

# Extraordinary General Meeting

20 December 2017



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# PROPOSED ACQUISITION



Siloam Hospitals Yogyakarta



# WHERE IS YOGYAKARTA?



Source: First REIT, Google Maps

Yogyakarta has one of the highest population densities in Java. It is a city rich in culture and natural heritage, home to two UNESCO World Heritage sites, namely the Borobudur and Prambanan Temple Compounds.

Siloam Hospitals Yogyakarta (“**SHYG**”) commenced operations on 28 July 2017 and is one of the most advanced hospital facility in Yogyakarta City.

# FIRST REIT ASSETS IN JAVA



2013

Siloam Hospitals  
TB Simatupang



2007

Imperial Aryaduta Hotel  
& Country Club



2007

Siloam Hospitals  
Lippo Village



2007

Siloam Hospitals  
Kebon Jeruk



2007

Siloam Hospitals  
Surabaya



2010

Mochtar Riady  
Comprehensive  
Cancer Centre



2010

Siloam Hospitals  
Lippo Cikarang



2014

Siloam Hospitals  
Purwakarta

**YOGYAKARTA**



# YOGYAKARTA – KEY LANDMARKS

## General Location Map of Yogyakarta



Source: First REIT, Google Maps

Yogyakarta is gaining popularity among locals and foreigners alike, given its rich cultural and natural heritage. It is home to two **UNESCO World Heritage** sites, namely the **Borobudur** and **Prambanan Temple Compounds**.

## 1 Borobudur Temple Compounds



Source: First REIT

## 2 Prambanan Temple Compounds



Source: First REIT

# PROPOSED JOINT ACQUISITION WITH LMIRT



Yogyakarta has one of the highest population densities in Java



Integrated development in Yogyakarta consisting of a hospital (Siloam Hospitals Yogyakarta) and retail mall (Lippo Plaza Jogja)

**FIRST REIT**  
FIRST REAL ESTATE INVESTMENT TRUST

Entitled to all economic benefits, costs and undertakings related to Siloam Hospitals Yogyakarta (**SHYG**)

JOINT ACQUISITION

**LMIR TRUST**  
LIPPO MALLS INDONESIA RETAIL TRUST

Entitled to all economic benefits, costs and undertakings related to Lippo Plaza Jogja (**LPJ**)

# SILOAM HOSPITALS YOGYAKARTA

## KEY DETAILS



<b>Property Type</b>	Hospital	<b>Master Lessees</b>	PT Lippo Karawaci Tbk and PT Taruna Perkasa Megah <sup>(1)</sup>
<b>Purchase Consideration</b>	S\$27.0 million	<b>Base Rent</b>	Initial base rent of S\$2,430,000 per annum 9.00% rental yield
<b>Valuations</b>	S\$27.20 million by Rengganis <sup>2</sup> S\$27.28 million by Willson <sup>3</sup>	<b>Base Rent Escalation</b>	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%.
<b>Discount to Valuation</b>	0.88% <i>(based on average of 2 valuations)</i>	<b>Variable Rent</b>	Takes effect from the sixth year and for subsequent years of the SHYG Master Lease based on SHYG Gross Operating Revenue growth
<b>Financing</b>	Drawdown of committed debt and internal cash	<b>Lease Term</b>	15 years with option to renew for a further 15 years
<b>Property Title</b>	Both SHYG and LPJ are held under one "Right to Build" (Hak Guna Bangunan or "HGB") title certificate no. 00131/Kelurahan Demangan, expiring on 27 December 2043. Current regulations do not allow the subdivision and issuing of separate strata titles. First REIT and LMIR Trust have therefore decided to jointly acquire the asset.		

<sup>1</sup> PT Taruna Perkasa Megah is a wholly owned subsidiary of PT Siloam International Hospitals Tbk

<sup>2</sup> KJPP Rengganis, Hamid & Rekan in strategic alliance with CBRE, appraised as at 30 September 2017

<sup>3</sup> KJPP Willson & Rekan in association with Knight Frank, appraised as at 30 September 2017



# SILOAM HOSPITALS YOGYAKARTA

## PROPERTY DETAILS

Jalan Laksda Adi Sucipto No. 32 - 34, Yogyakarta, Indonesia

Established	2015	Land Area	13,715 sqm
Hospital Beds	220	Gross Floor Area	12,474 sqm
Property Classification	Hospital	Centre of Excellence	Neuroscience and Cardiology



- ▶ SHYG is part of a 10-storey building with a basement and a mezzanine level, comprising the hospital and a retail mall
- ▶ Shares a multi-storey vehicle parking area with LPJ on the upper levels totalling 752 car lots and 875 motorcycle lots
- ▶ Commenced operations on 28 July 2017, newly furnished and fitted with state-of-the-art medical facilities and technologies, equipped with a helipad on the roof
- ▶ Centrally located in Yogyakarta, highly accessible and situated approximately five kilometres from the Adisucipto International Airport

# SILOAM HOSPITALS YOGYAKARTA

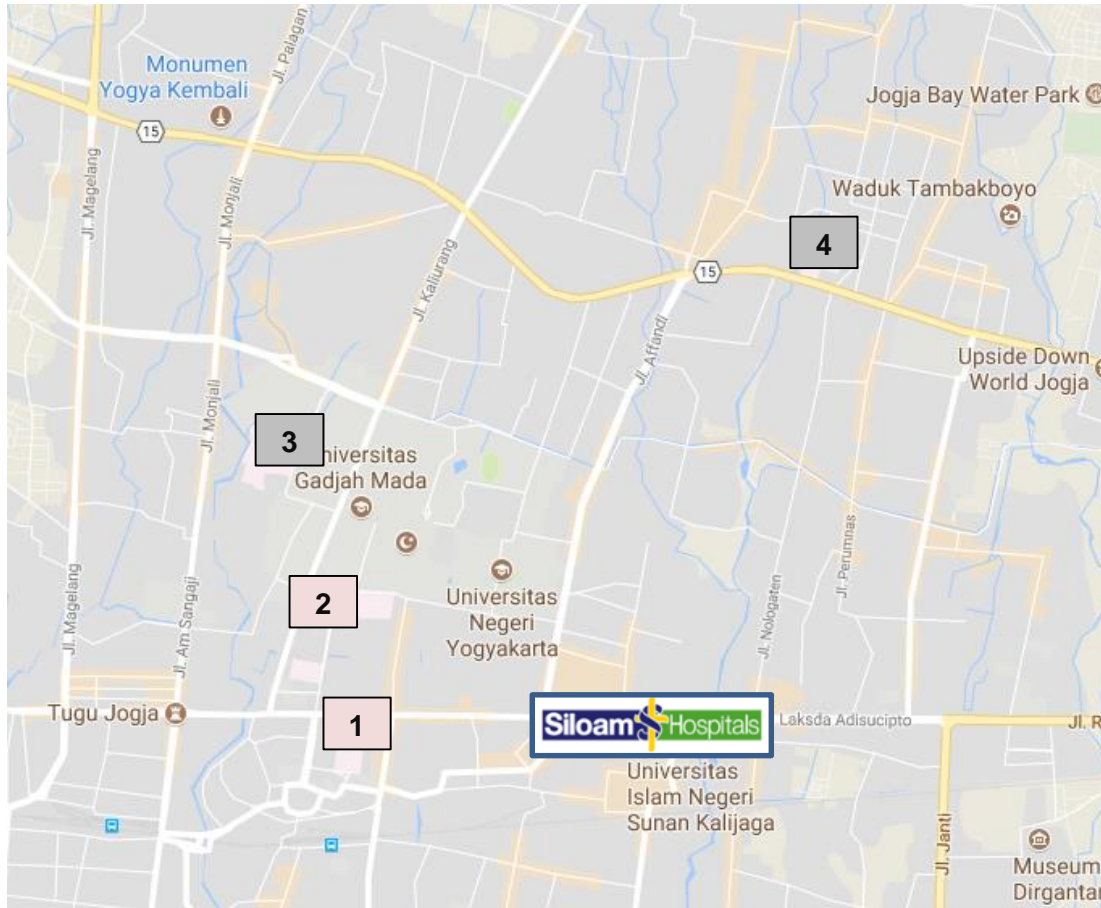
## TARGET CATCHMENT AREA

Catchment	Population (2015)	Target Patients	Key Services Required
<b>Primary Catchment</b>			
Kota Yogyakarta	417,744	<ul style="list-style-type: none"> <li>• Middle to high income population</li> <li>• Corporates</li> <li>• Expatriate community</li> <li>• Young married couples</li> <li>• Tourists</li> <li>• University students</li> </ul>	<ul style="list-style-type: none"> <li>• Medical check-up services</li> <li>• General health consultations</li> <li>• Emergency &amp; Trauma services</li> </ul>
Sleman Regency	1,180,479		
<b>Secondary Catchment</b>			
Other Neighboring Regencies/Cities  (Bantul & Cilacap Regencies/ Magelang, Solo & Salatiga cities)	< 5,800,000	<ul style="list-style-type: none"> <li>• Middle to high income population</li> <li>• Factory owners/industrial workers</li> <li>• Expatriates</li> </ul>	<ul style="list-style-type: none"> <li>• Medical check-up services</li> <li>• General health consultations</li> <li>• Orthopaedic services</li> <li>• Neurology</li> <li>• Paediatrics</li> <li>• Cardiology</li> <li>• Stroke</li> <li>• Emergency &amp; Trauma Services</li> </ul>

Source: Frost & Sullivan

# SHYG – LOCATION & OTHER HOSPITALS

SHYG commenced operations on 28 July 2017 and is currently the newest and one of the advanced hospital facility in Yogyakarta City.



1 **RS Bethesda**



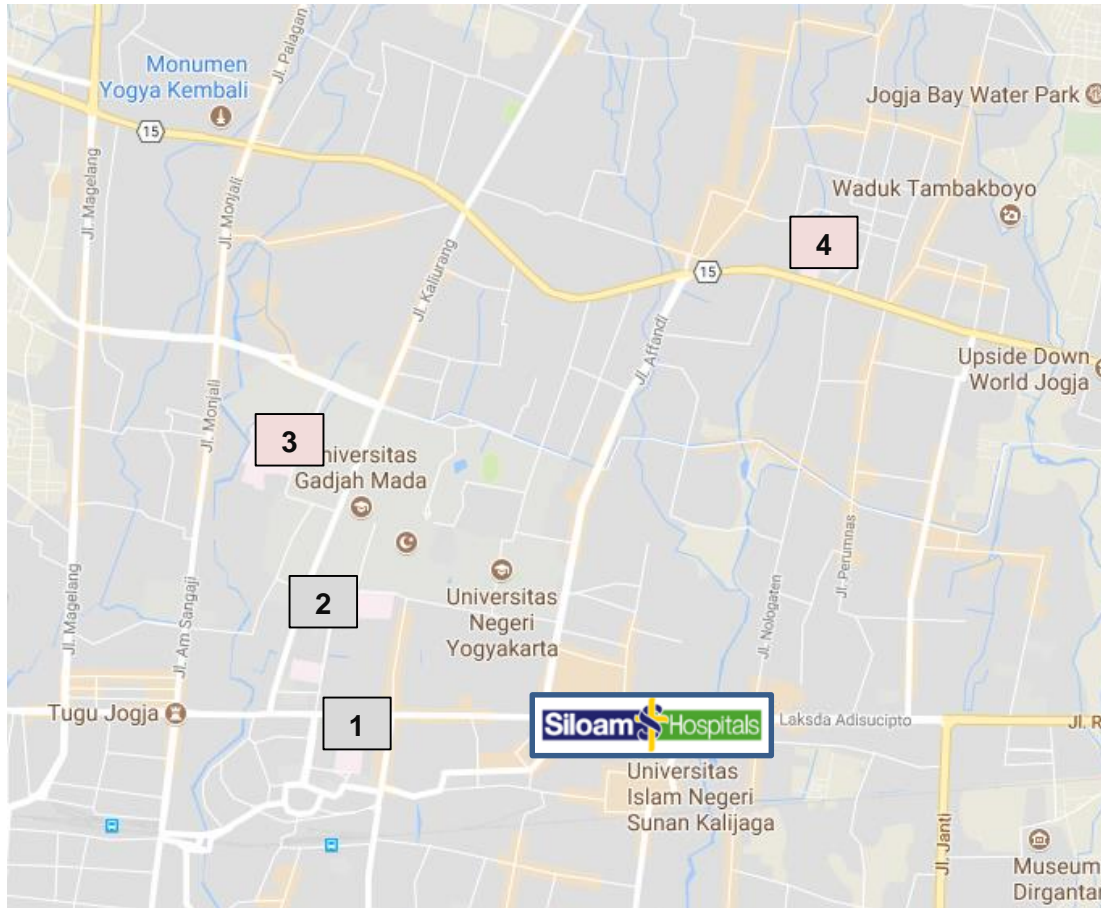
2 **RSUP Dr, Sardjito**





# SHYG – LOCATION & OTHER HOSPITALS

SHYG commenced operations on 28 July 2017 and is currently the newest and one of the advanced hospital facility in Yogyakarta City.



3 RS Pantj Rapih



4 RS JIH



Source: First REIT, Google Maps

Source: First REIT

# SILOAM HOSPITALS YOGYAKARTA

## KEY DIFFERENTIATORS

### Pillars of SHYG's Differentiation Strategy

#### Excellence in Emergency Services

- *Unparalleled Emergency & Trauma Department*
- *Only hospital in Yogyakarta with a Rapid Response System*
- *Dedicated hotline for immediate ambulance dispatch service*

#### Connected to Lippo Plaza Jogja (LPJ)

- *SHYG is the only hospital that is connected to a mall to support any amenities required by patients or their visitors*

#### Robust Doctor Partnership Program

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

#### Comprehensive Medical Equipment, Healthcare IT and Telemedicine

- *Only private hospital group in Indonesia with telemedicine system that allows doctors within Siloam Hospitals Group to remotely consult, assess and review medical cases, diagnoses and reports across hospitals*
- *SHYG is well equipped with advanced medical diagnostic technologies.*
- *SHYG implements clinical operations based on internationally accredited JCI protocols*

#### Advanced Healthcare Services by Siloam Hospitals

Modern hospital with advanced medical capabilities in Kota Yogyakarta, operated by the renown Siloam Hospitals Group.

#### Market potential of Yogyakarta

Yogyakarta has one of the highest population densities in Java, SHYG is well positioned to tap into primary and secondary catchments.

#### Outlook

SHYG will successfully penetrate the Yogyakarta healthcare market through superior medical services & equipment along with ongoing corporate tie-ups.

# KEY MERITS OF THE SHYG ACQUISITION

- 1. An attractive and high quality property in Central Java, Yogyakarta, at a price below valuation**
  - SHYG located in the heart of Yogyakarta city, Central Java, and is approximately five kilometres away from the Adisucipto International Airport.
  - Geographically situated in around catchment areas that have one of the highest population densities of Java.
  - SHYG is well-positioned for the middle to high income segments of the healthcare market.
  - Purchase consideration at 0.88% discount to average of 2 independent valuations.
- 2. Increased income stability through the SHYG 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 taking into account the option term).
  - Weighted average lease to expiry of the portfolio will increase from 9.4 years to 9.6 years as at 20 December 2017.
- 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**
  - Assuming SHYG is acquired on 20 December 2017:
    - Asset size will grow from S\$1.30 billion to S\$1.33 billion.
    - Total GFA will grow from 336,245 sq m to 348,719 sq m.
    - Maximum number of hospital beds for the Indonesia properties will increase from 3,533 to 3,753.



# KEY MERITS OF THE SHYG ACQUISITION

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

- SHYG is modern and is fitted with advanced medical facilities with medical services in line with international accreditation protocols.
- Proposed acquisition allows diversification across geographical locations and medical specialisations.

## 5. Reduction in the weighted average age of the properties in the portfolio as SHYG is newly built

- Weighted average age of properties will decrease from 10.5 years to 10.2 years as at 20 December 2017.

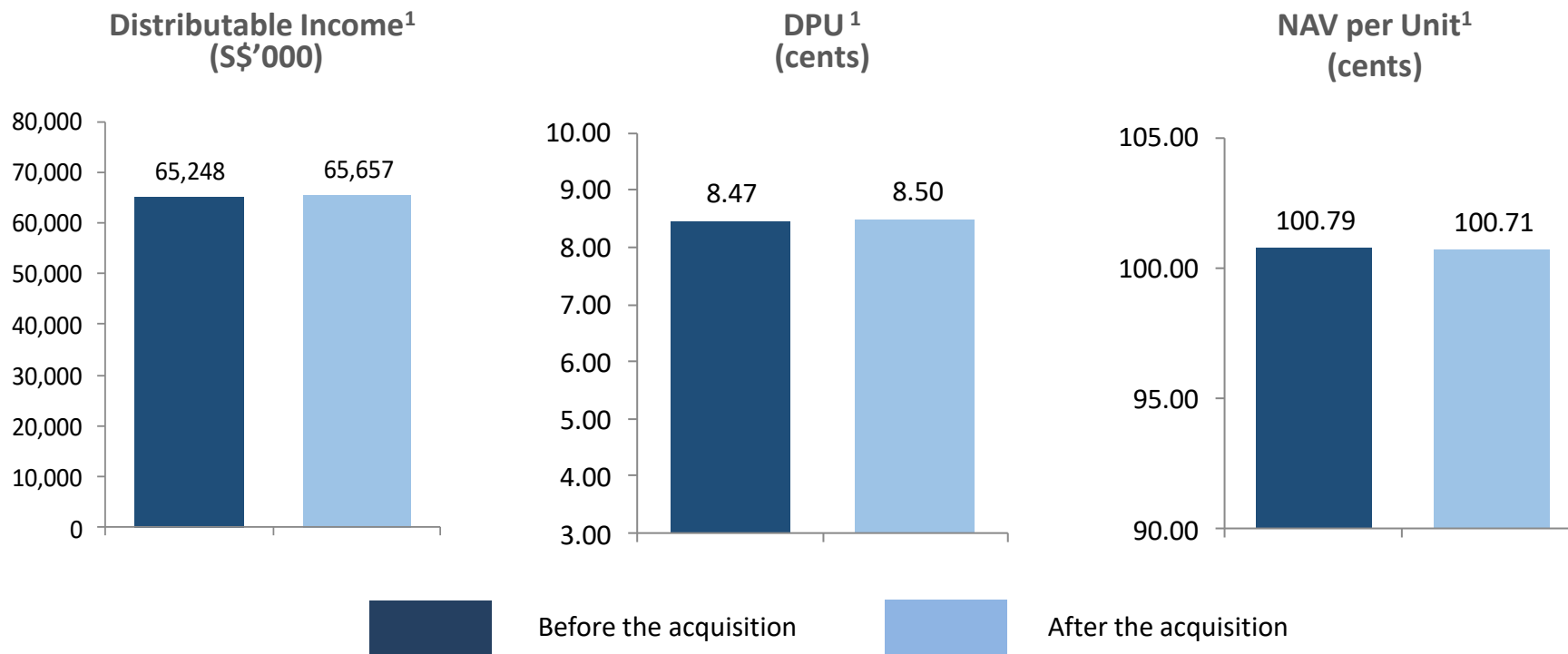
# FINANCIAL HIGHLIGHTS



Siloam Hospitals Yogyakarta

# PRO FORMA FINANCIAL EFFECTS

For twelve-month period ended 31 December 2016



## Note

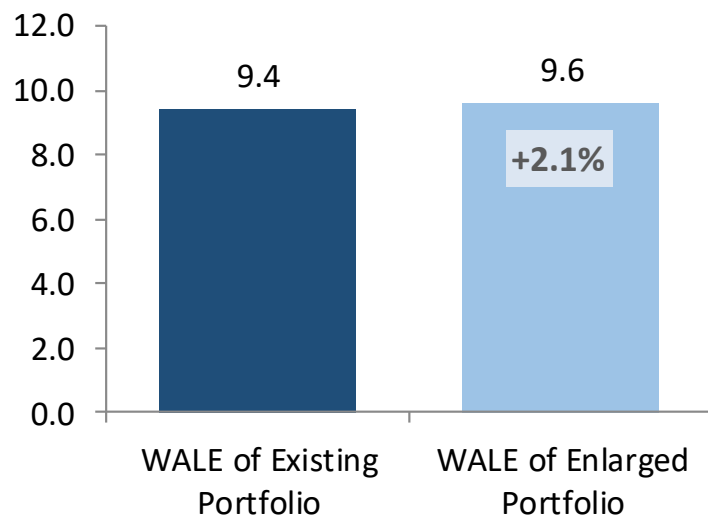
<sup>1</sup> As if First REIT had purchased SHYG on 1 January 2016, and held SHYG through to 31 December 2016.



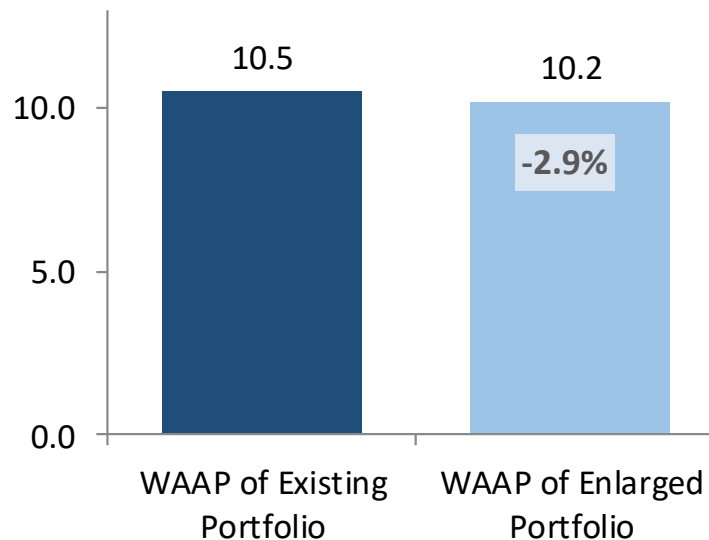
# EFFECTS OF ENLARGED PORTFOLIO

Effects on Weighted Average Lease Expiry and Weighted Average Age of Property as at 20 December 2017

Weighted Average Lease to Expiry<sup>1</sup> (WALE) (years)



Weighted Average Age of Properties<sup>1</sup> (WAAP) (years)

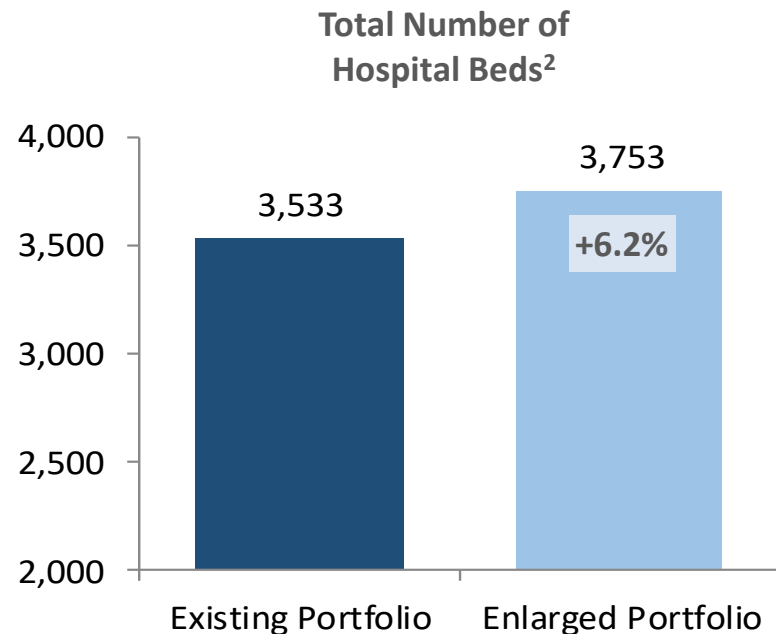
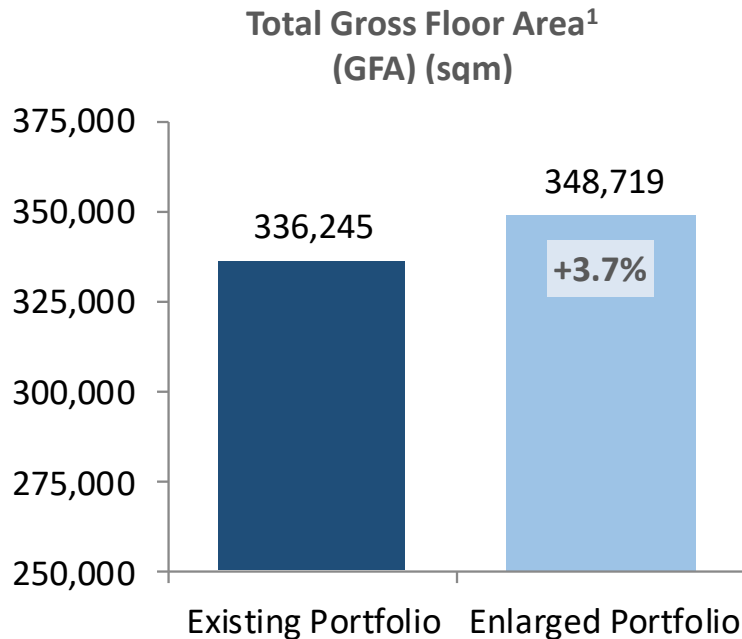


## Note

<sup>1</sup> The WALE and WAAP figures presented are based on the assumption that First REIT had purchased SHYG on 20 December 2017. The WALE and WAAP figures include the contributions from Siloam Hospitals Buton & Lippo Plaza Buton ("Buton Property"). The Buton Property was acquired on 10 October 2017.

# EFFECTS OF ENLARGED PORTFOLIO

## Effects on Gross Floor Area and Number of Hospital Beds as at 20 December 2017



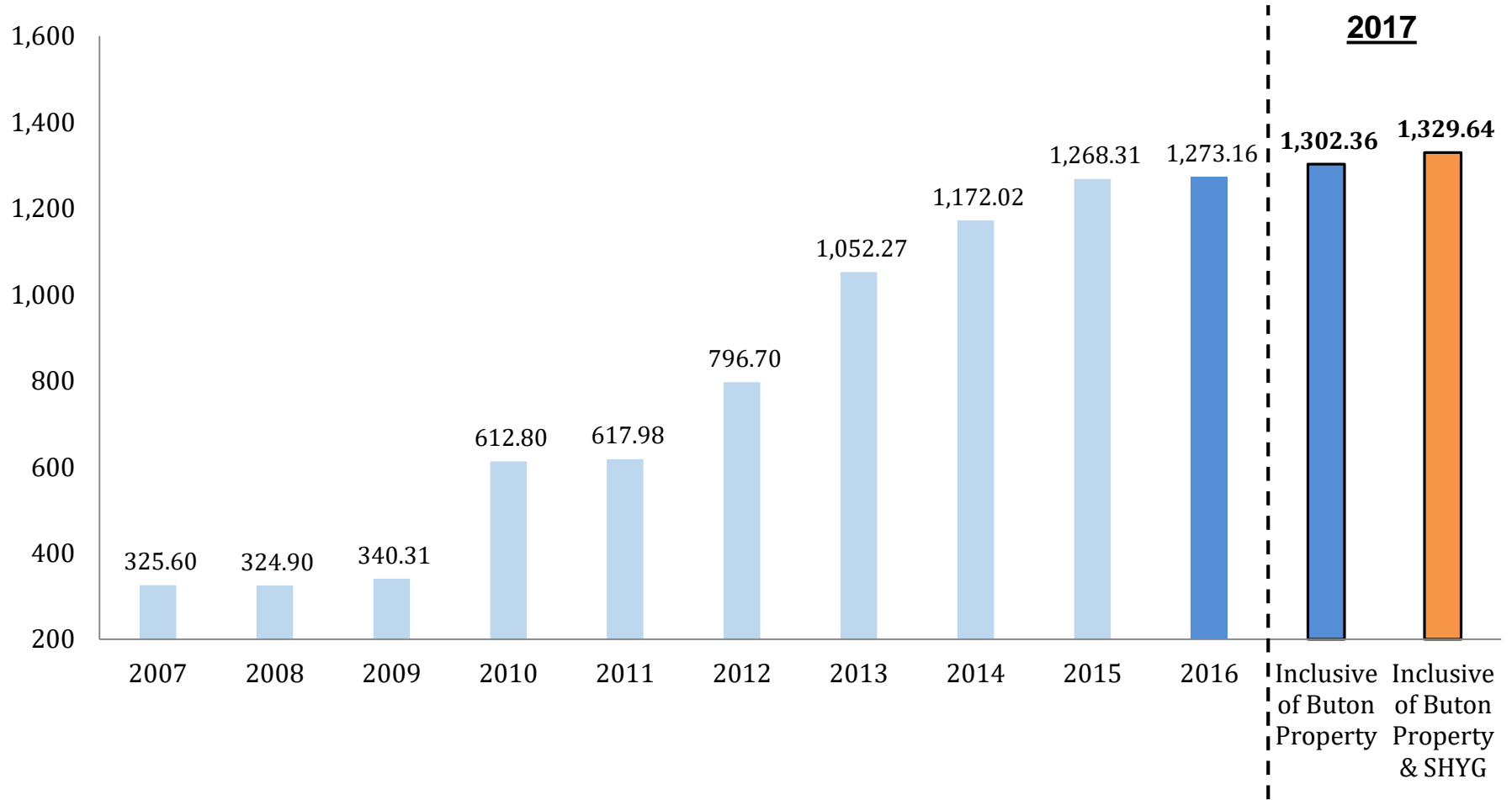
### Notes

<sup>1</sup> The GFA of Existing Portfolio reflects GFA as at 20 December 2017, which includes the GFA of the Buton Property. The Buton Property was acquired on 10 October 2017 and has a GFA of 21,934 sqm.

<sup>2</sup> The Total Number of Hospital Beds of Existing Portfolio reflects the Total Number of Hospital Beds as at 20 December 2017, which includes the 160 hospital beds attributable to Siloam Hospitals Buton.

# GROWTH IN ASSET SIZE

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





# THANK YOU

## Q&A

**FIRST REIT**  
FIRST REAL ESTATE INVESTMENT TRUST

 **Siloam**

**Mochtar Riady Comprehensive Cancer Centre**



# PROPERTY DETAILS



**Siloam Hospitals Buton  
& Lippo Plaza Buton**

# FIRST REIT PROPERTY: INDONESIA



**Siloam Hospitals Buton & Lippo Plaza Buton<sup>(1)</sup>**



**Siloam Hospitals Labuan Bajo**



**Siloam Hospitals Kupang & Lippo Plaza Kupang**

Type	Integrated Hospital & Mall	Hospital	Integrated Hospital & Mall
Centre of Excellence	Emergency & Trauma	Emergency Medicine, Internal Medicine and Neuroscience	Emergency & Trauma, Obstetrics, Gynaecology and Paediatrics
Land Area	21,874 sqm	2,837 sqm	66,060 sqm
Gross Floor Area	21,934 sqm	7,604 sqm	55,368 sqm
Purchase Price	S\$28.5 m	S\$20.0 m	S\$70.0 m
Appraised Value	S\$29.2 m <sup>(2)</sup>	S\$20.6 m	S\$69.5 m
Max no. of Beds / Saleable rooms	160	153	416
Year of Building Completion	2016	2015	2014
Lease Commencement Date	10 Oct 2017	30 Dec 2016	14 Dec 2015
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	9 Oct 2032	29 Dec 2031	13 Dec 2030

## Note

<sup>(1)</sup> Siloam Hospitals Buton & Lippo Plaza Buton was acquired on 10 October 2017.

<sup>(2)</sup> Appraised by KJPP Rinaldi, Alberth, Baroto & Partners, as at 1 May 2017.

# FIRST REIT PROPERTY: INDONESIA



Siloam Sriwijaya



Siloam Hospitals  
Purwakarta



Siloam Hospitals  
Bali



Siloam Hospitals  
TB Simatupang

Type	Hospital	Hospital	Hospital	Hospital
Centre of Excellence	Emergency & Trauma, Gastroenterology	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	15,709 sqm <sup>(1)</sup>	8,254 sqm	20,958 sqm	18,605 sqm
Purchase Price	S\$39.16 m	S\$31.0 m	S\$97.3 m	S\$93.1 m
Appraised Value	S\$42.7 m	S\$41.0 m	S\$124.7 m	S\$119.4 m
Max no. of Beds / Saleable rooms	357	202	281	269
Year of Building Completion	2012	2005 & 2008	2012	2013
Lease Commencement Date	29 Dec 2014	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	15 years with option to renew for 15 years
Lease Expiry Date	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.



# FIRST REIT PROPERTY: INDONESIA



**Siloam Hospitals Manado  
& Hotel Aryaduta Manado**



**Siloam Hospitals  
Makassar**



**Mochtar Riady  
Comprehensive  
Cancer Centre**



**Siloam Hospitals  
Lippo Cikarang**

<b>Type</b>	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	11,125 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\$104.3 m	S\$73.7 m	S\$252.8 m	S\$48.7 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

# FIRST REIT PROPERTY: 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 PROPERTY: 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\$10.0 m	S\$10.0 m	S\$16.8 m	US\$6.4 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 (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