



FIRST REAL ESTATE INVESTMENT TRUST

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

## BUSINESS UPDATE FOR NINE MONTHS ENDED 30 SEPTEMBER 2021

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 2021 (“**9M 2021**”).

### 1. Financial Results and Distribution Details

The Manager reported a distribution per unit (“**DPU**”) of 0.65 Singapore cents for the three months ended 30 September 2021 (“**3Q 2021**”) and 1.95 Singapore cents for 9M 2021. Adjusted DPU for 9M 2021 – which excludes the rights units issued on 24 February 2021 – was 3.83 Singapore cents, up 15.7% year-on-year.

The payment date for 3Q 2021 will be on 17 December 2021.

### Summary of Financial Results for the period ended 30 September 2021

<i>(S\$'000)</i>	<b>9M 2021</b>	<b>9M 2020</b>	<b>Change (%)</b>
Rental and Other Income <sup>(i)</sup>	58,132	59,345	(2.0)
Net Property and Other Income <sup>(ii)</sup>	56,464	57,728	(2.2)
Distributable Amount <sup>(iii)</sup>	31,359	26,624	17.8
DPU (cents) <sup>(iv)</sup>	1.95	3.31	(41.1)
Adjusted DPU (cents) <sup>(iv)</sup>	3.83	3.31	15.7

#### Notes

- (i) 9M 2021 rental and other income dipped by a marginal 2.0% to S\$58.1 million largely due to one-month and half-month rental reliefs extended for the month of July 2021 to the tenants of its hotels – Hotel Aryaduta Manado and Imperial Aryaduta Hotel and Country Club, and shopping malls – Lippo Plaza Buton and Lippo Plaza Kupang, to alleviate the impact of the ongoing COVID-19 pandemic. The amount of rental relief regarded as interested person transactions is S\$426,000 which represents 0.1% of First REIT’s latest net tangible assets as at 31 December 2020.
- (ii) Net property and other income for the period declined 2.2% to S\$56.5 million following a 3.2% increase in property expenses due to the absence of property tax rebate received for Singapore properties in view of COVID-19 in 2020.
- (iii) Distributable amount rose 17.8% to S\$31.4 million in 9M 2021 due to lower Manager’s management fees and finance costs on bank loans.
- (iv) The decline in 9M 2021 DPU to 1.95 Singapore cents was largely due to the issuance of 791,062,223 rights units on 24 February 2021. These new rights units are entitled to 1Q, 2Q and 3Q 2021 distribution. Excluding these new rights units, the adjusted DPU for 9M 2021 was 3.83 Singapore cents.

## 2. Business Updates

The Trust has continued to see performance stabilising, following the critical restructuring of the master lease agreements for 14 Indonesia hospitals in January 2021 and recapitalisation efforts in the first quarter of 2021. The restructured leases have since transitioned into their second year on 1 October 2021, which means rental income will increase by at least 4.5% in the coming year, as part of the new agreements.

In line with its proactive asset management strategy to optimise First REIT's portfolio and returns, the Trust divested its Sarang Hospital in South Korea in August 2021. It will look to redeploy this capital towards accretive opportunities for the Trust.

In respect of the terminated Development Works Agreement over the construction of a new hospital in Surabaya, the Manager remains in active discussion with all stakeholders including PT Lippo Karawaci Tbk, as announced on 14 September 2021. It expects to reach a settlement on this matter by the end of this year.

## 3. Outlook

Indonesia has managed to bring the latest wave of COVID-19 infections that peaked in mid-July under control following a series of public activity restrictions (“PPKM”). With declining infections and ongoing vaccination programme in the country, the government is gradually easing restrictions through a four-tiered PPKM system with level 1 to be imposed in cities with lower levels of COVID-19 transmissions. Under the eased curbs, public activities can return to normal with capacity restrictions and public must show proof of vaccination and adhere to strict health protocols.<sup>1</sup>

The Manager remains confident on the fundamental secular trends that will drive the country's private healthcare demand over the longer term. However, the near-term macroeconomic outlook continues to be challenging, with currency and pandemic-related risks. While some critical restructuring has been completed to stabilise the Trust, the Manager has to continue to relook its overall strategy to ensure its resilience, and will work towards improving performance for Unitholders.

## 4. Distribution Details

Summary of Distribution Details	
Distribution	1 July 2021 to 30 September 2021
Distribution type	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
Distribution rate	Total: 0.65 cents per unit (a) Taxable income distribution: 0.04 cents per unit (b) Tax-exempt income: 0.04 cents per unit (c) Capital distribution: 0.57 cents per unit
Book closure date	5 November 2021 at 5.00 pm
Ex-dividend date	3 November 2021 at 9.00 am
Payment date	17 December 2021

<sup>1</sup> 10 October 2021, The Jakarta Post – Eased curbs in Blitar mark Indonesia's first step toward living with COVID-19

By Order of the Board

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

26 October 2021

### **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.