



FIRST REAL ESTATE INVESTMENT TRUST

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

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## MINUTES OF THE ANNUAL GENERAL MEETING HELD ON 20 MAY 2020

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First REIT Management Limited, as manager of First Real Estate Investment Trust (“**First REIT**”, and the manager of First REIT, the “**Manager**”), wishes to inform unitholders that in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and the Additional Guidance on the Conduct of General Meetings During Elevated Safe Distancing Period jointly published by the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation on 13 April 2020, minutes of the eleventh annual general meeting (“**AGM**”) of First REIT which was convened and held by way of electronic means on Wednesday, 20 May 2020 at 10:00 a.m. has been recorded and is attached hereto as **Appendix A**.

The Manager had on 19 May 2020 released on SGXNET its responses to substantial and relevant questions received from unitholders relating to the agenda of the AGM.

By Order of the Board

Tan Kok Mian Victor  
Executive Director and Chief Executive Officer  
First REIT Management Limited  
(Company registration no. 200607070D)  
As Manager of First Real Estate Investment Trust

15 June 2020

### **IMPORTANT NOTICE**

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

This announcement 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. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

**APPENDIX A**  
**MINUTES OF AGM**

## FIRST REAL ESTATE INVESTMENT TRUST

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

(Manager: Bowsprit Capital Corporation Limited)

(Trustee: Perpetual (Asia) Limited)

### MINUTES OF ELEVENTH ANNUAL GENERAL MEETING

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**PLACE** : Via “live” audio-visual webcast and “live” audio-only stream in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meeting for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (“**Electronic Means**”)

**DATE** : 20 May 2020 (Wednesday)

**TIME** : 10:00 a.m.

**PRESENT** : Mr Chan Pengee Adrian - Lead Independent Director and Chairman of the Nominating and Remuneration Committee  
Mr Tan Kok Mian Victor - Chief Executive Officer and Executive Director

**IN ATTENDANCE VIA ELECTRONIC MEANS** : Mr Christopher James Williams - Chairman of the Board and Non-Independent Non-Executive Director  
Mr Ferris Charles Bye - Independent Director and Chairman of the Audit and Risk Committee  
Mr Tan Chuan Lye - Independent Director  
Mr Martin Lechner - Independent Director  
Ms Minny Riady - Non-Independent Non-Executive Director  
Ms Valerie Ng - Chief Financial Officer  
Ms Marilyn Tan Lay Hong - Company Secretary  
Ms Sin Li Choo - Representative from the Trustee, Perpetual (Asia) Limited

**UNITHOLDERS PRESENT VIA ELECTRONIC MEANS** : Please see Attendance List attached hereto.

**CHAIRMAN OF THE MEETING** : Mr Chan Pengee Adrian

1 Mr Chan Pengee Adrian declared the meeting open and welcomed the Unitholders to the Annual General Meeting (“**AGM**”) of First Real Estate Investment Trust (“**First REIT**”). He informed Unitholders that he would chair the AGM on behalf of the Board Chairman who was in Hong Kong (the “**Chairman of the Meeting**”).

1.2 The Chairman of the Meeting introduced the Directors, Company Secretary, Management of Bowsprit Capital Corporation Limited (“**Manager**”) and the Representative of Perpetual (Asia) Limited (“**Trustee**”), who were present at the AGM via “live” audio-visual webcast, to the Unitholders.

#### 2 PRESENTATION BY CHIEF EXECUTIVE OFFICER (“**CEO**”)

2.1 Mr Tan Kok Mian Victor, Executive Director and CEO of the Manager, delivered a presentation on First REIT. After the presentation, the CEO handed over the proceedings to the Chairman.

2.2 A copy of the presentation, which was posted via SGXNet and First REIT’s website on 20 May 2020, is annexed to this Minutes as “**Annex A**”.

**3 QUORUM**

3.1 As a quorum was present, the Chairman of the Meeting called the meeting to order.

**4 NOTICE**

4.1 The Notice of the AGM ("**Notice**") convening the meeting was taken as read.

4.2 The Chairman of the Meeting informed the Unitholders that he had been appointed as proxy by a number of the Unitholders pursuant to the COVID-19 (Temporary Measures) Act 2020 and its related order on the conduct of general meetings to vote for, against or to abstain from voting in respect of the resolutions to be tabled at the meeting in accordance with the specific instructions of the Unitholders. The voting of all resolutions tabled at the AGM would be voted by poll based on the proxy forms that were submitted to the Manager at least 72 hours before the AGM.

4.3 The Chairman also informed the Unitholders that the Manager's responses to substantial and relevant questions received from the Unitholders related to the resolutions tabled at the meeting had been posted on SGXNet and First REIT's website on 19 May 2020.

4.4 The responses to substantial and relevant questions received from the Unitholders are annexed to this Minutes as "**Annex B**".

**5 POLLING**

5.1 DrewCorp Services Pte Ltd had been appointed as scrutineers for the poll.

5.2 There were no parties who were required to abstain from voting on any resolutions.

**6 ADOPTION OF STATEMENT OF THE TRUSTEE, THE STATEMENT BY THE MANAGER AND THE AUDITED FINANCIAL STATEMENTS OF FIRST REIT – ORDINARY RESOLUTION 1**

6.1 Ordinary Resolution 1 was proposed by the Chairman of the Meeting:

"That the Statement of Perpetual (Asia) Limited, as trustee of First REIT, the Statement by Bowsprit Capital Corporation Limited, as manager of First REIT and the Audited Financial Statements of First REIT for the financial year ended 31 December 2019 together with the Auditors' Report thereon be received and adopted."

6.2 The results of Ordinary Resolution 1 tabled at the Meeting, taken on a poll, were as follows:

Total no. of votes cast	No. of votes 'For'	% 'For'	No. of votes 'Against'	% 'Against'
267,010,485	266,932,388	99.97%	78,097	0.03%

6.3 Based on the polling results, the Chairman of the Meeting declared Ordinary Resolution 1 as carried.

**7 RE-APPOINTMENT OF RSM CHIO LIM LLP AS THE AUDITORS OF FIRST REIT – ORDINARY RESOLUTION 2**

7.1 Ordinary Resolution 2 was proposed by the Chairman of the Meeting:

"That RSM Chio Lim LLP be re-appointed as Auditors of First REIT until the conclusion of the next Annual General Meeting and that the Manager be authorised to fix their remuneration."

7.2 The results of Ordinary Resolution 2 tabled at the Meeting, taken on a poll, were as follows:

Total no. of votes cast	No. of votes 'For'	% 'For'	No. of votes 'Against'	% 'Against'
267,397,146	267,230,149	99.94%	166,997	0.06%

7.3 Based on the polling results, the Chairman of the Meeting declared Ordinary Resolution 2 as carried.

## 8 **AUTHORITY TO ISSUE NEW UNITS – ORDINARY RESOLUTION 3**

8.1 Ordinary Resolution 3 was proposed by the Chairman of the Meeting:

“That pursuant to Clause 5 of the trust deed constituting First REIT (as amended) (the “**Trust Deed**”) and the listing rules of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Manager be authorised and empowered to:

- (a) (i) issue units in First REIT (“**Units**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Units,
- at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and
- (b) issue Units in pursuance of any Instrument made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

provided that:

- (1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) shall not exceed one hundred per cent (100.0%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a pro rata basis to existing Unitholders (including Units to be issued in pursuance of Instruments to be made or granted pursuant to this Resolution) shall not exceed twenty per cent (20.0%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below);
- (2) subject to such manner of calculation as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of Units and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued Units and Instruments shall be based on the total number of issued Units (excluding treasury Units, if any) at the time of the passing of this Resolution, after adjusting for:
- (a) any new Units arising from the conversion or exercise of the Instruments or any convertible securities; and
- (b) any subsequent bonus issue, consolidation or subdivision of Units;
- provided such adjustment in sub-paragraph (2)(a) is made in respect of new Units arising from exercise of Instruments or convertible securities which were issued and outstanding or subsisting at the time of the passing of this Resolution;
- (3) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such

compliance has been waived by the SGX-ST) and the Trust Deed constituting First REIT (as amended) for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);

- (4) unless revoked or varied by Unitholders in a general meeting of First REIT, the authority conferred by this Resolution shall continue in force (i) until (a) the conclusion of the next AGM of First REIT or (b) the date by which the next AGM of First REIT is required by the applicable laws and regulations or the Trust Deed to be held, whichever is earlier or (ii) in the case of Units to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such Units in accordance with the terms of the Instruments;
- (5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and
- (6) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interest of First REIT to give effect to the authority conferred by this Resolution.

8.2 The results of Ordinary Resolution 3 tabled at the Meeting, taken on a poll, were as follows:

<b>Total no. of votes cast</b>	<b>No. of votes 'For'</b>	<b>% 'For'</b>	<b>No. of votes 'Against'</b>	<b>% 'Against'</b>
267,407,146	244,308,165	91.36%	23,098,981	8.64%

8.3 Based on the polling results, the Chairman of the Meeting declared Ordinary Resolution 3 as carried.

## 9 **CONCLUSION**

9.1 There being no other business to transact, the Chairman of the Meeting declared the AGM closed at 10:38 a.m. and thanked everyone for their attendance.

Confirmed as a True Record of Proceedings Held

Chan Pengee Adrian  
Chairman of the Meeting

# ANCHORING VALUE FOR SUSTAINABLE GROWTH

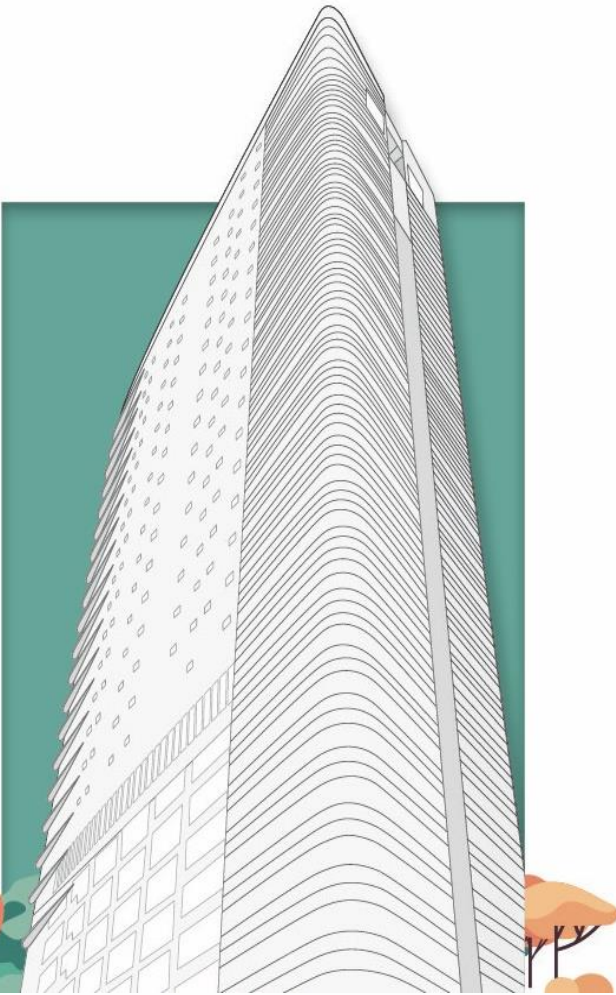
**ANNUAL GENERAL MEETING**

20 MAY 2020





# DISCLOSURE



This presentation has been prepared by Bowsprit Capital Corporation Limited, in its capacity as the manager of First Real Estate Investment Trust (“First REIT” and as manager of First REIT, the “Manager”).

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The value of units in First REIT (“Units”) and the income from them may fall as well as rise. 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.

This presentation may contain forward-looking statements that involve assumptions, risks and uncertainties based on the Manager’s current view of future events. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of risks, uncertainties and assumptions – representative examples include, without limitation, general economic and industry conditions, interest rate trends, cost of capital, capital availability, shifts in expected levels of property rental income, change in operating expenses, property expenses and government and public policy changes and continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view of future events.

The past performance of First REIT is not necessarily indicative of the future performance of First REIT.

# FIRST REIT AT A GLANCE

1

## WELL-DEFINED ACQUISITION STRATEGY

Distinct growth strategy by **acquiring yield-accretive properties** in the healthcare and healthcare-related industry which fulfils its investment criteria

2

## ASSET SIZE AND CLASS

- **20 Assets:** S\$1.34 billion
- **Indonesia:** 12 hospitals, 2 integrated hospital & mall, 1 integrated hotel & hospital and 1 hotel & country club
- **Singapore:** 3 nursing homes
- **South Korea:** 1 hospital

3

## RESILIENT HEALTHCARE-RELATED REAL ESTATE INVESTMENT TRUST IN SINGAPORE

Mandated to invest in **quality, income-producing** healthcare and/or healthcare-related real estate assets in Asia

4

## LEASING TENANCY ARRANGEMENT

Long lease terms of **minimum 10 years up to 15 years** with step up escalation

5

## FINANCING ARRANGEMENT

Term loan facilities with Banks: S\$492.7 million

6

## MARKET CAPITALISATION

(as at 31 Mar 2020)

- Market Capitalisation: S\$544.0 million
- Total number of Units: 799,992,974
- OUE and OUELH ≈ 18.99%
- Number of Unitholders ≈ 16,675 (as at 20 Mar 2020)

# FINANCIAL HIGHLIGHTS



# KEY FINANCIAL HIGHLIGHTS

## ❖ FY 2019 Financial Performance

	4Q 2019	4Q 2018	Y-O-Y	FY 2019	FY 2018	Y-O-Y
RENTAL & OTHER INCOME (S\$'M)	28.9	29.3	(1.6%)	115.3	116.2	(0.8%)
NET PROPERTY & OTHER INCOME (S\$'M)	28.3	28.5	(0.8%)	112.9	114.4	(1.3%)
DISTRIBUTABLE INCOME (S\$'M)	17.2	17.0	0.9%	68.5	67.7	1.2%
DPU (CENTS)	2.15	2.15	-	8.60	8.60	-

FY 2019 DPU of 8.60 cents translates to distribution yield of **8.6%**, based on closing price of S\$0.995 on 31 December 2019.

# HEALTHY BALANCE SHEET WITH STRONG FINANCIAL POSITION

S\$'000	As at 31 Dec 2019	As at 31 Dec 2018
<b>ASSETS</b>		
Non-current	1,342,302	1,373,766
Current	84,834	65,008
<b>Total</b>	<b>1,427,136</b>	<b>1,438,774</b>
<b>LIABILITIES</b>		
Non-current	527,366	418,861
Current <sup>(1)</sup>	44,056	150,760
<b>Total</b>	<b>571,422</b>	<b>569,621</b>
<hr/>		
Unitholders' Funds	794,836	808,275
NAV/unit	99.64¢	102.51¢

**Note**

(1) The S\$100 million term loan due on 17 May 2019 was refinanced by a S\$100 million syndicated term loan which will mature in May 2022.

# KEY FINANCIAL HIGHLIGHTS

## ❖ 1Q 2020 Financial Performance

	1Q 2020	1Q 2019	Y-O-Y	FY 2019	FY 2018	Y-O-Y
RENTAL & OTHER INCOME (S\$'M)	28.9	28.6	0.8%	115.3	116.2	(0.8%)
NET PROPERTY & OTHER INCOME (S\$'M)	28.2	28.0	0.7%	112.9	114.4	(1.3%)
INCOME AVAILABLE FOR DISTRIBUTION TO UNITHOLDERS (S\$'M) <sup>(i)</sup>	15.9	17.1	(6.7%)	68.5	67.7	1.2%
DISTRIBUTABLE INCOME (S\$'M) <sup>(ii)</sup>	14.9	17.1	(12.5%)	68.5	67.7	1.2%
DPU (CENTS)	1.86	2.15	(13.5%)	8.60	8.60	-

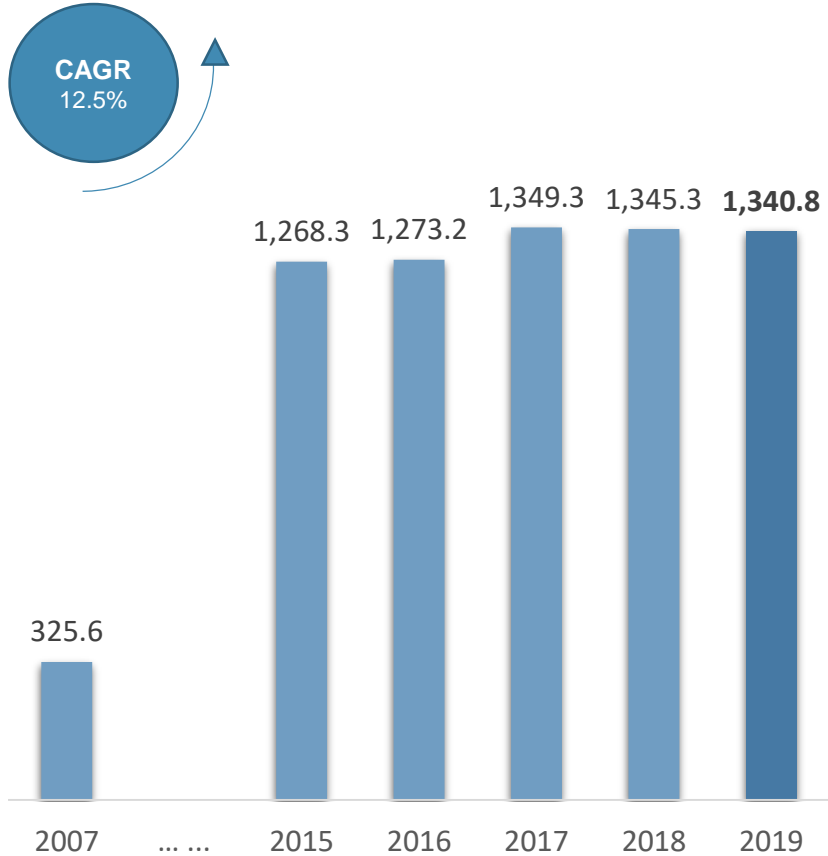
### Notes

- (i) Distributable income includes management fees payable to the Manager in First REIT units of S\$1.4 million for 1Q 2020 (1Q 2019: S\$2.5 million). Distributable income has decreased due to lower management fees payable in units.
- (ii) In view of the uncertainty and challenges brought about by COVID-19 pandemic, First REIT has retained S\$1.0 million of its capital distributions for prudence and added financial flexibility.

# GROWTH IN ASSET SIZE

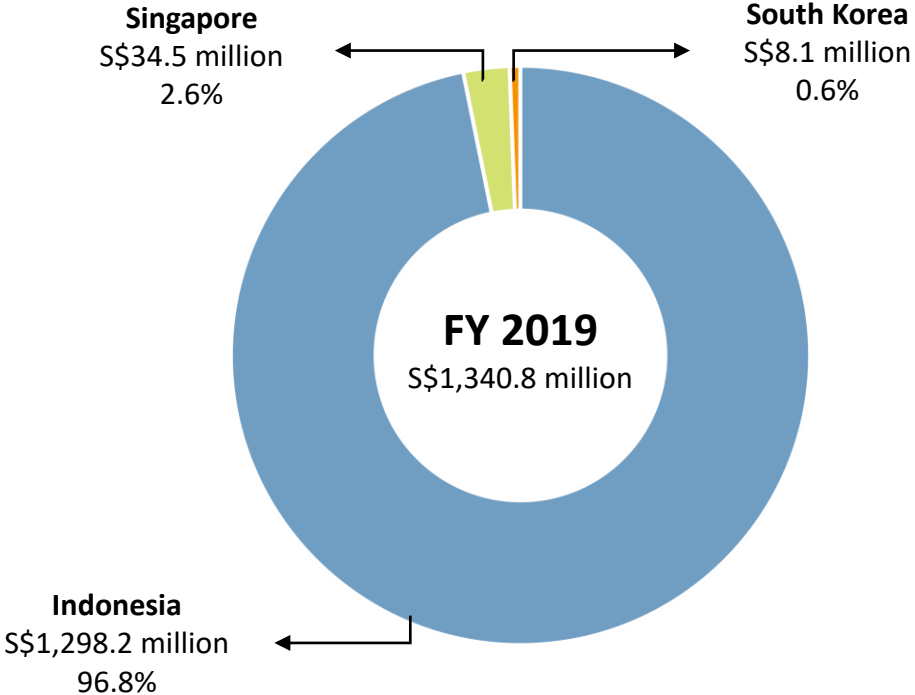
## ASSETS-UNDER-MANAGEMENT

Historical (S\$'million)



## ASSETS-UNDER-MANAGEMENT

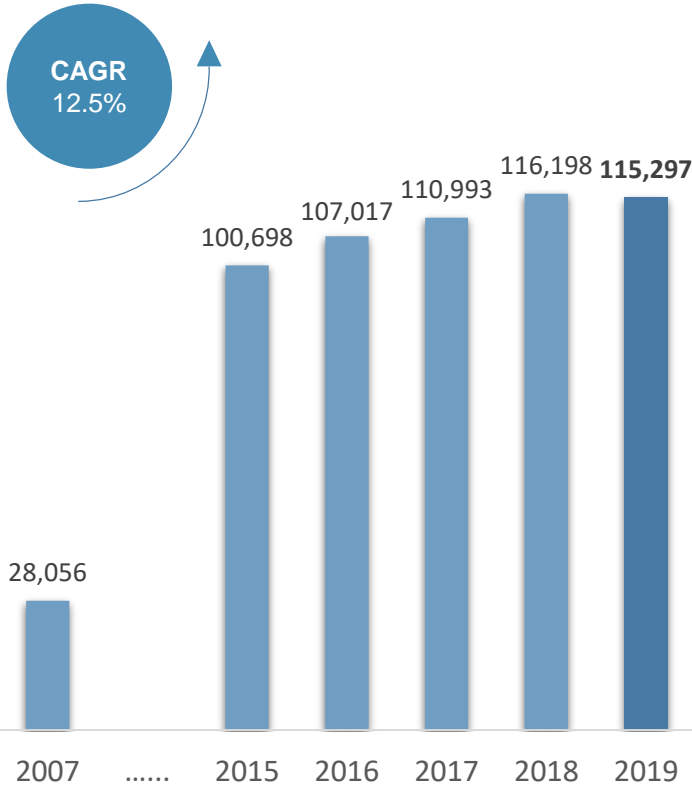
Breakdown by Geography (S\$'million)



# GROWTH IN OPERATING PERFORMANCE

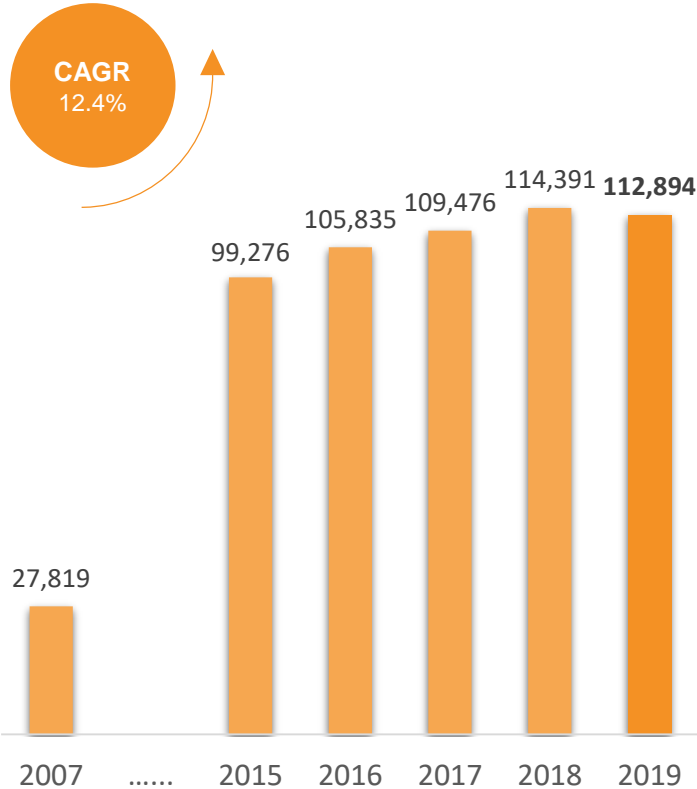
## RENTAL AND OTHER INCOME

(\$S'000)



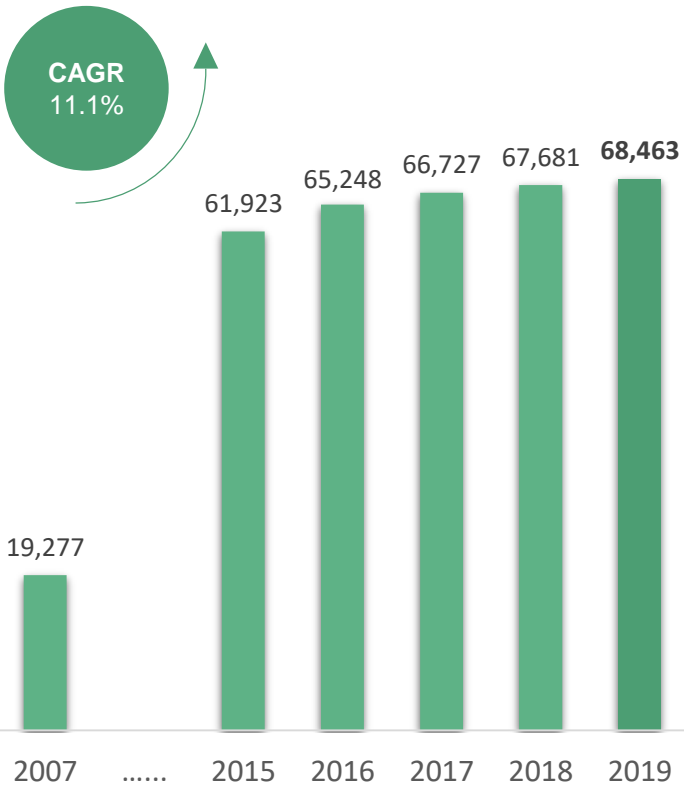
## NET PROPERTY AND OTHER INCOME

(\$S'000)



## DISTRIBUTABLE AMOUNT

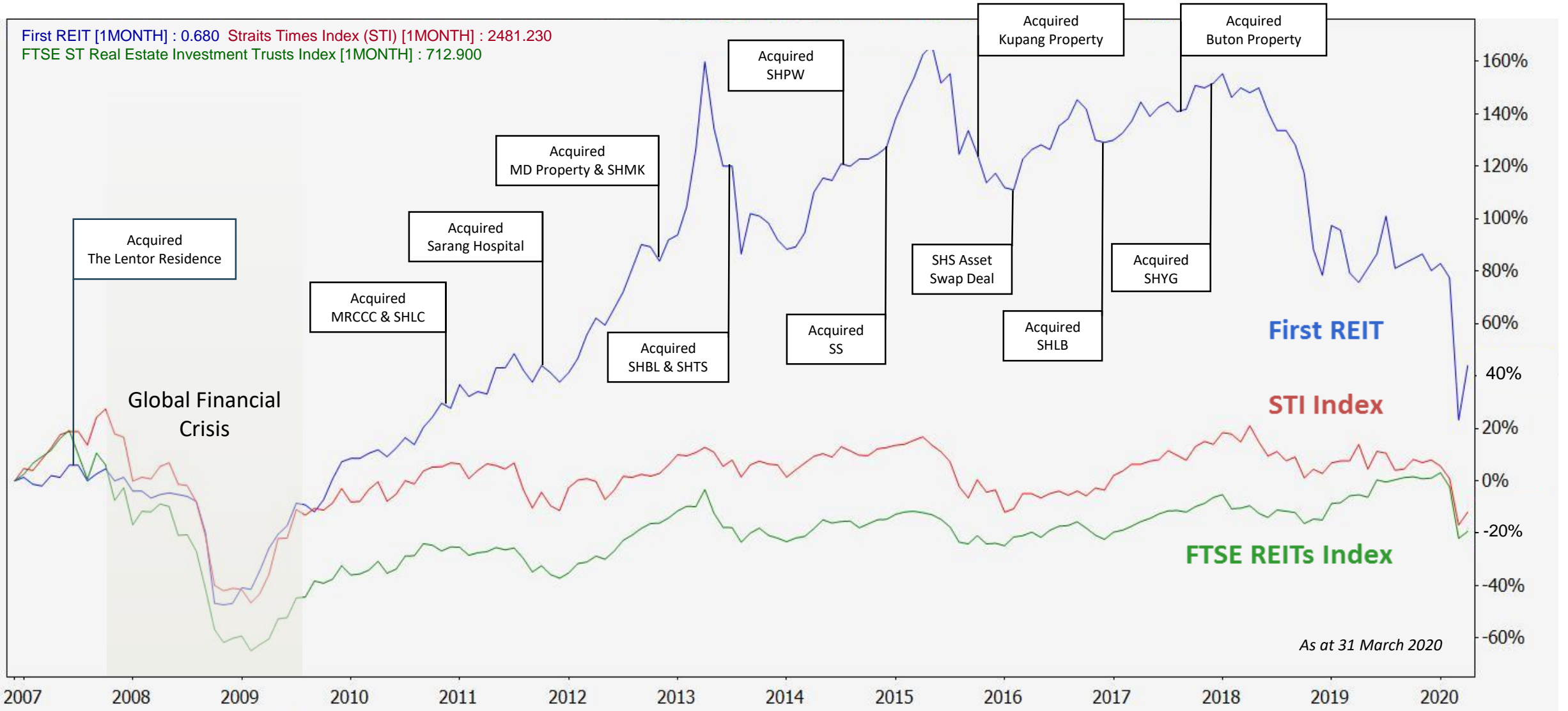
(\$S'000)



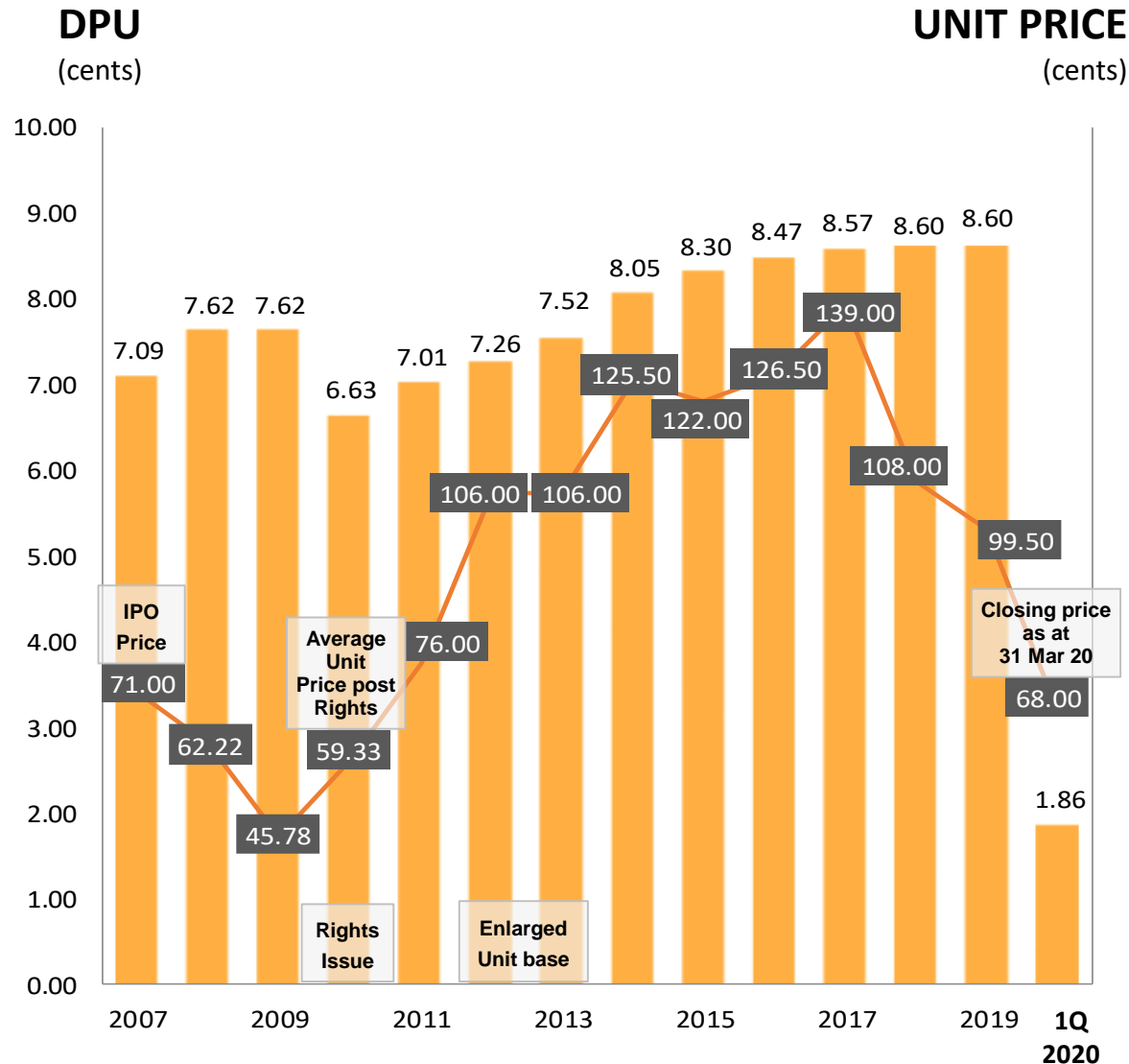


# FIRST REIT VS BENCHMARK INDICES

SINCE LISTING IN DECEMBER 2006 AND ADJUSTED FOR RIGHTS UNIT



# % OF TOTAL RETURN YTD & ANNUALISED



### Illustration of Total Return Calculations

- DPU Return FY 2007 to YTD = 103.41 cents
- Return on Average Unit Price = 8.67 cents
- Total return to date = 112.08 cents
- Average Unit Price post Rights Issue =  $(71.00 \times 4 + 50.00 \times 5) / 9$  = 59.33 cents

### Illustration of First REIT's Unit Value since IPO

- Total amount invested (assumes S\$1,000 of First REIT Units at IPO and subscription to Rights Units) = S\$1,880.28
- Total worth of Investment (including Dividends from IPO to YTD) = S\$4,922.15
- **Annualised total return<sup>(1)</sup> = 12.1%**

**Note**

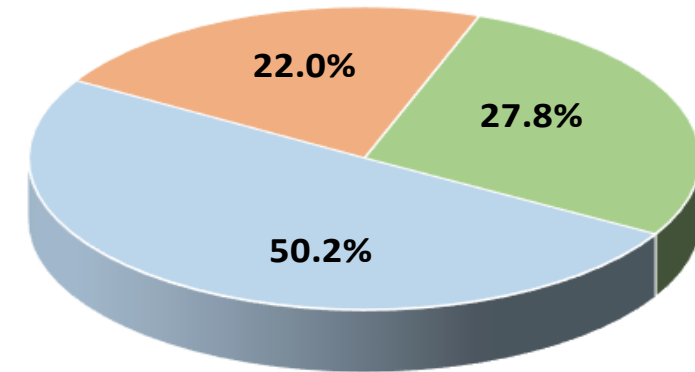
<sup>(1)</sup> Assumes Unitholder owned First REIT Units at the IPO price of S\$0.71 per unit and fully subscribed for the 5-for-4 Rights Issue at S\$0.50 per unit in 2010. The annualised total return will vary for investors who purchased Units in the secondary market at a market price that differs from the IPO price of S\$0.71 per unit and/or who did not fully subscribe for the 5-for-4 rights issue in 2010.

# LONG WALE & LEASE EXPIRY PROFILE

## EARLIEST LEASE RENEWALS IN 2021

Master Lease	Expiry
Sarang Hospital	Aug-21*
Siloam Hospitals Lippo Village	Dec-21*
Siloam Hospitals Kebon Jeruk	Dec-21*
Siloam Hospitals Surabaya	Dec-21*
Imperial Aryaduta Hotel & Country Club	Dec-21*
Mochtar Riady Comprehensive Cancer Centre	Dec-25
Siloam Hospitals Lippo Cikarang	Dec-25
Pacific Healthcare Nursing Home @ Bukit Merah	Apr-27
Pacific Healthcare Nursing Home II @ Bukit Panjang	Apr-27
The Lantor Residence	Jun-27
Siloam Hospitals Manado & Hotel Aryaduta Manado	Nov-27
Siloam Hospitals Makassar	Nov-27
Siloam Hospitals Bali	May-28
Siloam Hospitals TB Simatupang	May-28
Siloam Hospitals Purwakarta	May-29
Siloam Sriwijaya	Dec-29
Siloam Hospitals Kupang & Lippo Plaza Kupang	Dec-30
Siloam Hospitals Labuan Bajo	Dec-31
Siloam Hospitals Buton & Lippo Plaza Buton	Oct-32
Siloam Hospitals Yogyakarta	Dec-32

Lease expiry profile as % of GFA  
(as at 31 March 2020)



■ More than 10 years ■ Within 5-10 years ■ Less than 5 years

**7.3 years**

**Weighted Average Lease Expiry (WALE)**  
(As at 31 March 2020)

**Note**

(\*) The Trust continues to be engaged in discussions with stakeholders for the leases that are due for renewal in 2021. Unitholders will be notified when there are material developments.

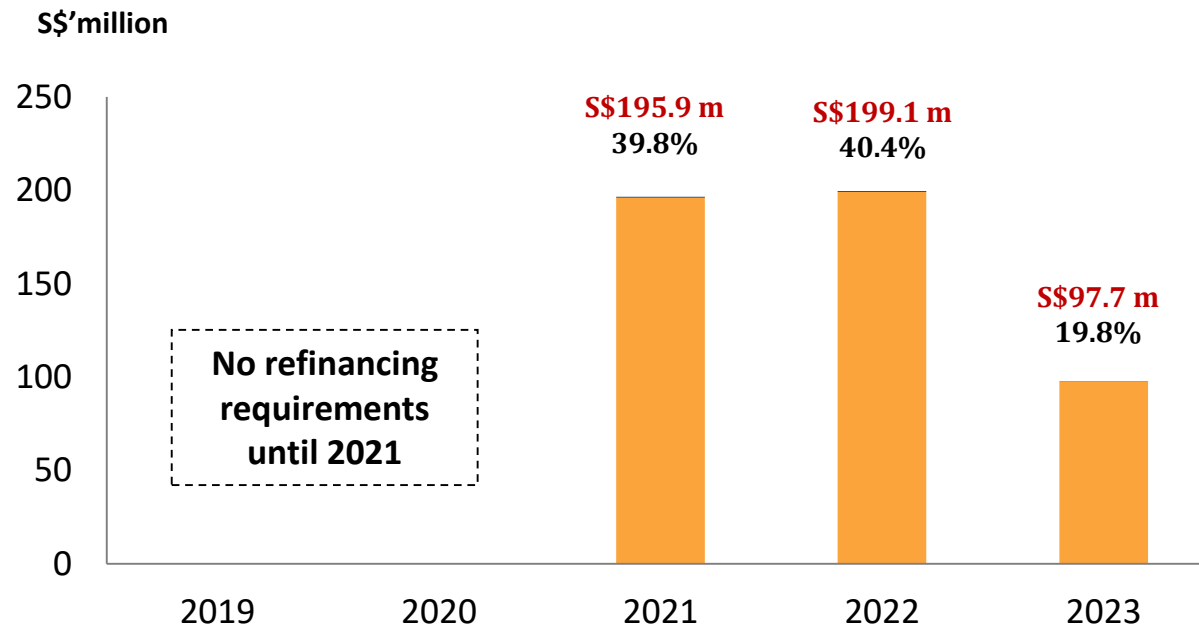
# DISCIPLINED AND PRUDENT CAPITAL MANAGEMENT

## DEBT MATURITY PROFILE

	As at 31 Dec 2019	As at 31 Dec 2018
<b>Total Debt<sup>(1)</sup></b>	S\$492.7 million	S\$503.0 million
<b>Gearing Ratio</b>	34.5%	35.0%

<sup>(1)</sup> Before transaction costs.

### DEBT MATURITY PROFILE (AS AT 31 DEC 2019)



### Legend

■ Term Loan Facilities (100.0%)

### Notes

- Term loan amount of S\$296.7 million (60.2% of total debt) is hedged using interest rate swaps to mitigate interest rate fluctuations.
- The Weighted Average Debt Maturity is at 2.01 years as at 31 December 2019.
- The Weighted Average Cost of Debt is approximately 4.1% p.a. as at 31 December 2019 with interest cover at 5.0 times.

# OUTLOOK AND GROWTH



Siloam Hospitals Lippo Village

# CHANGE TO SEMI-ANNUAL REPORTING FOR FIRST REIT

**ANNOUNCEMENT DATED 24 APRIL 2020**

## **CHANGE TO SEMI-ANNUAL REPORTING AND CONTINUATION OF QUARTERLY DISTRIBUTION**

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- Following recent amendments to the listing rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual which came into effect on 7 February 2020, First REIT is no longer required by SGX-ST to perform quarterly reporting.
- The Manager wishes to announce that First REIT will adopt a semi-annual reporting of the financial results with effect from the financial year ending 31 December 2020 (“FY2020”). For FY2020, the next financial results reporting will be for the half year period ending 30 June 2020.
- The Manager is of the view that a semi-annual financial result is adequate to keep the Unitholders and stakeholders of First REIT informed of its state of affairs.
- The Manager will continue with the quarterly distribution notwithstanding the cessation of quarterly reporting of First REIT’s financial results.
- The Manager will continue its proactive engagement with Unitholders and stakeholders of First REIT through its various communication channels, including providing relevant business updates between the release of the semi-annual financial results.

# CORONAVIRUS (COVID-19) UPDATE

## Situation in

### Indonesia

- On 31 March 2020, Indonesia government declared a COVID-19 public health emergency with large-scale social restrictions and partial quarantines for smaller areas
- All foreign nationals banned from visiting or transiting Indonesia, ban will remain in place until crisis is over
- Corporate tax rate will be lowered to 22% from 25% in 2020 and government setting aside Rp 405.1 trillion to fight the pandemic

### Singapore & South Korea

- Singapore declared a “Circuit Breaker” period from 7 April 2020 to 1 June 2020 where all schools and most work places and retail premises are closed, except for essential services
- Singapore government setting aside S\$48 billion Resilience Budget to combat COVID-19 crisis to save jobs, support workers and businesses and to help hard-hit sectors, which included a 100% rebate on property tax payable for nursing homes and the Manager will pass on these rebates to the tenant
- South Korea raised its alert level to the highest red since 23 February 2020

### Manager's Comments

As the situation remains uncertain, it is currently difficult to ascertain the full financial impact of the outbreak on the financial performance of First REIT. The Manager is monitoring the situation closely and updates will be provided when there are material developments.

# CORONAVIRUS (COVID-19) UPDATE



## Indonesia

- 15 Hospitals – All hospitals remain operational with stepped up precautionary measures to protect the health and safety of its patients/guests, staff and visitors.
- 2 Shopping Malls (integrated with hospitals) – Temporary closure, apart from essential services till 26 May 2020 for Lippo Plaza Kupang. Operations have resumed in phases for Lippo Plaza Buton in early May 2020 .
- 2 Hotels (1 integrated with hospital and 1 standalone hotel & country club) – Temporary closure of Hotel Aryaduta Manado\* and Aryaduta Country Club until further notice.



## Singapore

- 3 Nursing Homes – Remain operational in compliance with MOH guidelines with increased precautions and measures. Staff underwent emergency control training and emergency preparedness training.
- On 17 April 2020, First REIT announced that a resident at one of its nursing homes in Singapore, Pacific Healthcare Nursing Home II @ Bukit Panjang (“PHNH II”), tested positive for COVID-19 on 15 April 2020.
- On 6 May 2020, First REIT further announced that PHNH II has updated that the resident is no longer infected with COVID-19. All residents and staff at PHNH II have also tested negative for COVID-19.



## South Korea

- 1 Rehabilitative Hospital – Remain operational with increased precautions and measures.

### Note

\* - Hotel Aryaduta Manado is part of the Manado Property comprising Siloam Hospitals Manado & Hotel Aryaduta Manado; Aryaduta Country Club is part of the Imperial Aryaduta Hotel & Country Club.



# SURABAYA ASSET SWAP TRANSACTION UPDATE



## Announcement dated 18 May 2020

- A road subsidence that took place on 18 December 2018 along Gubeng Highway, Surabaya, which is in close proximity to Siloam Hospitals Surabaya (the “Road Subsidence”). The relevant Indonesian authorities are currently investigating the matter.
- The Manager wishes to announce that the Road Subsidence has had a serious impact on the Development Works, which are no longer progressing. The Manager is evaluating all available options and to aid this process, the Manager has commissioned tax consultants, development and construction-related consultants, legal counsels and valuers to carry out feasibility studies across various fields (the “Feasibility Studies”). The Feasibility Studies are ongoing and serve to determine the possibility of conducting future construction works on the site given the Road Subsidence.
- Pursuant to Clause 10.5.3 of the Development Works Agreement, PT TPI shall have the right to terminate the Development Works Agreement in the event the Development Works remain uncompleted by 28 June 2020. Given that the Development Works are no longer progressing, the Manager intends for the Development Works Agreement to be terminated. To this end, the Manager has been in active discussions with all stakeholders to reach a settlement on this matter.
- The Manager is optimistic in reaching a resolution for this matter and will provide an update as and when there are material developments to the above.

# STRATEGIC AND SYNERGISTIC BENEFITS

## OUE & OUELH

**Summary of Acquisition by OUE Limited (OUE) and OUE Lippo Healthcare (OUELH) as announced on 18 September 2018, and completed on 26 October 2018:**

- OUE and OUELH acquired 100% of Bowsprit Capital
  - OUELH acquired 83,593,683 of First REIT's units in October 2018
- 

### **1 Sponsor**

OUELH, a subsidiary of OUE, is principally engaged in the development and management of healthcare facilities in Asia, and seeks to expand its portfolio across China, Japan and Southeast Asia

### **2 ITOCHU Corporation as strategic partner of OUELH**

- As at 31 Dec 2019, ITOCHU Corporation has a 25.3% stake in OUELH
- OUELH will serve as the primary entity for ITOCHU Corporation to collaborate with Lippo Group on investments and management of hospitals and other healthcare-related facilities in Asia

### **3 Access to new Asian Markets and Geographical Networks**

Leverage on regional presence and networks of the Sponsors

# ACQUISITION OF YIELD-ACCRETIVE ASSETS

## PIPELINE, STRATEGY AND FOCUS

Sponsor

### Right-of-First-Refusal (ROFR) to healthy pipelines

- ROFR to LK's healthcare properties in Indonesia
- Another ROFR from OUELH and opportunities to tap on OUELH's growing healthcare network

### Largest operator of private hospitals in Indonesia

- 37 operational hospitals under Siloam Hospitals network across Indonesia

### Strategic Rebalancing of Portfolio

- Focus on core markets and value generating assets

### Deriving value through AEs

- Ongoing & Potential Asset Enhancement Initiatives
  - Siloam Hospitals Surabaya Asset Swap
  - Aging properties or properties with development potential within existing portfolio

### Leverage on Sponsors and existing network for access to other Asian Markets

- Other quality and yield-accretive healthcare-related assets in Asia, including:
  - Australia
  - China
  - Japan
  - Myanmar
  - Malaysia
  - Singapore
  - Indonesia

Indonesia

Other Asian Markets

### Indonesia Healthcare Network



### Regional Healthcare Network

Japan



China



Malaysia



Myanmar



**THANK YOU**



# APPENDIX PROPERTY DETAILS



Mochtar Riady Comprehensive Cancer Centre

# PROPERTY DETAILS

## INDONESIA



**Siloam Hospitals  
Yogyakarta**



**Siloam Hospitals Buton  
& Lippo Plaza Buton**



**Siloam Hospitals  
Labuan Bajo**



**Siloam Hospitals Kupang  
& Lippo Plaza Kupang**

Type	Hospital	Integrated Hospital & Mall	Hospital	Integrated Hospital & Mall
<b>Centre of Excellence</b>	Neuroscience and Cardiology	Emergency & Trauma	Emergency Medicine, Internal Medicine and Neuroscience	Emergency & Trauma, Obstetrics, Gynaecology and Paediatrics
<b>Land Area</b>	13,715 sqm	21,874 sqm	2,837 sqm	66,060 sqm
<b>Gross Floor Area</b>	12,474 sqm	21,934 sqm	7,604 sqm	55,368 sqm
<b>Purchase Price</b>	S\$27.0 m	S\$28.5 m	S\$20.0 m	S\$75.0 m
<b>Appraised Value</b>	S\$27.1 m	S\$28.7 m	S\$20.9 m	S\$73.7 m
<b>Max no. of Beds / Saleable rooms</b>	220	160	153	416
<b>Year of Building Completion</b>	2015	2016	2015	2014
<b>Lease Commencement Date</b>	22 Dec 2017	10 Oct 2017	30 Dec 2016	14 Dec 2015
<b>Lease Terms</b>	15 years with option to renew for 15 years	15 years with option to renew for 15 years	15 years with option to renew for 15 years	15 years with option to renew for 15 years
<b>Lease Expiry Date</b>	21 Dec 2032	9 Oct 2032	29 Dec 2031	13 Dec 2030

# PROPERTY DETAILS

## INDONESIA



Siloam Sriwijaya



Siloam Hospitals  
Purwakarta



Siloam Hospitals  
Bali



Siloam Hospitals  
TB Simatupang

Type	Hospital	Hospital	Hospital	Hospital
<b>Centre of Excellence</b>	Emergency & Trauma, Gastroenterology	Emergency & Trauma	Cardiology, Emergency & Trauma, Orthopaedics	Cardiology, Emergency & Trauma, Neuroscience, Oncology
<b>Land Area</b>	--	7,990 sqm	9,025 sqm	2,489 sqm
<b>Gross Floor Area</b>	15,709 sqm(1)	8,254 sqm	20,958 sqm	18,605 sqm
<b>Purchase Price</b>	S\$39.2 m	S\$31.0 m	S\$97.3 m	S\$93.1 m
<b>Appraised Value</b>	S\$41.3 m	S\$42.0 m	S\$124.4 m	S\$118.9 m
<b>Max no. of Beds / Saleable rooms</b>	357	202	281	269
<b>Year of Building Completion</b>	2012	2005 & 2008	2012	2013
<b>Lease Commencement Date</b>	29 Dec 2014	28 May 2014	13 May 2013	22 May 2013
<b>Lease Terms</b>	15 years with option to renew for 15 years	15 years with option to renew for 15 years	15 years with option to renew for 15 years	15 years with option to renew for 15 years
<b>Lease Expiry Date</b>	28 Dec 2029	27 May 2029	12 May 2028	21 May 2028

**Note:** <sup>(1)</sup> The strata floor area of Siloam Sriwijaya is 15,709 sqm.

# PROPERTY DETAILS

## INDONESIA



**Siloam Hospitals Manado  
& Hotel Aryaduta Manado**



**Siloam Hospitals  
Makassar**



**Mochtar Riady Comprehensive  
Cancer Centre**



**Siloam Hospitals  
Lippo Cikarang**

Type	Integrated Hospital & Hotel	Hospital	Hospital	Hospital
<b>Centre of Excellence</b>	Emergency & Trauma	Cardiology, Emergency & Trauma, Endocrinology	Emergency & Trauma, Gastroenterology, Oncology	Emergency & Trauma, Internal Medicine, Urology
<b>Land Area</b>	5,518 sqm	3,963 sqm	4,145 sqm	9,900 sqm
<b>Gross Floor Area</b>	36,051 sqm	14,307 sqm	37,933 sqm	13,256 sqm
<b>Purchase Price</b>	S\$83.6 m	S\$59.3 m	S\$170.5 m	S\$35.0 m
<b>Appraised Value</b>	S\$103.1 m	S\$73.3 m	S\$266.3 m	S\$53.5 m
<b>Max no. of Beds / Saleable rooms</b>	238 beds / 200 rooms	360	334	114
<b>Year of Building Completion</b>	2011	2012	2010	2002
<b>Lease Commencement Date</b>	30 Nov 2012	30 Nov 2012	30 Dec 2010	31 Dec 2010
<b>Lease Terms</b>	15 years with option to renew for 15 years	15 years with option to renew for 15 years	15 years with option to renew for 15 years	15 years with option to renew for 15 years
<b>Lease Expiry Date</b>	29 Nov 2027	29 Nov 2027	29 Dec 2025	30 Dec 2025



# PROPERTY DETAILS

## INDONESIA



**Siloam Hospitals  
Lippo Village**



**Siloam Hospitals  
Kebon Jeruk**



**Siloam Hospitals  
Surabaya**



**Imperial Aryaduta  
Hotel & Country Club**

Type	Hospital	Hospital	Hospital	Hotel & Country Club
<b>Centre of Excellence</b>	Cardiology, Emergency & Trauma, Neuroscience, Orthopaedics	Cardiology, Emergency & Trauma, Orthopaedics, Urology	Cardiology, Emergency & Trauma	--
<b>Land Area</b>	17,442 sqm	11,420 sqm	4,306 sqm	54,410 sqm
<b>Gross Floor Area</b>	27,284 sqm	18,316 sqm	9,227 sqm	17,427 sqm
<b>Purchase Price</b>	S\$94.3 m	S\$50.6 m	S\$16.8 m	S\$21.2 m
<b>Appraised Value</b>	S\$162.4 m	S\$93.7 m	S\$27.9 m	S\$41.0 m
<b>Max no. of Beds / Saleable rooms</b>	274	215	160	190
<b>Year of Building Completion</b>	1995	1991	1977	1994
<b>Lease Commencement Date</b>	11 Dec 2006	11 Dec 2006	11 Dec 2006	11 Dec 2006
<b>Lease Terms</b>	15 years with option to renew for 15 years	15 years with option to renew for 15 years	15 years with option to renew for 15 years	15 years with option to renew for 15 years
<b>Lease Expiry Date</b>	10 Dec 2021	10 Dec 2021	10 Dec 2021	10 Dec 2021

# PROPERTY DETAILS

## SINGAPORE & SOUTH KOREA



**Pacific Healthcare Nursing Home @ Bukit Merah**



**Pacific Healthcare Nursing Home II @ Bukit Panjang**



**The Lentor Residence**



**Sarang Hospital**

<b>Type</b>	Nursing Home	Nursing Home	Nursing Home	Hospital
<b>Land Area</b>	1,984 sqm	2,000 sqm	2,486 sqm	2,142 sqm
<b>Gross Floor Area</b>	3,593 sqm	3,563 sqm	4,005 sqm	4,982 sqm
<b>Purchase Price</b>	S\$11.8 m	S\$11.5 m	S\$12.8 m	US\$13.0 m
<b>Appraised Value</b>	S\$9.4 m	S\$9.6 m	S\$15.5 m	US\$6.0 m
<b>Max no. of Beds / Saleable rooms</b>	259	265	208	217
<b>Year of Building Completion</b>	2004	2006	1999 & 2013 (new extension building)	2010
<b>Lease Commencement Date</b>	11 Apr 2007	11 Apr 2007	8 Jun 2007	5 Aug 2011
<b>Lease Terms</b>	10 years with option to renew for 10 years (Tenant has exercised the option)	10 years with option to renew for 10 years (Tenant has exercised the option)	10 years with option to renew for 10 years + 10 years (Tenant has exercised the option)	10 years with option to renew for 10 years
<b>Lease Expiry Date</b>	10 Apr 2027	10 Apr 2027	7 Jun 2027	4 Aug 2021
<b>Type</b>	Nursing Home	Nursing Home	Nursing Home	Hospital



## RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM UNITHOLDERS

Questions	Responses
<b>COVID-19 related</b>	
<p>1) How badly will COVID-19 impact the performance of First REIT going forward?</p> <p>2) Understand First REIT assets are primarily healthcare facilities which are regarded as essential services and should still be operating during the COVID pandemic period. Please advise if there is any financial impact arising from closure of the facilities?</p> <p>3) What is the impact of COVID-19 on First REIT's operations in Indonesia, and its impact on dividends?</p>	<p>All of First REIT's healthcare properties, the 15 hospitals in Indonesia, 3 nursing homes in Singapore and 1 rehabilitation hospital in South Korea remain operational during this period, mostly with higher occupancy numbers.</p> <p>Amongst the two retail assets of First REIT that are integrated with hospitals, (1) Lippo Plaza Kupang ("LPK") was temporarily closed from end March to 26 May, apart from essential services, while (2) Lippo Plaza Buton ("LPB") was temporarily closed from end March but has since resumed its operations in phases since early May 2020, with health and safety measures in place. LPK is part of the integrated development comprising Siloam Hospitals Kupang &amp; LPK, while LPB is part of the integrated development comprising Siloam Hospitals Buton &amp; LPB.</p> <p>Additionally, two hospitality assets of First REIT have temporarily closed some or all of their facilities until further notice in support of the Indonesian Government's efforts to contain the spread of COVID-19, namely</p> <ul style="list-style-type: none"> <li>(i) Hotel Aryaduta Manado ("HAMD"), as part of the Manado Property that is integrated with Siloam Hospitals Manado ("SHMD"), where HAMD is temporarily closed while SHMD remains fully operational; and</li> <li>(ii) Imperial Aryaduta Hotel &amp; Country Club comprising an integrated hotel, Aryaduta Lippo Village ("ALV"), and a country club, Aryaduta Country Club ("ACC"), which has closed its country club services until further notice, in alignment with government's efforts, while ALV remains fully operational. ALV's occupancy rates are currently supported by corporate tie-ups.</li> </ul> <p>For the properties affected by temporary closures, the Manager is in touch with the affected Tenants where the possibility of rental rebates is being considered and assessed. Retail and hospitality assets affected by the temporary closures comprise a small proportion of assets within First REIT's portfolio, which is predominantly healthcare and/or healthcare-related. The corresponding rental rebates, where applicable, are not expected to have</p>

Questions	Responses
	<p>material implications to the Trust.</p> <p>These are unprecedented times where all sectors have been impacted, the Manager has taken a prudent approach to conserve cash and initiate stringent cost management strategies to navigate these uncertain times.</p> <p>As the situation remains uncertain, it is currently difficult for the Manager to ascertain the full financial impact of the outbreak on the financial performance of First REIT. Nevertheless, First REIT remains in compliance of its debt financial covenants and has adequate financial reserves to fulfil its obligations in the foreseeable future. The Manager will continue to monitor the situation closely across Indonesia, Singapore and South Korea, and will provide updates on any material developments as soon as practicable.</p>
<p>4) Can the board comment on why the coronavirus has not boosted its earnings due to the increased demand for healthcare, but its earnings have instead dropped? Does the board have any growth opportunities in the year ahead?</p>	<p>The COVID-19 pandemic occurred in the early part of this year. Any impact that the COVID-19 pandemic has on the earnings of the Indonesian hospitals that are held in First REIT's portfolio will only impact next year's rental amounts. Specifically, the gross operating revenue of 2020 will be compared against that of 2019, to determine the variable rent attributable for the subsequent year. Changes or adjustments to hospital earnings do not have an immediate impact to the rentals received by First REIT.</p> <p>The Singapore and South Korea assets have fixed base rents with fixed annual increments, there is therefore no relationship between the operating revenues received by these healthcare assets and rent received by First REIT.</p> <p>The Trust's earnings will remain relatively stable as only a small percentage of the total rentals received are derived from the variable rental component.</p> <p>The earnings in FY2019 have dropped as compared to FY2018, largely due to a reduced variable rent component for FY2019 as compared to FY2018, and increased property operating expenses incurred year-on-year.</p> <p>On the note of growth opportunities, the Trust constantly looks out for yield accretive acquisitions. Additionally, in the short term, we are focusing our resources to (1) renewing the 5 leases that are up for renewal in 2021, as well as (2) the Siloam Hospitals Surabaya Asset Swap Transaction where development works have halted due to the road subsidence event in December 2018.</p>

Questions	Responses
5) Will the dividends be sustainable in light of COVID-19?	The Trust reported a distribution per unit (“DPU”) of 1.86 Singapore cents for 1Q 2020, down from 2.15 Singapore cents in 1Q 2019, on the back of the income available for distribution to Unitholders declining by 6.7% to S\$15.9 million compared to S\$17.1 million in 1Q 2019. Additionally, in view of the uncertainty and challenges brought about by COVID-19 pandemic, S\$1.0 million of the Trust’s capital distribution has been retained for prudence and added financial flexibility.
<b>Master lease renewals</b>	
<p>6) I would like to enquire about the status of discussion for master lease renewal for lease expiring in 2021 with PT Lippo Karawaci.</p> <p>7) There are 5 master leases (1 in South Korea and 4 in Indonesia) which are due to expire in 2021. What is their percentage contribution to the total Distributable Income of the trust? Please provide an update on the renewal of these 5 master leases. Can we expect to see a positive or negative rental reversion?</p> <p>8) Do we expect any significant changes from current terms and conditions, and if so what are they?</p> <p>9) What is the status of lease renewal for upcoming expiries? If Siloam Hospital chose not to renew the lease, will co-sponsor OUE Lippo Healthcare, who has hospital management experience in-place in China and Myanmar, step up and take over the operations of the said assets - is this being explored at the moment?</p>	<p>The 5 master leases which are due to expire in 2021 take up approximately a quarter of the rental income received by the Trust. Discussions on the leases are under way with all our stakeholders and we are evaluating all options to arrive at mutually beneficial terms to ensure a steady stream of income from these properties for our Unitholders.</p> <p>The Manager is closely monitoring the situation and will consider all viable options to operate the assets at the opportune time and no parties have been excluded or preferred at this stage.</p> <p>The 3 hospitals whose leases are up for renewal are well-established, highly profitable ‘flagship’ hospitals that are strategically located within high catchment areas in Jakarta and Surabaya; we are confident that the existing Tenant, PT Lippo Karawaci Tbk (“LK”) and/or the hospital operator PT Siloam International Hospitals Tbk (“Siloam”) will renew the leases with us.</p> <p>As the discussions are still in progress, we will make the necessary announcements once they are finalised.</p>
<b>Acquisitions/divestments</b>	
<p>10) Any future plans for acquisition or divestment upcoming?</p> <p>11) The portfolio growth appears to have stagnant from 2015 onwards, what is constraining the management in making future acquisition? Certainly, the higher</p>	First REIT’s last acquisition was Siloam Hospitals Yogyakarta in December 2017. We are always on the lookout for yield-accretive acquisition opportunities to boost our income streams. Other than acquisition opportunities from OUELH and LK, we also look at properties from third parties. A range of factors are considered, including quality of the assets, maturity of

Questions	Responses
<p>yield of this security appears to stem from poor market rating on the related parties and the sponsor of First REIT, making it difficult for any accretive acquisition.</p>	<p>operations and stability of operating revenue as well as the timing and pricing of any proposed transaction. If we receive good offers, we will also look at divestment opportunities to unlock value for capital recycling.</p>
<p>12) Could First REIT provide the latest valuations of its hospital assets versus original purchase price? Could First REIT provide a list of latest market transactions of hospital assets in Indonesia, highlighting the percentage above or below valuation these assets were sold? What are the criteria First REIT use to determine if a hospital asset could be divested, for example NPI yield above a certain level? When will First REIT opt for partial divestment instead of full divestment?</p>	<p>Information concerning the latest valuations of First REIT's assets, and the original purchase prices are disclosed within the latest Annual Report 2019 (pages 20-29) released to unitholders.</p> <p>The Indonesia property market is not that transparent, the healthcare market in Indonesia is also not liquid, where hospital assets are mostly owner-occupied and owner-operated, hence, there is no available data that provides the comparable metrics that has been requested.</p> <p>Divestments are as complex as acquisitions. The criteria to consider when looking at divestments include the quality of assets considered maturity of operations and stability of rental income. Ultimately, pricing is also an important factor.</p>
<b>Siloam Hospitals Surabaya</b>	
<p>13) Please provide an update on the "Road Subsidence" problem in Surabaya. I understand that \$27m has been spent so far on this project. Can this amount be recovered if the project does not proceed?</p>	<p>Following the previous update announcement released on 10 January 2020, an updated announcement was released on 18 May 2020, unitholders may refer to this announcement for further information.</p>
<b>Financials</b>	
<p>14) Has the tenant, Siloam Hospital been current with its lease payments since the start of COVID-19?</p>	<p>Our master leases for our Indonesia assets are with LK and/or its subsidiaries, and/or the subsidiaries of Siloam, except for three properties that are leased to the third-party vendor PT Metropolis Propertindo Utama ("MPU") and/or its subsidiaries. Siloam is the operator for all our healthcare assets in Indonesia.</p> <p>To-date and despite the COVID-19 pandemic, most of the lease payments derived from the Indonesian healthcare assets are fairly current. The Manager continues to monitor and follow up closely with our tenants in the area of lease management.</p>

Questions	Responses
<b>General</b>	
15) Please advise the likelihood for a Rights Issue to raise cash and increase equity.	First REIT remains prudent with our capital management and will explore various fundraising tools and options, when the need arises.

- End -