

Extraordinary General Meeting

21 September 2017



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PROPOSED ACQUISITION



Siloam Hospitals Buton & Lippo Plaza Buton

PROPOSED ACQUISITION



Siloam Hospitals Buton & Lippo Plaza Buton

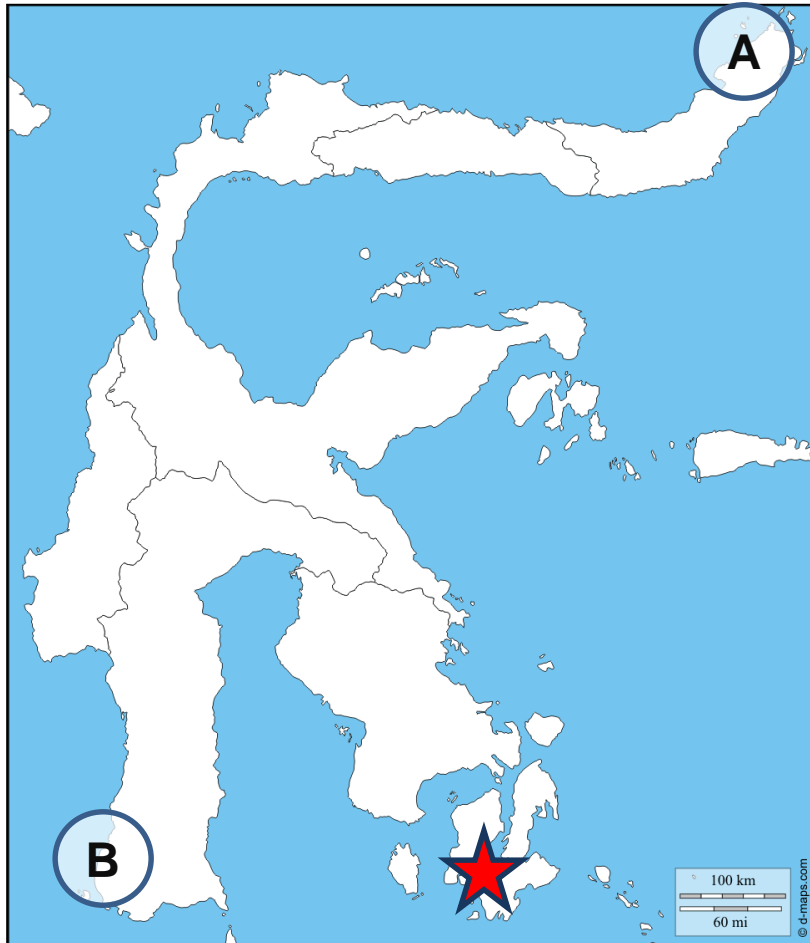
WHERE IS BAU BAU?



The Buton Property is located in the city of Bau Bau in Buton Island. Bau Bau is a port city situated between West and East of Indonesia. The regional government has put in place transportation infrastructure such as seaports and airport for greater regional accessibility. Bau Bau has a well-established fishery industry supported by the local government that caters to both local and regional trade.

Siloam Hospitals Buton is currently the **newest and most advanced hospital facility** on Buton Island while Lippo Plaza Buton is the **only modern mall** within Bau Bau city.

FIRST REIT ASSETS IN SULAWESI



Source: First REIT, d-maps.com

(A) Siloam Hospitals Manado & Hotel Aryaduta Manado¹



(B) Siloam Hospitals Makassar¹



Note

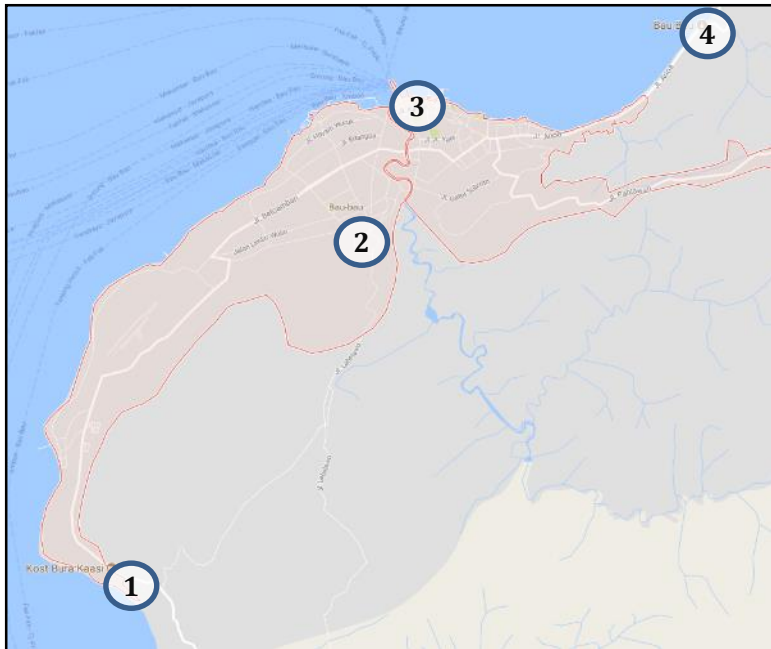
¹ Siloam Hospitals Manado & Hotel Aryaduta Manado together with Siloam Hospitals Makassar were acquired in November 2012.

BAU BAU

KEY LANDMARKS

Bau Bau is a port city with various natural and historical attractions.

General Location Map of Bau Bau City



Source: First REIT, Google Maps



1

Nirwana Beach



2

Keraton Wolio Fort



3

Murhum Port



4

Tirta Rimba Waterfall

PROPOSED ACQUISITION

BUTON PROPERTY



Property Type	Hospital & Mall	Master Lessees	PT Lippo Karawaci Tbk and PT Bina Bahtera Sejati ¹ (Lessees of SHBN) PT Andromeda Sakti ² (Lessee of LPB)
Purchase Consideration	S\$28.50 million	Base Rent	SHBN – Initial base rent of S\$1,600,000 per annum LPB – Initial base rent of S\$1,242,000 per annum 9.97% rental yield
Valuations	S\$28.50 million by Rengganis³ S\$29.20 million by Alberth⁴	Base Rent Escalation	Takes effect from the sixth year and for subsequent years of both master leases at a rate equal to 2x percentage increase of Singapore CPI, capped at 2% For each five-year period after the initial five-year period, the increase is subject to a further cap of 5%.
Discount to Valuation	2.40% <i>(based on higher of 2 valuations)</i>	Variable Rent	Takes effect from the sixth year and for subsequent years of the SHBN Master Lease based on SHBN Gross Operating Revenue growth
Financing	Drawdown of committed debt and internal cash	Lease Term	15 years with option to renew for a further 15 years
Property Title	BOT Agreement expiring on 15 June 2044		

¹ PT Bina Bahtera Sejati is a wholly owned subsidiary of PT Siloam International Hospitals Tbk

² PT Andromeda Sakti is the vendor and wholly owned subsidiary of PT Lippo Karawaci Tbk

³ KJPP Rengganis, Hamid & Rekan in strategic alliance with CBRE Pte. Ltd., appraised as at 1 May 2017

⁴ KJPP Rinaldi, Alberth, Baroto & Partners., appraised as at 1 May 2017

BUTON PROPERTY PROPERTY DETAILS

Jalan Sultan Hasanuddin No. 50,52,54,58, Bau Bau, Sulawesi Tenggara, Indonesia

Established	2016	Land Area	21,874 sqm
Hospital Beds	160	Gross Floor Area	21,934 sqm
Property Classification	Hospital & Mall	Centre of Excellence	Emergency & Trauma (Hospital Only)

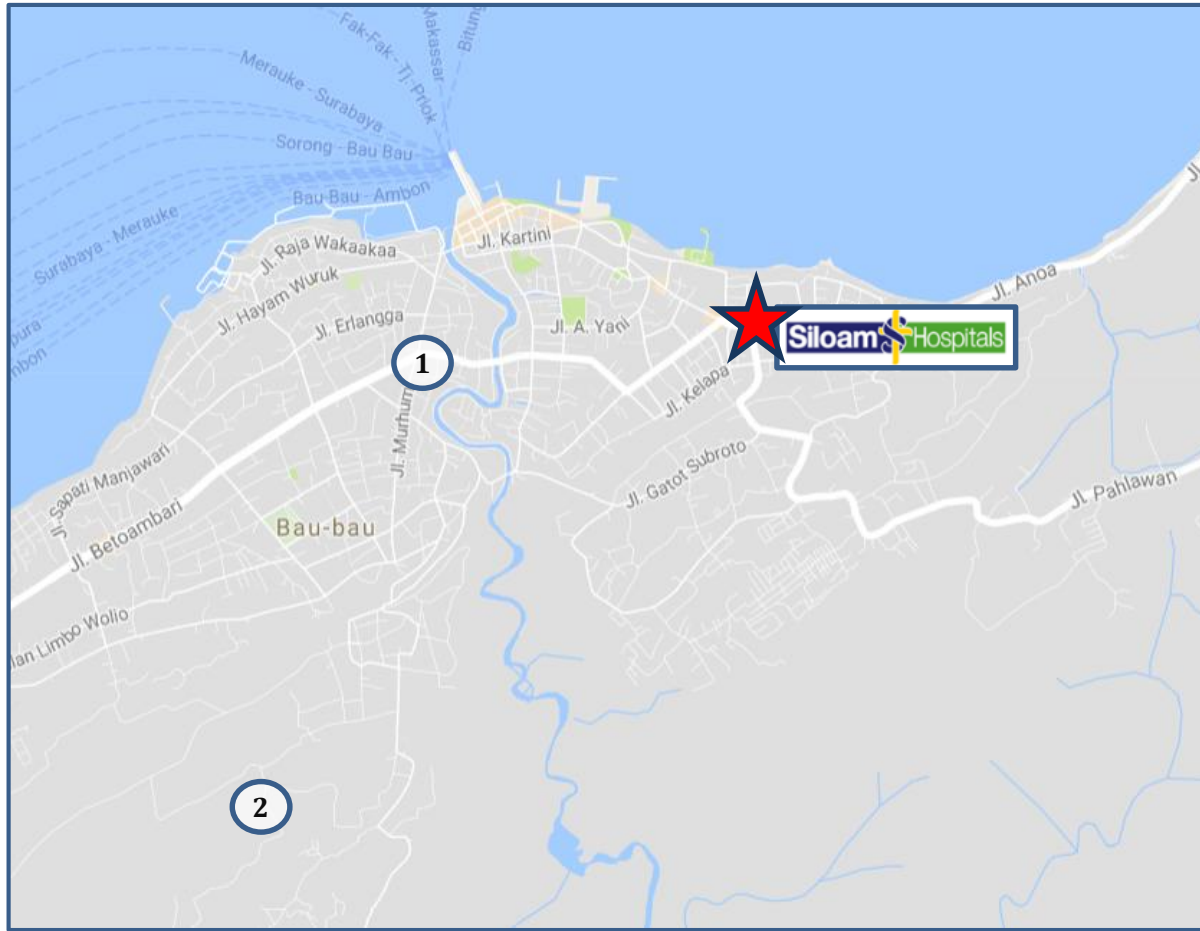


- ▶ SHBN is a newly-built three-storey standalone hospital with maximum capacity of 160 beds that commenced operations in April 2016.
- ▶ LPB is a single storey newly built standalone retail mall, which commenced operations in December 2015 and provides complementary amenities to patients and visitors of SHBN.
- ▶ Some medical facilities available include operating theatres, fast response ambulance services, delivery rooms, outpatient clinics, inpatient services, intensive care unit (ICU), Neonatal ICU, X-ray machine, 16-slice CT Scanner, haemodialysis, and ultrasonography amongst others.
- ▶ Various medical services offered include Neurology, General Surgery, Internal Medicine, Paediatrics, Obstetrics & Gynaecology, Radiology, ENT Specialities and Ophthalmology amongst others.

BUTON PROPERTY

LOCATION MAP OF SHBN COMETITORS

Siloam Hospitals Buton is currently the newest and most advanced hospital facility on Buton Island.



1 Rumah Sakit Murhum



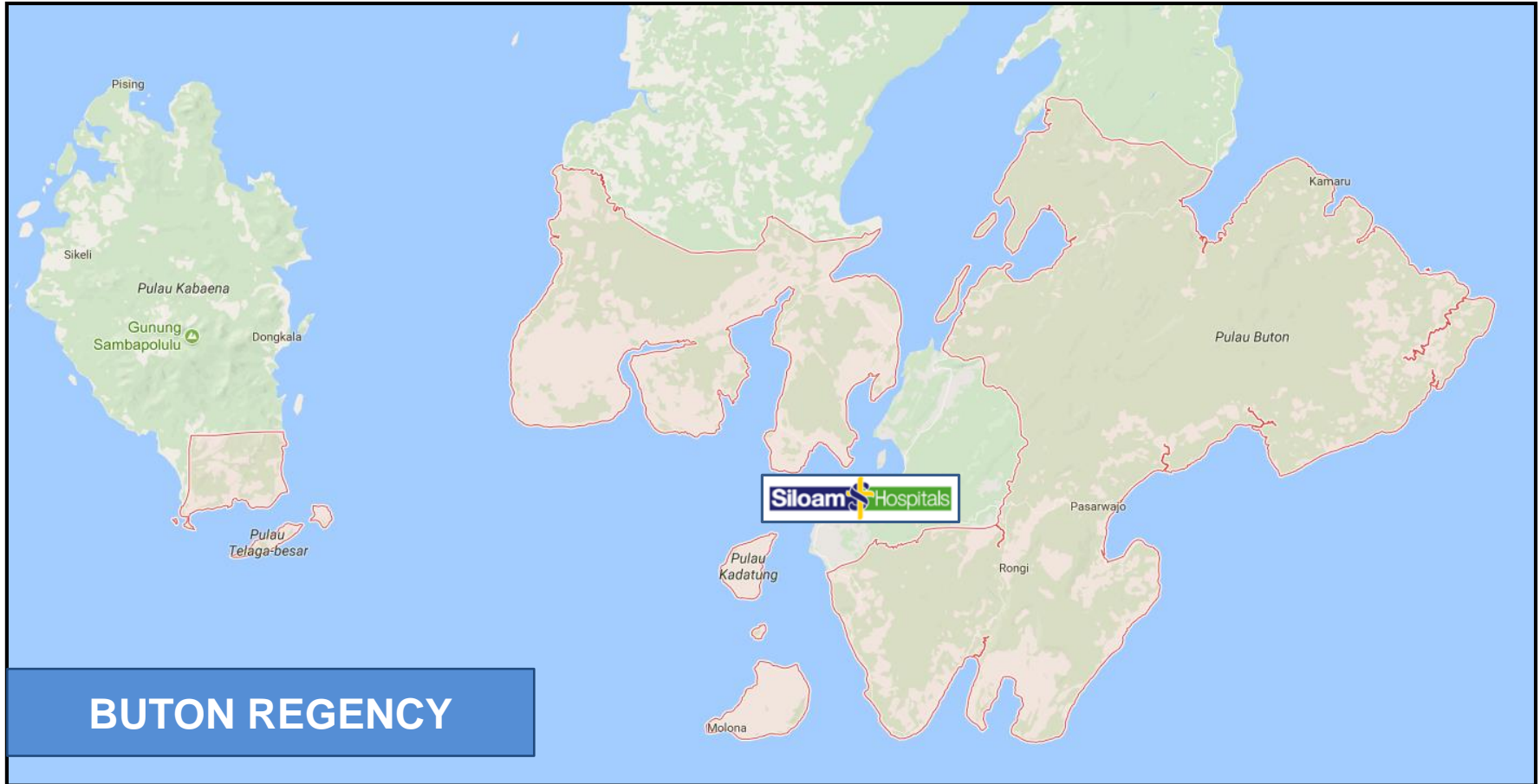
2 RSUD Kota Baubau

Source: First REIT, Google Maps

BUTON PROPERTY

TARGET CATCHMENT AREA OF SHBN

Siloam Hospitals Buton will be the main referral hospital for Buton Island with the most advanced and comprehensive medical equipment and services.



BUTON PROPERTY

SHBN TARGET CATCHMENT AREA ANALYSIS

Catchment Area	Population (2016)	Target Patients	Key Services Required
Bau Bau	154,877	<ul style="list-style-type: none">Low to high income population	<ul style="list-style-type: none">Gynaecology & Obstetrics , Paediatrics, Internal MedicineDiagnostic services such as CT Scanning equipmentHaemodialysisEmergency & Trauma services
Buton Island (Excluding Bau Bau)	524,300	<ul style="list-style-type: none">Low to high income population	<ul style="list-style-type: none">Diagnostic services such as CT Scan,HaemodialysisEmergency & Trauma

Advanced Healthcare Services by Siloam Hospitals

Most advanced hospital in Buton Regency, operated by the renown Siloam Hospitals Group.

Strategic geographical location of Bau Bau

Bau Bau is an established port city with transportation and fishery infrastructure that serves East and West Indonesia.

Outlook

SHBN will be the main referral hospital for Buton Island.

SILOAM HOSPITALS BUTON

KEY DIFFERENTIATORS



Pillars of SHBN's Differentiation Strategy

Excellence in Emergency Services

- *Well-equipped Emergency & Trauma Department*
- *Only hospital in the Bau Bau with a Rapid Response System*
- *Dedicated hotline for immediate ambulance dispatch service*

Comprehensive Equipment & Technologies

- *SHBN is the first healthcare provider with a CT scanner and haemodialysis services in Buton Island*

Robust Doctor Partnership Program

- *SHBN provides attractive remuneration packages, employee benefits, and career development opportunities as incentives to retain its medical personnel*

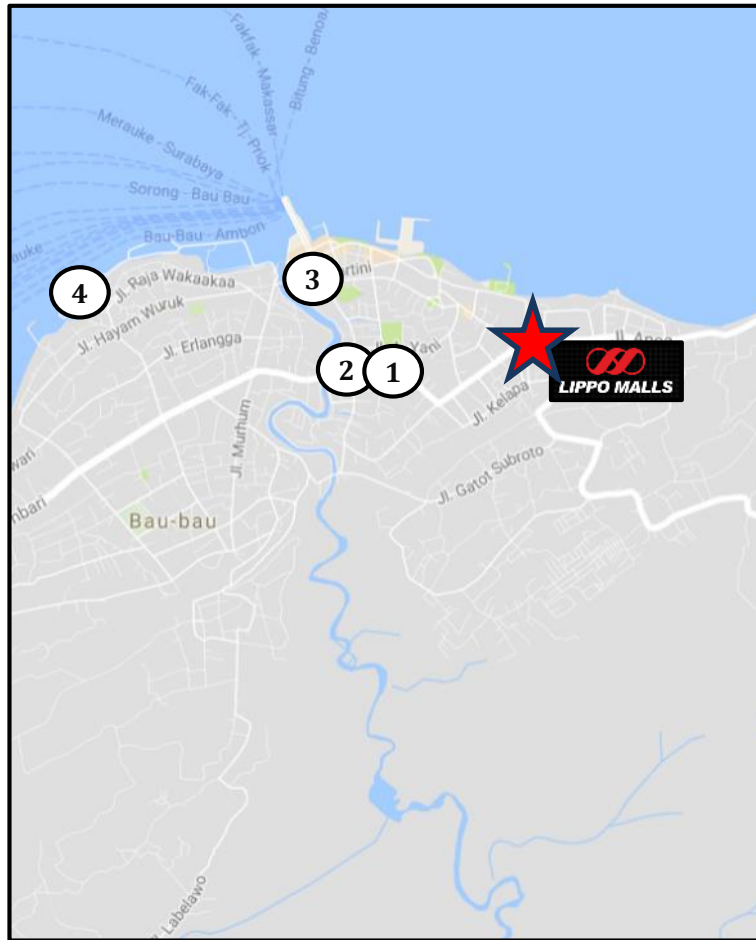
Building on Siloam's existing Regional Infrastructure & Network

- *SHBN has the ability to leverage on the strengths of its parent company's expertise and networks through SHG or Lippo Group*

BUTON PROPERTY

LOCATION MAP OF LPB COMPETITORS

Compared to existing retail options, Lippo Plaza Buton is the **only modern mall** within Bau Bau city.



1 Karya Nughara Traditional Market



2 Jl. Wolter Mongonsidi Market



3 Laelang Traditional Market



4 UMNA Wolio Plaza

Source: First REIT, Google Maps

KEY MERITS OF THE BUTON PROPERTY ACQUISITION

1. An attractive and high quality property in the new locality of Bau Bau

- The Buton Property, comprising Siloam Hospitals Buton (SHBN) and Lippo Plaza Buton (LPB), is located in a port city geographically situated between West and East Indonesia. SHBN will serve the needs of the people around Buton Island and will be the main referral hospital on Buton Island.
- SHBN is well-positioned for all income segments of the healthcare market.
- LPB is the only modern mall within Bau Bau city.
- Purchase consideration at 1.21% discount to average valuation.

2. Increased income stability through the Buton Property Master Leases and increase in WALE

- New Master Lease will provide stability to First REIT's Gross Rental Income over the next 15 years (and a subsequent 15 years or up to the termination of the BOT Agreement whichever is earlier).
- Weighted average lease to expiry of the portfolio will increase from 10.0 years to 10.3 years as at 31 December 2016.

3. Increased asset base will raise First REIT's profile among global investors and increased portfolio size in terms of lettable floor area, property income and number of beds will enhance competitive positioning and ability to pursue future acquisitions

- Asset size will grow from S\$1.27 billion (as at 31 December 2016) to S\$1.30 billion.
- Total GFA will grow from 314,311 sq m to 338,245 sq m.
- Maximum number of hospital beds for the Indonesia properties will increase from 3,373 to 3,533.

KEY MERITS OF THE BUTON PROPERTY ACQUISITION

4. Diversification of First REIT's portfolio across locations and medical specialisations

- SHBN is modern and is fitted with medical facilities with various medical services offered.
- Proposed acquisition allows diversification across geographical location and medical specialisations.

5. Reduction in the weighted average age of the properties in the portfolio as the Buton Property is newly built

- Weighted average age of properties will decrease from 10.1 years to 9.5 years as at 31 December 2016.

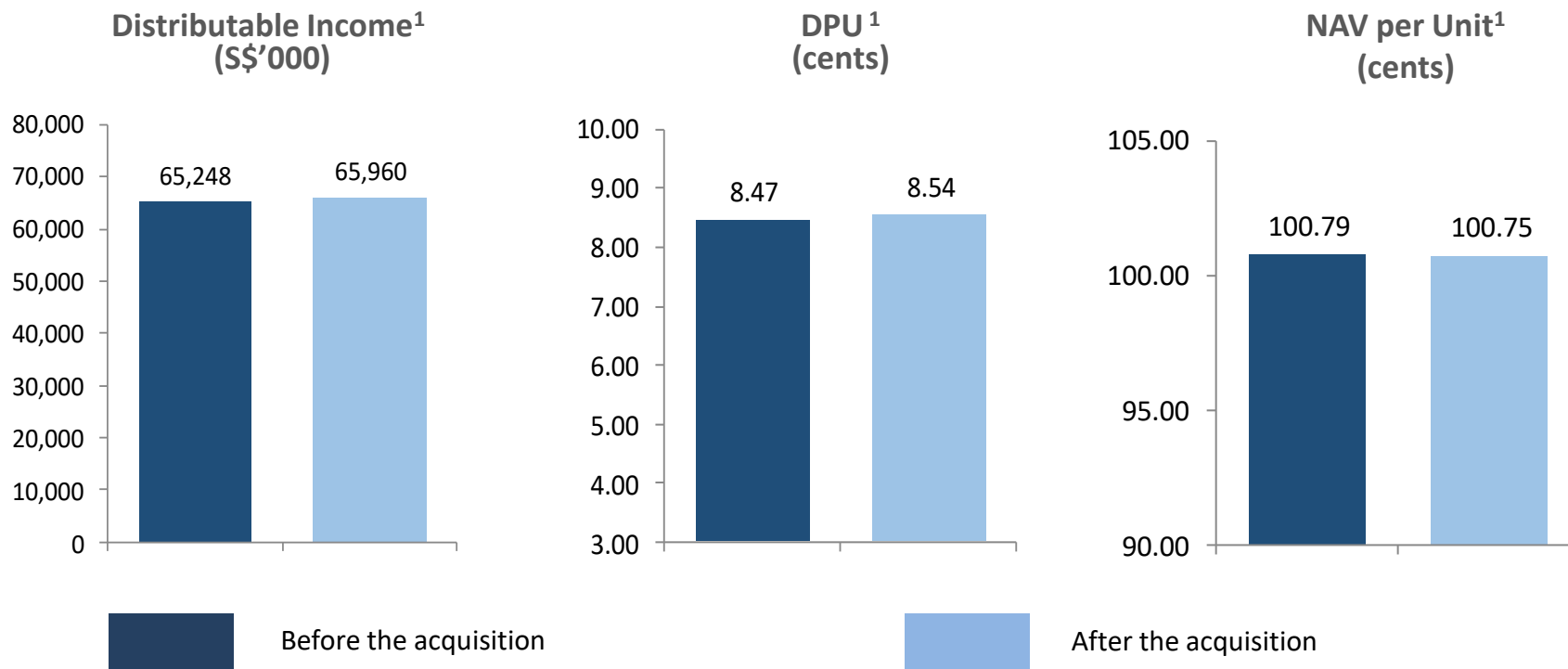
FINANCIAL HIGHLIGHTS



Siloam Hospitals Lippo Village

PRO FORMA FINANCIAL EFFECTS

For twelve-month period ended 31 December 2016



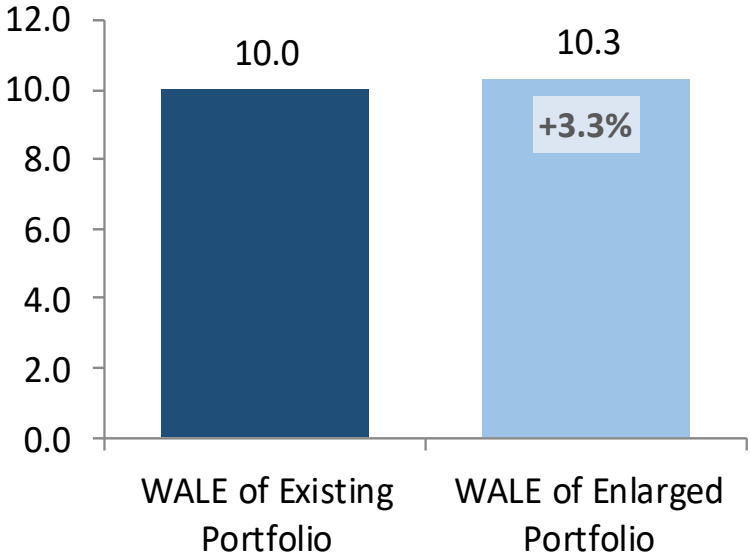
Note

¹ As if First REIT had purchased the Buton Property on 1 January 2016, and held and operated the Buton Property through to 31 December 2016.

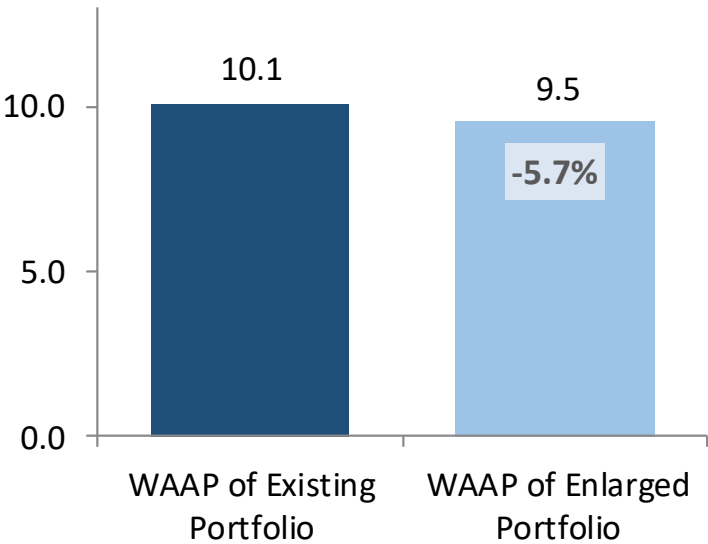
EFFECTS OF ENLARGED PORTFOLIO

Effects on Weighted Average Lease Expiry and Weighted Average Age of Property

Weighted Average Lease to Expiry (WALE) (years)

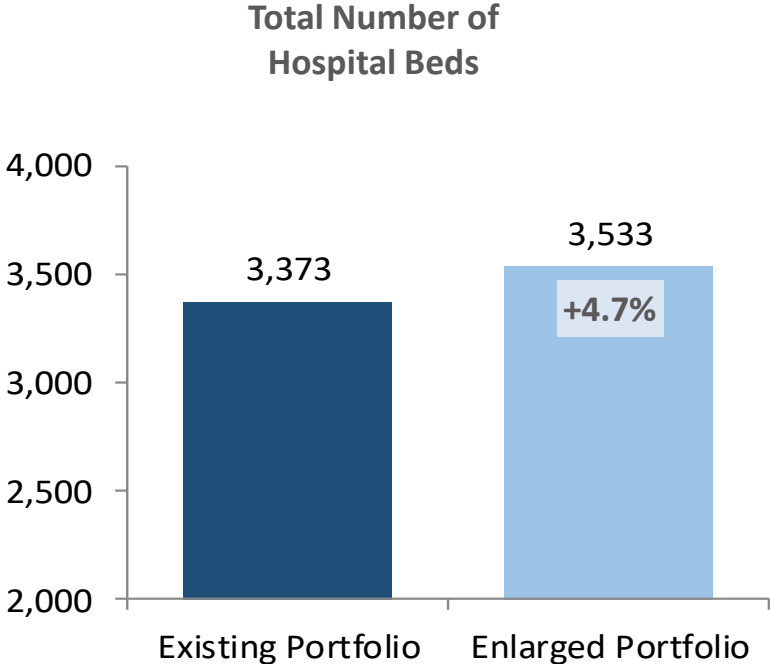
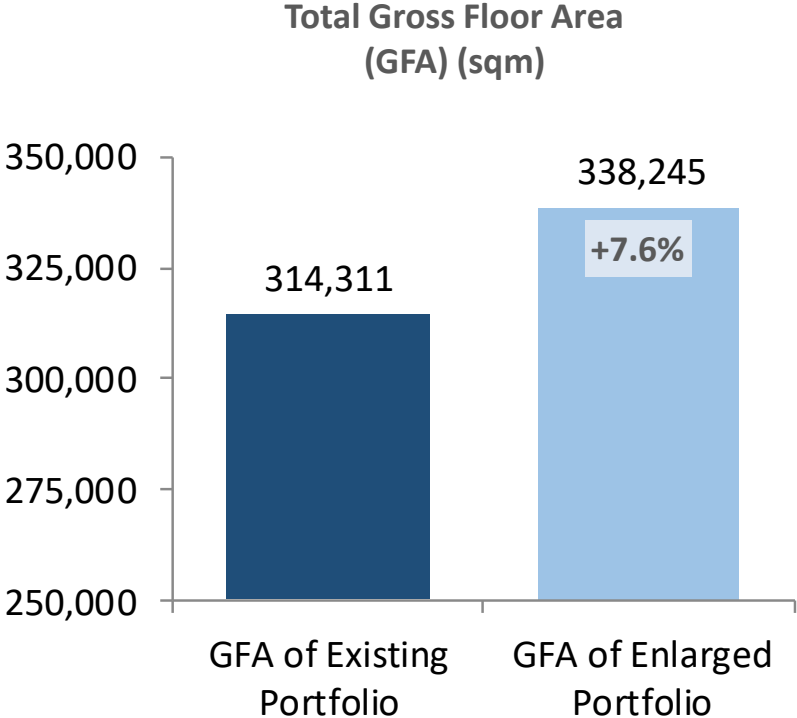


Weighted Average Age of Properties (WAAP) (years)



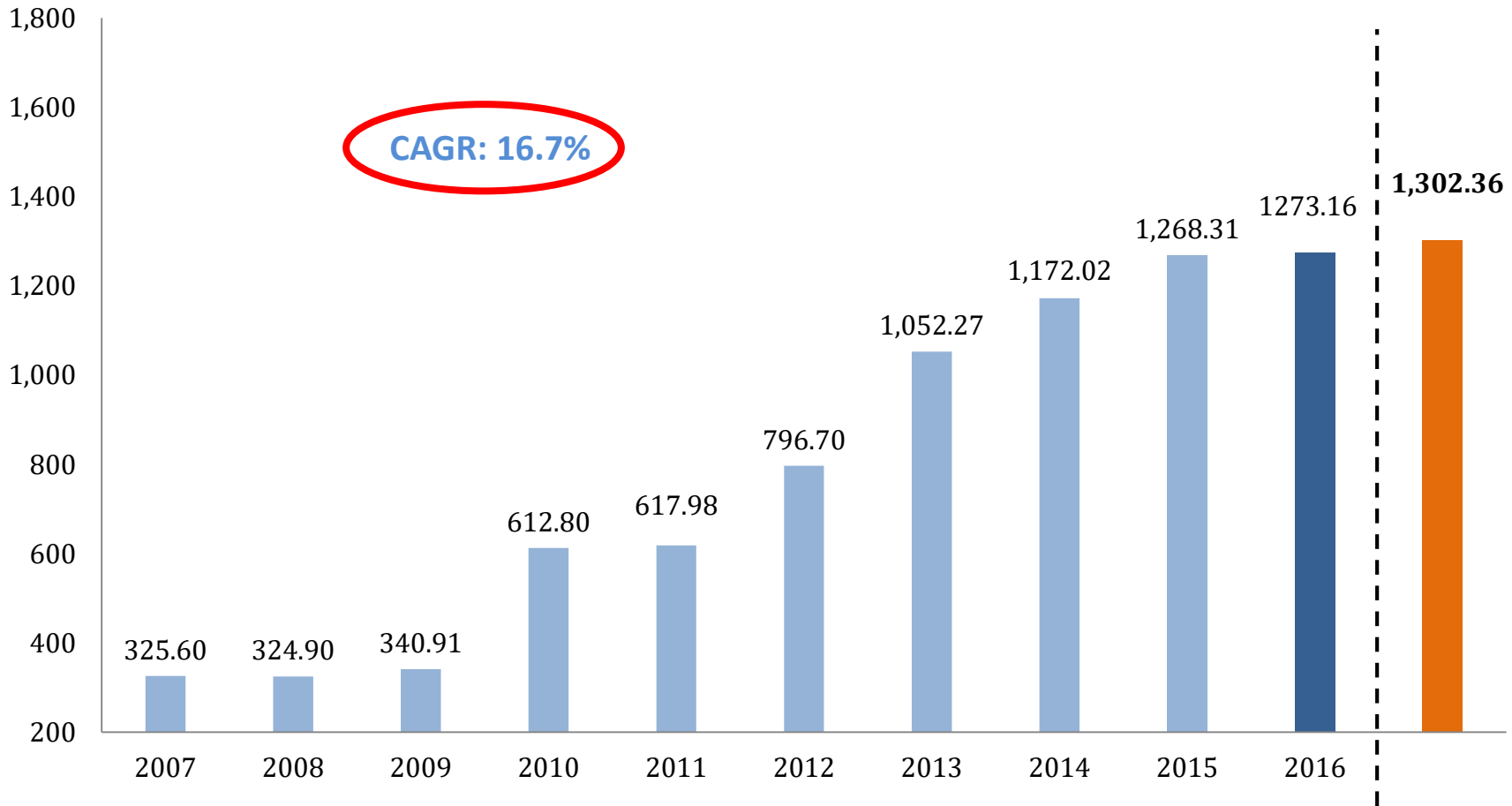
EFFECTS OF ENLARGED PORTFOLIO

Effects on Gross Floor Area and Number of Hospital Beds



GROWTH IN ASSET SIZE

ASSETS-UNDER-MANAGEMENT (\$\$'million)



Post-acquisition assets-under-management

THANK YOU

Q&A

FIRST REIT
FIRST REAL ESTATE INVESTMENT TRUST

 **Siloam**

Mochtar Riady Comprehensive Cancer Centre

PROPERTY DETAILS

FIRST REIT
FIRST REAL ESTATE INVESTMENT TRUST



**Imperial Aryaduta Hotel &
Country Club**

FIRST REIT PORTFOLIO

INDONESIA



**Siloam Hospitals
Labuan Bajo**



**Siloam Hospitals Kupang &
Lippo Plaza Kupang**



Siloam Sriwijaya

Type	Hospital	Integrated Hospital & Mall	Hospital
Centre of Excellence	Emergency Medicine, Internal Medicine and Neuroscience	Emergency & Trauma, Obstetrics, Gynaecology and Paediatrics	Emergency & Trauma, Gastroenterology
Land Area	2,837 sqm	66,060 sqm	--
Gross Floor Area	7,604 sqm	55,368 sqm	15,709 sqm ⁽²⁾
Purchase Price	S\$20.0 m	S\$70.0 m	S\$39.16 m
Appraised Value	S\$20.6 m ⁽¹⁾	S\$69.5 m	S\$42.7 m
Max no. of Beds / Saleable rooms	153	416	357
Year of Building Completion	2015	2014	2012
Lease Commencement Date	30 Dec 2016	14 Dec 2015	29 Dec 2014
Lease Terms	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
Lease Expiry Date	29 Dec 2031	13 Dec 2030	28 Dec 2029

FIRST REIT PORTFOLIO

INDONESIA



**Siloam Hospitals
Purwakarta**



**Siloam Hospitals
Bali**



**Siloam Hospitals
TB Simatupang**

Type	Hospital	Hospital	Hospital
Centre of Excellence	Emergency & Trauma	Cardiology, Emergency & Trauma, Orthopaedics	Cardiology, Emergency & Trauma, Neuroscience, Oncology
Land Area	7,990 sqm	9,025 sqm	2,489 sqm
Gross Floor Area	8,254 sqm	20,958 sqm	18,605 sqm
Purchase Price	S\$31.0 m	S\$97.3 m	S\$93.1 m
Appraised Value	S\$41.0 m	S\$124.7 m	S\$119.4 m
Max no. of Beds / Saleable rooms	202	281	269
Year of Building Completion	2005 & 2008	2012	2013
Lease Commencement Date	28 May 2014	13 May 2013	22 May 2013
Lease Terms	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
Lease Expiry Date	27 May 2029	12 May 2028	21 May 2028

FIRST REIT PORTFOLIO

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
Centre of Excellence	Emergency & Trauma	Cardiology, Emergency & Trauma, Endocrinology	Emergency & Trauma, Gastroenterology, Oncology	Emergency & Trauma, Internal Medicine, Urology
Land Area	5,518 sqm	3,963 sqm	4,145 sqm	9,900 sqm
Gross Floor Area	36,051 sqm	14,307 sqm	37,933 sqm	11,125 sqm
Purchase Price	S\$83.6 m	S\$59.3 m	S\$170.5 m	S\$35.0 m
Appraised Value	S\$104.3 m	S\$73.7 m	S\$252.8 m	S\$48.7 m
Max no. of Beds / Saleable rooms	238 beds / 200 rooms	360	334	114
Year of Building Completion	2011	2012	2010	2002
Lease Commencement Date	30 Nov 2012	30 Nov 2012	30 Dec 2010	31 Dec 2010
Lease Terms	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
Lease Expiry Date	29 Nov 2027	29 Nov 2027	29 Dec 2025	30 Dec 2025

FIRST REIT PORTFOLIO INDONESIA



**Siloam Hospitals
Lippo Village**



**Siloam Hospitals
Kebon Jeruk**



**Siloam Hospitals
Surabaya**



**Imperial Aryaduta
Hotel & Country Club**

Type	Hospital	Hospital	Hospital	Hotel & Country Club
Centre of Excellence	Cardiology, Emergency & Trauma, Neuroscience, Orthopaedics	Cardiology, Emergency & Trauma, Orthopaedics, Urology	Cardiology, Emergency & Trauma	--
Land Area	17,442 sqm	11,420 sqm	4,306 sqm	54,410 sqm
Gross Floor Area	27,284 sqm	18,316 sqm	9,227 sqm	17,427 sqm
Purchase Price	S\$94.3 m	S\$50.6 m	S\$16.8 m	S\$21.2 m
Appraised Value	S\$161.7 m	S\$96.0 m	S\$30.2 m	S\$41.8 m
Max no. of Beds / Saleable rooms	274	215	160	190
Year of Building Completion	1995	1991	1977	1994
Lease Commencement Date	11 Dec 2006	11 Dec 2006	11 Dec 2006	11 Dec 2006
Lease Terms	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
Lease Expiry Date	10 Dec 2021	10 Dec 2021	10 Dec 2021	10 Dec 2021

FIRST REIT PORTFOLIO

SINGAPORE & SOUTH KOREA



Pacific Healthcare Nursing Home @ Bukit Merah



Pacific Healthcare Nursing Home II @ Bukit Panjang



The Lentor Residence



Sarang Hospital

Type	Nursing Home	Nursing Home	Nursing Home	Hospital
Land Area	1,984 sqm	2,000 sqm	2,486 sqm	2,142 sqm
Gross Floor Area	3,593 sqm	3,563 sqm	4,005 sqm	4,982 sqm
Purchase Price	S\$11.8 m	S\$11.5 m	S\$12.8 m	US\$13.0 m
Appraised Value	S\$10.0 m	S\$10.0 m	S\$16.8 m	US\$6.4 m
Max no. of Beds / Saleable rooms	259	265	208	217
Year of Building Completion	2004	2006	1999 & 2013 (new extension building)	2010
Lease Commencement Date	11 Apr 2007	11 Apr 2007	8 Jun 2007	5 Aug 2011
Lease Terms	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 (Tenant has exercised the option)	10 years with option to renew for 10 years
Lease Expiry Date	10 Apr 2027	10 Apr 2027	7 Jun 2027	4 Aug 2021