2023 to 1.78 Singapore cent in 9M 2024 mainly due to the depreciation of Japanese Yen and Indonesian Rupiah against Singapore Dollar, as well as the enlarged unit base resulting from the issuance of units for payment of management fee to the Manager.

The Trust continues to strengthen its capital structure to remain resilient. As at 30 September 2024, the proportion of debt on fixed rates or hedged is 86.0%, while gearing ratio remained healthy at 39.3% with an interest coverage ratio of 3.9 times. Approximately 30% of interest rate hedges will roll off by year end and the fixed rates hedging ratio will fall to under 60%. Cost of debt of 5.0% has remained the same in 9M 2024 as compared to 9M 2023. First REIT has no refinancing requirements until May 2026. Net asset value per unit as at 30 September 2024 was 29.16 Singapore cents as compared to 30.18 Singapore cents as at 31 December 2023 mainly due to currency translation; this represents a price-to book ratio of 0.96 times<sup>2</sup>.

Separately, rentals outstanding from PT Metropolis Propertindo Utama (“**PT MPU**”) amounted to approximately S\$7.9 million as at 30 September 2024. The security deposit received from MPU amounted to S\$2.3 million, which comprises of S\$1.7 million for the mall and S\$0.6 million for the hospitals.

To provide further context to the outstanding rentals from MPU, on 18 May 2021, First REIT entered into a deed of novation and variation with MPU and PT Siloam International Hospitals Tbk (“**Siloam**”) to add Siloam as a joint tenant with MPU to each of the three MPU Hospitals Master Lease Agreements (“**MLA**”)<sup>3</sup>. As at 30 September 2024, the security deposit from Siloam for the three MPU Hospitals MLAs for its proportion of the rent amounted to approximately S\$4.3 million, there are no rentals outstanding from Siloam. The Manager is actively engaging on repayments.

### 3. Outlook

Despite ongoing geopolitical tensions and the current market uncertainty, the global economy has shown signs of stabilisation<sup>4</sup>. The recent US Fed rate cuts have also provided positive signals to the markets, with Asia economies set for some relief. Structural megatrends such as a rapidly ageing population as well as long-term demand drivers like the increasing demand for quality healthcare and rising health awareness, will continue to underpin the resilience and strength of the healthcare sector.

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<sup>2</sup> Based on First REIT’s closing unit price of S\$0.28 as at 30 September 2024.

<sup>3</sup> On 18 May 2021, First REIT entered into a deed of novation and variation with MPU and Siloam to add Siloam as a joint tenant with MPU for three Hospital MLAs; a fourth MLA for a mall is only with PT Bumi Sarana Sejahtera, a subsidiary of MPU.

<sup>4</sup> OECD, 25 September 2024, [OECD Economic Outlook, Interim Report September 2024](#)

According to the latest World Economic Forum's Chief Economists Outlook<sup>5</sup>, global inflation is continuing its downward trajectory, with the latest International Monetary Fund projection showing full year global inflation falling from 6.8% in 2023 to 5.9% in 2024. In Singapore, the Monetary Authority of Singapore ("MAS") Core Inflation should end the year around 2.0%, and average between 2.5% to 3.0% for 2024 as a whole, down from 4.2% in 2023<sup>6</sup>. In terms of currency, the MAS continued to maintain the rate of appreciation of the Singapore dollar nominal effective exchange rate policy band. Japan's core consumer inflation has exceeded the Bank of Japan's 2.0% for well over two years with rising raw material import costs partly due to the weak Japanese Yen<sup>7</sup>. Indonesia's annual inflation rate was 2.1% in July, the lowest since February 2022<sup>8</sup>. The central bank is focused on stabilising the rupiah before possibly easing rates further this year. The Manager is closely monitoring and progressively hedging net cashflow from Indonesia and Japan in accordance with its hedging policy.

In Japan, the number of people aged 65 or older hit a record high of 36.3 million in 2024<sup>9</sup>. This proportion of elderly is projected to continue rising, comprising 34.8% of the total population in 2040. According to the annual Prime Minister's Office's Population in Brief publication<sup>10</sup>, Singapore's population continues to age, the proportion of citizens aged 65 and above increased from 12.4% in 2014 to 19.9% in 2024. By 2030, around 1 in 4 citizens will be aged 65 and above. In Indonesia, the government has been making significant strides in expanding healthcare access across the nation and has plans to allow private healthcare firms to open more hospitals and clinics in its more populous cities<sup>11</sup>.

As such, First REIT is strategically placed to leverage these demographic shifts and heightened demand for healthcare services, with its healthcare portfolio of nursing homes in Japan and Singapore, as well as hospitals in Indonesia. In line with its 2.0 Growth Strategy<sup>12</sup>, First REIT targets for developed markets to comprise more than 50% of its portfolio by FY2027, to deliver sustainable growth. This includes divesting non-core assets or mature properties and recycling the capital for strategic acquisition opportunities in developed markets. Together with strong sponsor support from OUE Limited and OUE Healthcare Limited, First REIT is well-positioned to ride the tailwinds in the healthcare sector to deliver sustainable distributions.

#### 4. Distribution Details

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<sup>5</sup> World Economic Forum's Chief Economists Outlook, September 2024, [Chief Economists Outlook September 2024](#)

<sup>6</sup> MAS Monetary Policy Statement, 14 October 2024, [MAS Monetary Policy Statement - October 2024](#)

<sup>7</sup> Japan's core inflation accelerates for 4th month in August, Reuters, 20 September 2024, [Japan's core inflation accelerates for 4th month in August](#)

<sup>8</sup> Indonesia central bank keeps rates steady, focuses on stabilizing the rupiah, Reuters, 21 August 2024, [Indonesia central bank keeps rates steady, focuses on stabilizing the rupiah](#)

<sup>9</sup> Statistics Bureau of the Ministry of Internal Affairs and Communications, 15 September 2024, [Japan's Elderly People from the Perspective of Statistics: In Honoring Respect for the Aged Day](#)

<sup>10</sup> National Population and Talent Division, Strategy Group, Prime Minister's Office, 24 September 2024, [Population in Brief 2024](#)

<sup>11</sup> The Straits Times, 11 August 2024, [Indonesia pushes for wider healthcare access by tying urban expansion to rural development: Minister](#)

<sup>12</sup> Read more about First REIT's 2.0 Growth Strategy at <https://www.first-reit.com/about-growth-strategy.html>

<b>Summary of Distribution Details</b>	
<b>Distribution</b>	1 July 2024 to 30 September 2024
<b>Distribution type</b>	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
<b>Distribution rate</b>	Total: 0.58 cent per unit (a) Taxable income: 0.04 cent per unit (b) Tax-exempt income: 0.10 cent per unit (c) Capital distribution: 0.44 cent per unit
<b>Ex-distribution date</b>	12 November 2024 at 9.00 am
<b>Book closure date</b>	13 November 2024 at 5.00 pm
<b>Payment date</b>	20 December 2024

By Order of the Board

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

30 October 2024

## 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.