

**First Real Estate Investment Trust**

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

Condensed Interim Financial Statements

Six-month period ended 30 June 2022

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## **Introduction**

First Real Estate Investment Trust (“First REIT” or the “Trust”) is a real estate investment trust constituted by the Trust Deed entered into on 19 October 2006 between First REIT Management Limited (the “Manager”) as the Manager and HSBC Institutional Trust Services (Singapore) Limited as the trustee. First REIT was listed on the Singapore Exchange Securities Trading Limited on 11 December 2006. On 1 March 2018, HSBC Institutional Trust Services (Singapore) Limited retired as the trustee of First REIT in favour of Perpetual (Asia) Limited (the “Trustee”).

First REIT is Singapore’s first healthcare real estate investment trust that aims to invest in a diversified portfolio of income-producing real estate and/or real estate-related assets in Asia that are primarily used for healthcare and/or healthcare-related purposes.

Managed by First REIT Management Limited, First REIT has a portfolio of thirty one properties with twelve hospitals, two integrated hospital & malls, one integrated hospital & hotel and one hotel & country club, located in Indonesia, three nursing homes in Singapore and twelve nursing homes in Japan.

Its hospital assets in Indonesia are operated by PT Siloam International Hospitals Tbk, a subsidiary of PT Lippo Karawaci Tbk, a strong brand name in the Indonesian healthcare industry supported by a team of international healthcare professionals whereas The Imperial Aryaduta Hotel & Country Club and Hotel Aryaduta Manado are operated by The Aryaduta Hotel and Resort Group. The Lippo Plaza Kupang and Lippo Plaza Buton are managed by PT Lippo Malls Indonesia. In Singapore, the nursing homes at Bukit Merah and Bukit Panjang are operated by Pacific Healthcare Nursing Home Pte. Ltd. and Pacific Eldercare and Nursing Pte. Ltd., respectively. The Lentor Residence is operated by The Lentor Residence Pte. Ltd. In Japan, seven nursing homes are operated by Hikari Heights Varus Co., Ltd, two nursing homes are operated by Safety Life Co., Ltd and three nursing homes are operated by Orchard Care Co., Ltd.

Through First REIT, investors can participate in an asset class that has a focus towards Asia’s growing healthcare sector, which is boosted by an increase in life expectancy in Indonesia, Japan, Singapore and the rest of Southeast Asia.

## Summary of Results

	Note	Group		
		Six-month period ended		
		30 June 2022	30 June 2021	Change
		<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
<b>Rental and other income</b>	1	53,787	38,933	38.2%
<b>Net property and other income</b>	1	52,724	37,612	40.2%
Distributable amount		25,254	20,887	20.9%
<b>Distribution per unit (cts)</b>	2	1.32	1.30	1.5%
Annualised Distribution per unit (cts)		2.64	2.60	1.5%

Note:

The results for six-month period ended 30 June 2022 includes contribution from the twelve Japan properties which were acquired on 1 March 2022.

- Rental and other income, and net property and other income increased largely attributed to the contribution from Japan properties which were acquired on 1 March 2022 and accounting treatment under FRS 116 – *Leases*, the rental income from the Indonesia hospitals restructured master lease agreements with a minimum 4.5% annual escalation, was recognised on a straight-line basis for the entire lease term.
- DPU included 1Q 2022 DPU of 0.66 cents which was paid on 24 June 2022. The 2Q 2022 DPU is 0.66 cents.

### Distribution Details

<b>Distribution</b>	1 April 2022 to 30 June 2022
<b>Distribution type</b>	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
<b>Distribution rate</b>	Total: 0.66 cents per unit (a) Taxable income: 0.03 cents per unit (b) Tax-exempt income: 0.32 cents per unit (c) Capital distribution: 0.31 cents per unit
<b>Ex-distribution date</b>	12 August 2022 at 9.00 am
<b>Book closure date</b>	15 August 2022 at 5.00 pm
<b>Payment date</b>	26 September 2022

**Condensed Statement of Financial Position**  
**As at 30 June 2022**

	Note	Group		Trust	
		30/6/2022 \$'000	31/12/2021 \$'000	30/6/2022 \$'000	31/12/2021 \$'000
<b>Non-current assets</b>					
Plant and equipment		21	28	–	–
Investment properties	3	1,215,335	962,447	33,314	33,200
Investments in subsidiaries	4	–	–	805,960	669,173
Loan to a subsidiary		–	–	22,529	25,465
		<u>1,215,356</u>	<u>962,475</u>	<u>861,803</u>	<u>727,838</u>
<b>Current assets</b>					
Trade and other receivables	5	2,420	32,488	21,101	12,772
Loan to a subsidiary		–	–	4,191	4,191
Other financial assets		130	–	–	–
Other assets		1,430	3,369	837	3,120
Cash and cash equivalents		78,824	51,203	35,929	35,137
		<u>82,804</u>	<u>87,060</u>	<u>62,058</u>	<u>55,220</u>
<b>Total assets</b>		<u>1,298,160</u>	<u>1,049,535</u>	<u>923,861</u>	<u>783,058</u>
<b>Non-current liabilities</b>					
Deferred tax liabilities		50,949	20,601	–	–
Borrowings	6	203,400	249,953	95,054	249,953
Other liabilities		6,392	–	–	–
		<u>260,741</u>	<u>270,554</u>	<u>95,054</u>	<u>249,953</u>
<b>Current liabilities</b>					
Income tax payable		1,818	1,198	9	–
Trade and other payables		20,298	18,888	52,773	29,002
Borrowings	6	252,439	99,258	250,968	99,258
Other liabilities		7,962	7,144	2,162	2,103
Derivative financial instruments		–	673	–	673
		<u>282,517</u>	<u>127,161</u>	<u>305,912</u>	<u>131,036</u>
<b>Total liabilities</b>		<u>543,258</u>	<u>397,715</u>	<u>400,966</u>	<u>380,989</u>

The accompanying notes form an integral part of these financial statements.

**Condensed Statement of Financial Position (cont'd)**  
**As at 30 June 2022**

	Note	Group		Trust	
		30/6/2022 \$'000	31/12/2021 \$'000	30/6/2022 \$'000	31/12/2021 \$'000
Represented by:					
<b>Net assets attributable to unitholders</b>	8	694,252	591,145	462,245	341,394
Perpetual securities	7	60,650	60,675	60,650	60,675
<b>Total net assets</b>		<u>754,902</u>	<u>651,820</u>	<u>522,895</u>	<u>402,069</u>
<b>Units in issue ('000)</b>	8	<u>2,050,906</u>	<u>1,613,028</u>	<u>2,050,906</u>	<u>1,613,028</u>
<b>Net asset value per unit in cents attributable to unitholders</b>	8	<u>33.85</u>	<u>36.65</u>	<u>22.54</u>	<u>21.16</u>

The accompanying notes form an integral part of these financial statements.

**Condensed Statement of Total Return**  
**Six-month period ended 30 June 2022**

		<b>Group</b>	
	<b>Note</b>	<b>Six-month period ended 30/6/2022 \$'000</b>	<b>Six-month period ended 30/6/2021 \$'000</b>
<b>Rental and other income</b>		53,787	38,933
Property operating expenses	9	(1,063)	(1,321)
<b>Net property and other income</b>		<u>52,724</u>	<u>37,612</u>
Interest income		121	52
Manager's management fees	9	(4,718)	(3,930)
Asset management fees		(356)	–
Trustee fees		(183)	(154)
Finance costs	9	(8,397)	(8,502)
Other expenses	9	(940)	(1,307)
<b>Net income before the undernoted</b>		<u>38,251</u>	<u>23,771</u>
Net fair value losses on investment properties		(9,746)	–
Net fair value gains of derivative financial instruments		673	1,698
Net foreign exchange losses		(698)	(196)
<b>Total return for the period before income tax</b>	9	<u>28,480</u>	<u>25,273</u>
Income tax expenses		(8,818)	(6,100)
<b>Total return for the period after income tax</b>		<u>19,662</u>	<u>19,173</u>
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translating foreign operations, net of tax		(26,211)	20
<b>Total comprehensive (loss)/income for the period</b>		<u>(6,549)</u>	<u>19,193</u>
<b>Total return attributable to:</b>			
Unitholders of the Trust		18,180	17,483
Perpetual securities holders		1,482	1,690
		<u>19,662</u>	<u>19,173</u>
<b>Total comprehensive (loss)/income attributable to:</b>			
Unitholders of the Trust		(8,031)	17,503
Perpetual securities holders		1,482	1,690
		<u>(6,549)</u>	<u>19,193</u>
<b>Earnings per unit in cents</b>			
Basic and diluted	10	<u>0.95</u>	<u>1.28</u>

The accompanying notes form an integral part of these financial statements.

**Statement of Distribution**  
**Six-month period ended 30 June 2022**

	<b>Group</b>	
<b>Note</b>	<b>Six-month period ended 30/6/2022 \$'000</b>	<b>Six-month period ended 30/6/2021 \$'000</b>
<b>Amount available for distribution to unitholders at beginning of the period</b>	10,732	6,840
Total return for the period after income tax	19,662	19,173
Adjustments for tax purposes (Note A)	5,462	1,730
<b>Amount available for distribution to unitholders</b>	35,856	27,743
Total distribution paid to unitholders	(22,350)	(17,223)
<b>Amount available for distribution to unitholders at end of the period</b>	13,506	10,520
<b>Distribution per unit (cents)</b>	1.32	1.30

Note A - Adjustments for tax purposes:

	<b>Group</b>	
	<b>Six-month period ended 30/6/2022 \$'000</b>	<b>Six-month period ended 30/6/2021 \$'000</b>
Manager's management fees settled in units	2,262	2,050
Net fair value losses on investment properties, net of deferred tax	11,806	-
Adjustment on rental straight-lining	(9,471)	-
Net fair value gains of derivative financial instruments	(673)	(1,698)
Amount reserved for distribution to perpetual securities holders	(1,482)	(1,690)
Foreign exchange losses - unrealised	191	138
Other non-tax deductible items and adjustments	2,829	2,930
	5,462	1,730

The accompanying notes form an integral part of these financial statements.

**Condensed Statements of Movements in Unitholders' Funds**  
**Six-month period ended 30 June 2022**

	Note	← Unitholders' funds →					Total \$'000
		Issued equity \$'000	Retained earnings \$'000	Foreign exchange reserve \$'000	Subtotal \$'000	Perpetual securities \$'000	
<b>Group</b>							
<b>Operations</b>							
<b>At 1 January 2022</b>		481,450	104,874	4,821	591,145	60,675	651,820
Total return for the period		–	19,662	–	19,662	–	19,662
Less: Amount reserved for distribution to perpetual securities holders		–	(1,482)	–	(1,482)	1,482	–
<b>Net increase in net assets resulting from operations</b>		–	18,180	–	18,180	1,482	19,662
<b>Transactions with unitholders and perpetual securities holders</b>							
Partial consideration for acquisition of subsidiaries paid in units	14	131,500	–	–	131,500	–	131,500
Manager's management fees settled in units		1,988	–	–	1,988	–	1,988
Change in net assets resulting from creation of units		133,488	–	–	133,488	–	133,488
Distributions to unitholders		(16,957)	(5,393)	–	(22,350)	–	(22,350)
Distributions to perpetual securities holders		–	–	–	–	(1,507)	(1,507)
<b>Net increase/(decrease) in net assets resulting from transactions with unitholders and perpetual securities holders</b>		116,531	(5,393)	–	111,138	(1,507)	109,631
<b>Foreign exchange reserve</b>							
Exchange differences on translating foreign operations, net of tax		–	–	(26,211)	(26,211)	–	(26,211)
<b>At 30 June 2022</b>		597,981	117,661	(21,390)	694,252	60,650	754,902

**Condensed Statements of Movements in Unitholders' Funds (cont'd)**  
**Six-month period ended 30 June 2022**

	← Unitholders' funds →			Subtotal \$'000	Perpetual securities \$'000	Total \$'000
	Issued equity \$'000	Retained earnings \$'000	Foreign exchange reserve \$'000			
<b>Group</b>						
<b>Operations</b>						
<b>At 1 January 2021</b>	353,466	48,510	1,116	403,092	60,878	463,970
Total return for the period	–	19,173	–	19,173	–	19,173
Less: Amount reserved for distribution to perpetual securities holders	–	(1,690)	–	(1,690)	1,690	–
<b>Net increase in net assets resulting from operations</b>	–	17,483	–	17,483	1,690	19,173
<b>Transactions with unitholders and perpetual securities holders</b>						
Proceeds from rights issue, net of related costs	157,702	–	–	157,702	–	157,702
Manager's management fees settled in units	3,165	–	–	3,165	–	3,165
Change in net assets resulting from creation of units	160,867	–	–	160,867	–	160,867
Distributions to unitholders	(15,613)	(1,610)	–	(17,223)	–	(17,223)
Distributions to perpetual securities holders	–	–	–	–	(1,718)	(1,718)
<b>Net increase/(decrease) in net assets resulting from transactions with unitholders and perpetual securities holders</b>	145,254	(1,610)	–	143,644	(1,718)	141,926
<b>Foreign exchange reserve</b>						
Exchange differences on translating foreign operations, net of tax	–	–	20	20	–	20
<b>At 30 June 2021</b>	498,720	64,383	1,136	564,239	60,850	625,089

**Condensed Statements of Movements in Unitholders' Funds (cont'd)**  
**Six-month period ended 30 June 2022**

	← Unitholders' funds →			Perpetual securities \$'000	Total \$'000
	Issued equity \$'000	Accumulated losses \$'000	Subtotal \$'000		
<b>Trust</b>					
<b>Operations</b>					
<b>At 1 January 2022</b>	481,450	(140,056)	341,394	60,675	402,069
Total return for the period	–	11,195	11,195	–	11,195
Less: Amount reserved for distribution to perpetual securities holders	–	(1,482)	(1,482)	1,482	–
<b>Net increase in net assets resulting from operations</b>	–	9,713	9,713	1,482	11,195
<b>Transactions with unitholders and perpetual securities holders</b>					
Partial consideration for acquisition of subsidiaries paid in units	131,500	–	131,500	–	131,500
Manager's management fees settled in units	1,988	–	1,988	–	1,988
Change in net assets resulting from creation of units	133,488	–	133,488	–	133,488
Distributions to unitholders	(16,957)	(5,393)	(22,350)	–	(22,350)
Distributions to perpetual securities holders	–	–	–	(1,507)	(1,507)
<b>Net increase/(decrease) in net assets resulting from transactions with unitholders and perpetual securities holders</b>	116,531	(5,393)	111,138	(1,507)	109,631
<b>At 30 June 2022</b>	597,981	(135,736)	462,245	60,650	522,895

**Condensed Statements of Movements in Unitholders' Funds (cont'd)**  
**Six-month period ended 30 June 2022**

	← Unitholders' funds →				
	Issued equity \$'000	Accumulated losses \$'000	Subtotal \$'000	Perpetual securities \$'000	Total \$'000
<b>Trust</b>					
<b>Operations</b>					
<b>At 1 January 2021</b>	353,466	(183,402)	170,064	60,878	230,942
Total return for the period	–	5,444	5,444	–	5,444
Less: Amount reserved for distribution to perpetual securities holders	–	(1,690)	(1,690)	1,690	–
<b>Net increase in net assets resulting from operations</b>	–	3,754	3,754	1,690	5,444
<b>Transactions with unitholders and perpetual securities holders</b>					
Proceeds from rights issue, net of related costs	157,702	–	157,702	–	157,702
Manager's management fees settled in units	3,165	–	3,165	–	3,165
Change in net assets resulting from creation of units	160,867	–	160,867	–	160,867
Distributions to unitholders	(15,613)	(1,610)	(17,223)	–	(17,223)
Distributions to perpetual securities holders	–	–	–	(1,718)	(1,718)
<b>Net increase/(decrease) in net assets resulting from transactions with unitholders and perpetual securities holders</b>	145,254	(1,610)	143,644	(1,718)	141,926
<b>At 30 June 2021</b>	498,720	(181,258)	317,462	60,850	378,312

**Condensed Statements of Cash Flows**  
**Six-month period ended 30 June 2022**

	Note	Group	
		Six-month period ended 30/6/2022 \$'000	Six-month period ended 30/6/2021 \$'000
<b>Cash flows from operating activities</b>			
Total return after income tax		19,662	19,173
Adjustments for:			
Interest income		(121)	(52)
Interest expense		5,810	6,037
Depreciation expenses		7	6
Amortisation of transaction costs		2,587	2,465
Impairment loss on trade receivables		–	632
Net fair value losses on investment properties		9,746	–
Adjustment on rental straight-lining		(9,471)	–
Losses/(Gains) on disposal of quoted shares		4	(3)
Net fair value gains of derivative financial instruments		(673)	(1,698)
Manager's management fees settled in units		2,262	2,050
Income tax expenses		8,818	6,100
Operating cash flows before changes in working capital		38,631	34,710
Trade and other receivables		40,979	5,188
Other non-financial assets		1,939	351
Trade and other payables		(23,130)	(3,918)
Other non-financial liabilities		7,211	(3,917)
Net cash flows from operating activities		65,630	32,414
Income taxes paid		(2,309)	(1,906)
<b>Net cash flows from operating activities</b>		<b>63,321</b>	<b>30,508</b>
<b>Cash flows from investing activities</b>			
Increase in investment properties		(1,218)	(438)
Net cash acquired relating to the acquisition of subsidiaries	14	5,284	–
Interest received		130	49
Investments in quoted shares		(270)	(287)
Disposals of quoted shares		136	290
<b>Net cash flows from/(used in) investing activities</b>		<b>4,062</b>	<b>(386)</b>
<b>Cash flows from financing activities</b>			
Distribution to unitholders		(22,350)	(17,223)
Proceeds from rights issue, net of related costs		–	157,702
Proceeds from borrowings		100,000	252,374
Repayment of borrowings		(100,794)	(393,152)
Payment of transaction costs related to borrowings		(6,790)	(4,779)
Interest paid		(5,644)	(6,006)
Distribution to perpetual securities holders		(1,507)	(1,718)
<b>Net cash flows used in financing activities</b>		<b>(37,085)</b>	<b>(12,802)</b>
<b>Net increase in cash and cash equivalents</b>		<b>30,298</b>	<b>17,320</b>
Cash and cash equivalents at beginning of the period		51,203	19,292
Effects of exchange fluctuations on cash held		(2,677)	–
<b>Cash and cash equivalents at end of the period</b>		<b>78,824</b>	<b>36,612</b>

**Condensed Statements of Cash Flows (cont'd)  
Six-month period ended 30 June 2022**

**Significant non-cash transactions**

**Group**

During the period, there were the following significant non-cash transactions:

- For the period from 1 January 2022 to 30 June 2022, 3,566,000 Units, amounting to approximately \$1,029,000 were issued to the Manager as satisfaction of the base management fee paid to the Manager. The performance management fees for the period from 1 January 2022 to 30 June 2022 amounting to approximately \$1,233,000 will be issued to the Manager in financial year 2023 based on 10 days volume weighted average price as at 31 December 2022.
- For the period from 1 January 2021 to 30 June 2021, 4,222,000 Units, amounting to approximately \$1,062,000 were issued to the Manager as satisfaction of the base management fee paid to the Manager. The performance management fees for the period from 1 January 2021 to 30 June 2021 amounting to approximately \$988,000 will be issued to the Manager on 29 July 2022.
- On 1 March 2022, 431,147,541 Units, amounting to approximately \$131,500,000 were issued to OUE Lippo Healthcare Limited (“OUELH”), a related party as partial consideration paid pursuant to the acquisition of subsidiaries (note 14).
- A novation of existing intercompany loans and balances payable by OUELH, amounting to \$19,034,000 were novated from OUELH to First REIT to net off from the purchase consideration payable by First REIT pursuant to the acquisition of subsidiaries (note 14).

**Statements of Portfolio**  
**As at 30 June 2022**

	<b>Carrying value as at 30/6/2022 \$'000</b>	<b>Percentage of net assets attributable to unitholders as at 30/6/2022 %</b>	<b>Carrying value as at 31/12/2021 \$'000</b>	<b>Percentage of net assets attributable to unitholders as at 31/12/2021 %</b>
<b>Group</b>				
Investment properties in Singapore	33,314	4.80	33,200	5.62
Investment properties in Indonesia	922,739	132.91	929,247	157.19
Investment properties in Japan	259,282	37.35	–	–
Portfolio of investment properties at valuation – total	1,215,335	175.06	962,447	162.81
Other net liabilities	(460,433)	(66.32)	(310,627)	(52.55)
Net assets attributable to unitholders	754,902	108.74	651,820	110.26
Perpetual securities	(60,650)	(8.74)	(60,675)	(10.26)
Net assets attributable to unitholders	694,252	100.00	591,145	100.00
<b>Trust</b>				
Investment properties in Singapore	33,314	7.21	33,200	9.72
Portfolio of investment properties at valuation – total	33,314	7.21	33,200	9.72
Investments in subsidiaries	805,960	174.35	669,173	196.01
Other net liabilities	(316,379)	(68.44)	(300,304)	(87.96)
Net assets attributable to unitholders	522,895	113.12	402,069	117.77
Perpetual securities	(60,650)	(13.12)	(60,675)	(17.77)
Net assets attributable to unitholders	462,245	100.00	341,394	100.00

**Statements of Portfolio (cont'd)**  
**As at 30 June 2022**

**By Geographical Area**

Description of Property/ Location/Acquisition Date/ Type of Property/Land Title Type/Term of Lease <sup>(a)</sup> / Remaining Term of Lease <sup>(b)</sup>	Gross floor area in square meters	Carrying value as at 30/6/2022 \$'000	Percentage of net assets attributable to unitholders as at 30/6/2022 %	Carrying value as at 31/12/2021 \$'000	Percentage of net assets attributable to unitholders as at 31/12/2021 %
<b><u>Singapore</u></b>					
Pacific Healthcare Nursing Home @ Bukit Merah 6 Lengkok Bahru, Singapore 159051 11 April 2007, Nursing Home 30 years leasehold from 2002 10+10 years/5 years	3,593	8,878	1.28	8,800	1.49
Pacific Healthcare Nursing Home II @ Bukit Panjang 21 Senja Road, Singapore 677736 11 April 2007, Nursing Home 30 years leasehold from 2003 10+10 years/5 years	3,563	9,219	1.33	9,200	1.56
The Lentor Residence 51 Lentor Avenue, Singapore 786876 8 June 2007, Nursing Home 99 years leasehold from 1938 10+10 years/15 years	4,005	15,217	2.19	15,200	2.57
Portfolio of Investment Properties held by the Trust at valuation – Sub-total		33,314	4.80	33,200	5.62

**Statements of Portfolio (cont'd)**  
**As at 30 June 2022**

**By Geographical Area**

Description of Property/ Location/Acquisition Date/ Type of Property/Land Title Type/Term of Lease <sup>(a)</sup> / Remaining Term of Lease <sup>(b)</sup>	Gross floor area in square meters	Carrying value as at 30/6/2022 \$'000	Percentage of net assets attributable to unitholders as at 30/6/2022 %	Carrying value as at 31/12/2021 \$'000	Percentage of net assets attributable to unitholders as at 31/12/2021 %
<b><u>Indonesia</u></b>					
Siloam Hospitals Lippo Village Jalan Siloam No. 6 Lippo Karawaci 1600 Tangerang, Banten, Indonesia 11 December 2006, Hospital Hak Guna Bangunan ("HGB") 15+15 years/28.5 years	32,696	170,963	24.63	172,782	29.23
Siloam Hospitals Kebon Jeruk Jalan Raya Perjuangan Kav. 8 Kebon Jeruk, West Jakarta 11530, Indonesia 11 December 2006, Hospital HGB 15+15 years/28.5 years	20,268	77,152	11.11	77,784	13.16
Siloam Hospitals Surabaya Jalan Raya Gubeng No. 70, Gubeng Surabaya, East Java 60281, Indonesia 11 December 2006, Hospital HGB 15+15 years/28.5 years	9,065	40,438	5.82	40,868	6.91
Imperial Aryaduta Hotel & Country Club Jalan Boulevard Jendral Sudirman, Kav. 401, Lippo Village 1300, Tangerang, Banten, Indonesia 11 December 2006, Hotel & Country Club HGB 1 year 21 days + 1 year/1.5 years	17,926	32,610	4.70	32,240	5.45

**Statements of Portfolio (cont'd)**  
**As at 30 June 2022**

**By Geographical Area**

Description of Property/ Location/Acquisition Date/ Type of Property/Land Title Type/Term of Lease <sup>(a)</sup> / Remaining Term of Lease <sup>(b)</sup>	Gross floor area in square meters	Carrying value as at 30/6/2022 \$'000	Percentage of net assets attributable to unitholders as at 30/6/2022 %	Carrying value as at 31/12/2021 \$'000	Percentage of net assets attributable to unitholders as at 31/12/2021 %
<b>Indonesia (cont'd)</b>					
Mochtar Riady Comprehensive Cancer Centre Jalan Garnisun Dalam No. 2-3, Semanggi Central Jakarta 12930, Indonesia 30 December 2010, Hospital HGB 15+15 years/28.5 years	37,933	132,285	19.05	133,650	22.61
Siloam Hospitals Lippo Cikarang Jalan Mohammad Husni Thamrin Kav. 105, Lippo Cikarang, Bekasi, Indonesia 17550 31 December 2010, Hospital HGB 15+15 years/18.5 years	13,256	49,800	7.17	49,800	8.42
Siloam Hospitals Manado & Hotel Aryaduta Manado Jalan Sam Ratulangi No. 22, Komplek Boulevard Center and Jalan Piere Tendean No. 1, Manado, North Sulawesi Indonesia 95111	36,051	79,617	11.47	79,617	13.47
Siloam Hospital Manado 30 November 2012, Hospital HGB 15+15 years/ 28.5 years					
Hotel Aryaduta Manado 30 November 2012, Hotel HGB 15+15 years/ 20.5 years					

**Statements of Portfolio (cont'd)**  
**As at 30 June 2022**

**By Geographical Area**

Description of Property/ Location/Acquisition Date/ Type of Property/Land Title Type/Term of Lease <sup>(a)</sup> / Remaining Term of Lease <sup>(b)</sup>	Gross floor area in square meters	Carrying value as at 30/6/2022 \$'000	Percentage of net assets attributable to unitholders as at 30/6/2022 %	Carrying value as at 31/12/2021 \$'000	Percentage of net assets attributable to unitholders as at 31/12/2021 %
<b>Indonesia (cont'd)</b>					
Siloam Hospitals Makassar Jalan Metro Tanjung Bunga Kav 3-5, Makassar City, South Sulawesi, Indonesia 30 November 2012, Hospital HGB 15+15 years/28.5 years	14,307	68,831	9.91	69,563	11.77
Siloam Hospitals Bali Jalan Sunset Road No. 818, Kuta, Badung, Bali, Indonesia 13 May 2013, Hospital HGB 15+15 years/28.5 years	20,958	65,689	9.46	66,382	11.23
Siloam Hospitals TB Simatupang Jalan Letjend. TB Simatupang, Jalan R.A. Kartini No. 8, Cilandak, South Jakarta, Indonesia 22 May 2013, Hospital HGB 15+15 years/28.5 years	18,605	43,713	6.30	44,178	7.47
Siloam Hospitals Purwakarta Jalan Raya Bungursari No. 1, Purwakarta, West Java, Indonesia 28 May 2014, Hospital HGB 15+15 years/28.5 years	8,254	23,785	3.43	24,038	4.07

**Statements of Portfolio (cont'd)**  
**As at 30 June 2022**

**By Geographical Area**

Description of Property/ Location/Acquisition Date/ Type of Property/Land Title Type/Term of Lease <sup>(a)</sup> / Remaining Term of Lease <sup>(b)</sup>	Gross floor area in square meters	Carrying value as at 30/6/2022 \$'000	Percentage of net assets attributable to unitholders as at 30/6/2022 %	Carrying value as at 31/12/2021 \$'000	Percentage of net assets attributable to unitholders as at 31/12/2021 %
<b>Indonesia (cont'd)</b>					
Siloam Sriwijaya Jalan POM IX, Komplek Palembang Square, Palembang, South Sumatra, Indonesia 29 December 2014, Hospital Strata Title on Build, Operate and Transfer scheme 15+15 years/28.5 years	15,709	25,258	3.64	25,527	4.32
Siloam Hospitals Kupang & Lippo Plaza Kupang Jalan Veteran, No. 4, Arena Pameran Fatululi, Kupang, East Nusa Tenggara Indonesia  Siloam Hospitals Kupang 14 December 2015, Hospital Build, Operate and Transfer (“BOT”) scheme 15+15 years/28.5 years  Lippo Plaza Kupang 14 December 2015, Mall BOT scheme 15+15 years/23.5 years	55,368	54,242	7.81	53,977	9.13
Siloam Hospitals Labuan Bajo Jalan Gabriel Gampur, Labuan Bajo, East Nusa Tenggara, Indonesia 30 December 2016, Hospital HGB 15+15 years/28.5 years	7,604	11,876	1.71	12,002	2.03

**Statements of Portfolio (cont'd)**  
**As at 30 June 2022**

**By Geographical Area**

Description of Property/ Location/Acquisition Date/ Type of Property/Land Title Type/Term of Lease <sup>(a)</sup> / Remaining Term of Lease <sup>(b)</sup>	Gross floor area in square meters	Carrying value as at 30/6/2022 \$'000	Percentage of net assets attributable to unitholders as at 30/6/2022 %	Carrying value as at 31/12/2021 \$'000	Percentage of net assets attributable to unitholders as at 31/12/2021 %
<b>Indonesia (cont'd)</b>					
Siloam Hospitals Buton & Lippo Plaza Buton Jalan Sultan Hasanuddin No. 50, 52, 54 and 58 Bau, Sulawesi Tenggara, Indonesia	21,934	25,552	3.68	25,688	4.34
Siloam Hospitals Buton 10 October 2017, Hospital Build, Operate and Transfer ("BOT") scheme 15+15 years/ 28.5 years					
Lippo Plaza Buton 10 October 2017, Mall BOT scheme 15+15 years/25.5 years					
Siloam Hospitals Yogyakarta Jalan Laksda Adi Sucipto No. 32-34 Yogyakarta, Indonesia 22 December 2017, Hospital HGB 15+15 years/ 28.5 years	12,474	20,928	3.02	21,151	3.58

**Statements of portfolio (cont'd)**  
**As at 30 June 2022**

**By Geographical Area**

Description of Property/ Location/Acquisition Date/ Type of Property/Land Title Type/Term of Lease <sup>(a)</sup> / Remaining Term of Lease <sup>(b)</sup>	Gross floor area in square meters	Carrying value as at 30/6/2022 \$'000	Percentage of net assets attributable to unitholders as at 30/6/2022 %	Carrying value as at 31/12/2021 \$'000	Percentage of net assets attributable to unitholders as at 31/12/2021 %
<b><u>Japan</u></b>					
Hikari Heights Varus Ishiyama Ishiyama 1-jo 3-3-33 Minami-ku, Sapporo, Hokkaido 01 March 2022, Nursing Home Freehold 20.5 years	8,747	8,786	1.27	—	—
Hikari Heights Varus Tsukisamu Koen Misono 9-jo 8-5-1, Toyohira-ku Sapporo, Hokkaido 01 March 2022, Nursing Home Freehold 20.5 years	4,362	6,860	0.99	—	—
Hikari Heights Varus Fujino Fujino 3-jo 11-10-11, Minami-ku Sapporo, Hokkaido 01 March 2022, Nursing Home Freehold 20.5 years	9,782	16,892	2.43	—	—
Hikari Heights Varus Kotoni Nijuyonken 4-jo 1-3-1, Nishi-ku, Sapporo, Hokkaido 01 March 2022, Nursing Home Freehold 20.5 years	20,756	66,641	9.60	—	—
Varus Cuore Yamanote Yamanote 6-jo 2-1-1, Nishi-ku Sapporo, Hokkaido 01 March 2022, Nursing Home Freehold 20.5 years	2,808	11,330	1.63	—	—

**Statements of Portfolio (cont'd)**  
**As at 30 June 2022**

**By Geographical Area**

Description of Property/ Location/Acquisition Date/ Type of Property/Land Title Type/Term of Lease <sup>(a)</sup> / Remaining Term of Lease <sup>(b)</sup>	Gross floor area in square meters	Carrying value as at 30/6/2022 \$'000	Percentage of net assets attributable to unitholders as at 30/6/2022 %	Carrying value as at 31/12/2021 \$'000	Percentage of net assets attributable to unitholders as at 31/12/2021 %
<b>Japan (cont'd)</b>					
Hikari Heights Varus Makomanai Koen Makomanai Midoricho 1-1-1 Minami-ku, Sapporo, Hokkaido 01 March 2022, Nursing Home Freehold 20.5 years	13,301	48,101	6.93	—	—
Varus Cuore Sapporo Kita/ Annex Tonden 8-jo 9-3-7, Kita-ku Sapporo, Hokkaido 01 March 2022, Nursing Home Freehold 20.5 years	7,637	31,003	4.47	—	—
ElySION Gakuenmae Nakatomioka 1-1994-6, Nara-shi, Nara 01 March 2022, Nursing Home Freehold 20.5 years	3,790	17,098	2.46	—	—
ElySION Mamigaoka/ Mamigaoka Annex Umami-minami 4-1-19, Koryocho Kitakatsuragi-gun, Nara 01 March 2022, Nursing Home Freehold 20.5 years	10,259	24,411	3.52	—	—
Orchard Amanohashidate Aza Mannen Koaza Akaiwa 1060-1, Miyazu, Kyoto 01 March 2022, Nursing Home Freehold 20.5 years	2,927	9,960	1.43	—	—

**Statements of Portfolio (cont'd)**  
**As at 30 June 2022**

**By Geographical Area**

Description of Property/ Location/Acquisition Date/ Type of Property/Land Title Type/Term of Lease <sup>(a)</sup> / Remaining Term of Lease <sup>(b)</sup>	Gross floor area in square meters	Carrying value as at 30/6/2022 \$'000	Percentage of net assets attributable to unitholders as at 30/6/2022 %	Carrying value as at 31/12/2021 \$'000	Percentage of net assets attributable to unitholders as at 31/12/2021 %
<b>Japan (cont'd)</b>					
Orchard Kaichi North Kaichi 2-3-50, Matsumoto, Nagano 01 March 2022, Nursing Home Freehold 20.5 years	5,058	13,802	1.99	—	—
Orchard Kaichi West Kaichi 2-3-50, Matsumoto, Nagano 01 March 2022, Nursing Home Freehold 20.5 years	1,562	4,398	0.63	—	—
Portfolio of Investment Properties held by the Group at valuation – Total		1,215,335	175.06	962,447	162.81

**Notes:**

- (a): This refers to the entire tenure of the master lease terms on the basis that the underlying HGB Titles as defined in (a) below of each of the properties can be extended and renewed, except for Siloam Sriwijaya which is held on a strata title basis under a Build, Operate and Transfer (“BOT”) scheme, and Siloam Hospitals Kupang & Lippo Plaza Kupang and Siloam Hospitals Buton & Lippo Plaza Buton which are under BOT schemes.
- (b): This refers to the remaining tenure of the master lease terms as at 30 June 2022 on the basis that the underlying HGB Titles of each of the properties can be extended and renewed, except for Siloam Sriwijaya which is held on a strata title basis under BOT scheme, and Siloam Hospitals Kupang & Lippo Plaza Kupang and Siloam Hospitals Buton & Lippo Plaza Buton which are under BOT schemes.

The types of property titles held by the Group in Indonesia are as follows:

**(a) Hak Guna Bangunan (“HGB”) Title**

This title gives the right to construct and own buildings on a plot of land. The right is transferable and may be encumbered. Technically, HGB is a leasehold title which the State retains “ownership”. For practical purposes, there is little difference from a freehold title. HGB title is granted for an initial period of up to 30 years and is extendable for a subsequent 20-year period and another 30-year period. Upon the expiration of such extensions, new HGB title may be granted on the same land. The cost of extension is determined based on a certain formula as stipulated by the National Land Office (Badan Pertanahan Nasional) in Indonesia.

**(b) Build, Operate and Transfer Scheme (“BOT Scheme”)**

This scheme is a structure in Indonesia for the construction of commercial buildings where Indonesia government owns the relevant land (“BOT land”). Under the BOT scheme, the Indonesia government which owns BOT land (“BOT grantor”) agrees to grant certain rights over the BOT land to another party (“BOT grantee”).

The BOT grantee can develop the site, subject to the relevant approvals and then operate the buildings constructed on the BOT land for a particular period of time as stipulated in the BOT agreement, including obtaining Strata title certificates on the BOT land. A BOT scheme is granted for an initial period of 20 to 30 years and is extendable upon agreement of both the grantor and grantee. Upon expiration of the term of the BOT agreement, the BOT grantee must return the land, together with any buildings and fixtures on top of the land, without either party providing any form of compensation to the other.

**(c) Strata Title**

This title gives the party who holds the property the ownership of common areas, common property and common land proportionately with other Strata title owners.

## **Notes to the Condensed Interim Financial Statements**

These notes form an integral part of the financial statements.

### **1 General**

First Real Estate Investment Trust (the “Trust”) is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 19 October 2006 (subsequently amended by a first supplemental deed dated 6 September 2007, a second supplemental deed dated 19 April 2010, a third supplemental deed dated 26 April 2011, a fourth supplemental deed dated 1 April 2013, a first amending and restating deed dated 23 March 2016, a supplemental deed of retirement and appointment of trustee dated 1 November 2017, a fifth supplemental deed dated 22 May 2018, a sixth supplemental deed dated 30 April 2019, a seventh supplemental deed dated 7 April 2020 and an eight supplemental deed dated 25 February 2022) (the “Trust Deed”) between First REIT Management Limited (the “Manager”) and Perpetual (Asia) Limited (the “Trustee”), governed by the laws of Singapore.

The Trust is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The principal activity of the Trust and its subsidiaries is to invest in a portfolio of income producing real estate properties, which are primarily used for healthcare and healthcare related purposes. The primary objective is to deliver regular and stable distributions to unitholders and to achieve long-term growth in the net asset value per unit.

The consolidated financial statements relate to the Trust and its subsidiaries (together referred to as the “Group and individually as “Group entities”).

The registered office of the Manager is 333 Orchard Road #33-02, Singapore 238867.

### **2 Basis of preparation**

The financial statements have been prepared in accordance with the recommendations of the Statement of Recommended Accounting Practice 7 “Reporting Framework for Investment Funds” (“RAP 7”) issued by the Institute of Singapore Chartered Accountants and the applicable requirements of the Code on Collective Investment Schemes (the “CIS Code”) issued by the Monetary Authority of Singapore (“MAS”) and the provisions of the Trust Deed. RAP 7 requires that the accounting policies to generally comply with the recognition and measurement principles of the Financial Reporting Standards in Singapore (“FRSs”) issued by the Singapore Accounting Standards Council.

The financial statements do not contain all of the information required for full annual financial statements.

The financial statements are prepared on a going concern basis under the historical cost convention except where a FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements.

## **2 Basis of preparation (cont'd)**

The financial statements are presented in Singapore dollars, which is the Trust's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

The preparation of financial statements in conformity with RAP 7 requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates is revised and in any future periods affected. Apart from those involving estimations, management has made judgements in the process of applying the Group's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

In preparing this financial statements, significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the six-month period and year ended 30 June 2022 and year ended 31 December 2021.

The accounting policies applied by the Group in this financial statements are the same as those applied by the Group in its financial statements as at and for the year ended 31 December 2021, except for adoption of the revised version of RAP 7 and new and revised standards that are effective for annual periods beginning on 1 January 2021. The adoption of these new and revised standards did not have a material impact on the Group's financial statements.

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing this financial statements.

### **2.1 Seasonal operations**

The business of the Group is not affected significantly by seasonal or cyclical factors during the financial period.

### 3 Investment properties

	Group		Trust	
	30/6/2022 \$'000	31/12/2021 \$'000	30/6/2022 \$'000	31/12/2021 \$'000
At 1 January	962,447	939,670	33,200	33,800
Acquisition of subsidiaries	296,741	–	–	–
Additions	1,218	939	114	90
Disposal	–	(4,219)	–	–
Adjustment on rental straight-lining	9,471	22,703	10	74
Fair value losses recognised in profit or loss	(9,746)	(4,520)	(10)	(764)
Effects of movement in exchange rates	(44,796)	7,874	–	–
At 30 June/31 December	1,215,335	962,447	33,314	33,200

As at 31 December 2021, the fair value of investment properties were determined by external independent valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The independent valuers provide the fair value of the Group's investment property portfolio every year.

The fair values were derived based on the discounted cash flow, capitalisation and/or direct comparison methods. The valuation methods involve certain estimates including those relating to discount rate, terminal capitalisation rate, capitalisation rate and price per square metre. The specific risks inherent in each of the properties are taken into consideration in arriving at the valuations. The valuation technique(s) considered by the valuers for each property is in line with market practices generally adopted in the jurisdiction in which the property is located.

Management has engaged the external independent valuers who performed the annual valuation 2021 ("AV 2021") and the external independent valuers who performed valuation of the twelve Japan properties as at 29 October 2021 to conduct a high-level review of the key parameters for the valuation of each investment property. These independent professional valuers have generally maintained the same valuation methodologies, key parameters and assumptions with those as of 29 October 2021 and 31 December 2021. Management is therefore of the view that the fair value of the investment properties are approximately \$1,215,335,000.

## 4 Investments in subsidiaries

	<b>Trust</b>	
	<b>30/6/2022</b>	<b>31/12/2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Movements during the year, at cost:		
At 1 January	669,173	661,867
Acquisitions of subsidiaries	169,022	–
Redemption of redeemable preference shares	(32,235)	(27,473)
Reversal for impairment losses	–	34,779
At 30 June/31 December	805,960	669,173
Total cost comprising:		
Unquoted equity shares at cost	553,592	414,292
Redeemable preference shares at cost	301,182	303,695
Allowance for impairment losses	(48,814)	(48,814)
Total at cost	805,960	669,173

The redeemable preference shares are redeemable at the option of the Singapore subsidiaries.

### **Allowance for impairment loss on investments in subsidiaries**

At each reporting date, the Trust carried out impairment assessment of its investments in subsidiaries to assess whether there is any indication of impairment. The Trust evaluates, amongst other factors, the future profitability of the subsidiaries, including factors such as industry performance, operational and financing cash flows. The recoverable amounts were estimated by taking into consideration the net assets of the subsidiaries which comprised predominantly investment properties whose recoverable amounts were estimated using external valuation report.

The recoverable amount of the investments could change significantly as a result of the changes in market conditions and the assumptions used in determining the recoverable amount. Based on this assessment, no additional impairment loss or reversal for impairment losses is recognised during the financial period ended 30 June 2022.

## 5 Trade and other receivables

	Group		Trust	
	30/6/2022 \$'000	31/12/2021 \$'000	30/6/2022 \$'000	31/12/2021 \$'000
Trade receivables:				
- Third parties	812	–	–	–
- Related parties	1,076	1,381	8	8
Trade receivables – net	<u>1,888</u>	<u>1,381</u>	<u>8</u>	<u>8</u>
Other receivables:				
- Third parties	532	361	396	265
- Subsidiaries	–	–	20,697	11,581
- Related party <sup>1</sup>	–	30,746	–	918
Other receivables – net	<u>532</u>	<u>31,107</u>	<u>21,093</u>	<u>12,764</u>
Total trade and other receivables	<u><u>2,420</u></u>	<u><u>32,488</u></u>	<u><u>21,101</u></u>	<u><u>12,772</u></u>

<sup>1</sup> The amount comprised progress payments made to a related party, PT Saputra Karya (“PT SK”), interest income on progress payments, and professional fees in relation to the development works of a new Siloam Hospitals Surabaya in prior years which were no longer progressing. In 2020, a termination notice was served to PT SK to terminate the development work agreement. Of the \$30,746,000, \$918,000 related to the project expenses incurred by the Trust on behalf of a wholly-owned subsidiary of the Trust, PT Tata Prima Indah (“PT TPI”).

On 7 December 2021, PT TPI entered into a progress payments settlement agreement with PT Lippo Karawaci TBK (“LPKR”) and PT SK, where PT SK shall make payment to PT TPI of the amount of the progress payments of IDR281,250,090,000 (equivalent to \$27.0 million) and the interest of IDR28,001,721,252 (equivalent to \$2.7 million) by monthly instalments from January 2022 to June 2022. As at 30 June 2022, the outstanding balances from PT SK have been fully received.

In addition, PT TPI has on 7 December 2021 entered into a project expenses settlement agreement with PT SK and the Trustee to make payment to the Trust of the aggregate amount of the project expenses of \$0.9 million incurred by the Trust on behalf of PT TPI. The project expenses were received by the Trust in January 2022.

## 6 Borrowings

	<b>Group</b>		<b>Trust</b>	
	<b>30/6/2022</b>	<b>31/12/2021</b>	<b>30/6/2022</b>	<b>31/12/2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>				
Bank loan A (secured)	–	99,258	–	99,258
Bank loan B (secured)	250,968	–	250,968	–
Secured Tokutei Mokuteki Kaisha (“TMK”) bonds	1,471	–	–	–
	<u>252,439</u>	<u>99,258</u>	<u>250,968</u>	<u>99,258</u>
<b>Non-current</b>				
Bank loan B (secured)	–	249,953	–	249,953
Guaranteed bonds	95,054	–	95,054	–
Secured TMK bonds	108,346	–	–	–
	<u>203,400</u>	<u>249,953</u>	<u>95,054</u>	<u>249,953</u>
<b>Total</b>	<u>455,839</u>	<u>349,211</u>	<u>346,022</u>	<u>349,211</u>

In May 2019, the Trust drew down Bank loan A under a \$100 million syndicated secured financing facilities to refinance a maturing bank loan. Bank loan A consists of a 3-year Singapore dollar term loan and the amount under Bank loan A is due in May 2022.

On 7 April 2022, \$100 million guaranteed bonds at a coupon rate of 3.25% due in April 2027 were issued by Trust to refinance Bank loan A. The guaranteed bonds amounting to \$100 million are unconditionally and irrevocably guaranteed by Credit Guarantee and Investment Facility, a trust fund of the Asian Development Bank. The interest of the bonds is payable half-yearly in arrears. The bonds are listed on the Singapore Exchange Securities Trading Limited.

On 24 December 2020, the Trustee entered into a facility agreement with two of the existing lenders, Oversea-Chinese Banking Corporation Ltd (“OCBC”) and CIMB Bank Berhad (“CIMB”) in respect of a facility of up to \$260 million to partly refinance a maturing bank loan. In March 2021, the Trust drew down Bank loan B under this \$260 million syndicated secured financing facility. Bank loan B consists of a 2-year Singapore dollar term loan and a 2-year Singapore dollar revolving credit facility loan of \$210 million and \$50 million respectively. The amounts under Bank loan B are due in March 2023.

TMK is an investment vehicle incorporated under the Asset Liquidation Law of Japan to acquire real estate and obtain debt financing in real estate finance transactions in Japan. A TMK may issue TMK bonds, which are generally issued to qualified institutional investors. The TMK grants to holders of TMK bonds the right to receive all payments due in relation to such TMK bonds out of the assets of the TMK prior to any payments to other unsecured creditors. This statutory right is generally referred to as a general security interest. Unless otherwise provided in the Asset Liquidation plan, such general security is automatically created by operation of law.

The secured TMK bonds pertain to bond issued by the Trust’s indirect subsidiary, OUE Japan First TMK, a 5 years JPY11 billion due in May 2025 to Shinsei Bank Ltd.

## 6 Borrowings (cont'd)

The Trust has entered into interest rate swaps arrangements to manage the interest rate risk exposure arising from the bank loans with floating rates. These interest rate swap contracts have expired on 1 March 2022.

The carrying amount of the current and non-current borrowings, which are at floating variable market rates, approximate their fair values at reporting date.

### Terms and debts repayment schedule

Terms and conditions of outstanding borrowings are as follows:

	Currency	Year of maturity	30/6/2022 \$'000	31/12/2021 \$'000
<b>Group</b>				
Secured bank loan A	SGD	2022	–	99,258
Secured bank loan B	SGD	2023	250,968	249,953
Guaranteed bonds	SGD	2027	95,054	–
Secured TMK bonds	JPY	2025	109,817	–
			455,839	349,211
<b>Trust</b>				
Secured bank loan A	SGD	2022	–	99,258
Secured bank loan B	SGD	2023	250,968	249,953
Guaranteed bonds	SGD	2027	95,054	–
			346,022	349,211

## **6 Borrowings (cont'd)**

The bank loans and the guaranteed bonds agreements provide among other matters for the following:

- 1) Legal mortgage over all the properties of the Group except for Siloam Hospitals Yogyakarta (31 December 2021: Siloam Hospitals Yogyakarta).
- 2) Assignment to the banks of all of the Group's rights, titles, interests and benefits under any leases, tenancies, sales proceeds and cash flows in respect of the Indonesia properties and the Singapore properties except for Siloam Hospitals Yogyakarta (31 December 2021: Siloam Hospitals Yogyakarta).
- 3) Assignment to the banks of all of the Group's rights, titles and interests under the insurance policies in respect of the Indonesia properties and the Singapore properties, with the bank named as a "loss payee" except for Siloam Hospitals Yogyakarta (31 December 2021: Siloam Hospitals Yogyakarta).
- 4) A debenture containing first fixed and floating charges over all assets and undertakings of the Trust's Singapore subsidiaries and subsidiaries of the Trust's Singapore subsidiaries except for Kalmore Investments Pte. Ltd. and Icon1 Holdings Pte. Ltd. (31 December 2021: Kalmore Investments Pte. Ltd and Icon1 Holdings Pte. Ltd.).
- 5) Charge of all of the Trust's shares in the Singapore subsidiaries and subsidiaries of the Trust's Singapore subsidiaries except for Kalmore Investments Pte. Ltd. and Icon1 Holdings Pte. Ltd. (31 December 2021: Kalmore Investments Pte. Ltd and Icon1 Holdings Pte. Ltd.).
- 6) Charge of all of the Singapore subsidiaries' shares in the Indonesia subsidiaries except for the Joint-operation company, PT Yogya Central Terpadu (31 December 2021: Joint-operation company PT Yogya Central Terpadu).
- 7) A debenture by the Group covering first fixed and floating charges over all assets and undertakings in respect of the Singapore properties.
- 8) OUE Lippo Healthcare Limited's interest in the Trust directly and indirectly is at least at 8%.
- 9) OUE Limited's interest in First REIT Management Limited, the Manager, directly and indirectly is at least at 40%.
- 10) OUE Limited's interest in the Trust directly and indirectly is at least at 10%.
- 11) Compliance with all financial covenants.

The secured TMK bonds agreement provides among other matters for the following:

- 1) Negative pledge against the total assets of a subsidiary of the Trust which mainly comprises of investment properties in Japan and cash and cash equivalents.
- 2) A corporate guarantee from the Trust.

## **7 Perpetual securities**

In 2016, the Trust issued \$60 million of subordinated perpetual securities at a fixed rate of 5.68% per annum, with the first distribution rate reset on 8 July 2021 and subsequent resets occurring every five years thereafter. The perpetual securities have no fixed redemption date and redemption is at the option of the Trust in accordance with the terms and conditions of the securities. The distribution will be payable semi-annually at the discretion of the Trust and will be non-cumulative. The distribution rate applicable to the perpetual securities in respect of the period from the first reset date (being 8 July 2021) to the immediately following reset date (being 8 July 2026) shall be 4.9817%, being the prevailing five-year swap offer rate of 1.0567% per annum with respect to the relevant reset date plus the initial spread of 3.925%, in accordance with the terms and conditions of the perpetual securities.

In terms of distribution payments or in the event of winding-up of the Trust:

- These perpetual securities rank *pari passu* with holders of preferred units (if any) and rank ahead of the unitholders of Trust but junior to the claims of all present and future creditors of the Trust.
- The Trust shall not declare or pay any distributions to the unitholders, or make redemption, unless the Trust declares or pays any distributions to the perpetual securities.

These perpetual securities are classified as equity. An amount of \$1,482,000 and \$3,205,000 were reserved for distribution to perpetual securities for each of the reporting period/year ended 30 June 2022 and 31 December 2021 respectively. Management has taken the view that as there is no contractual obligation to repay the principal or to pay any distributions, the perpetual securities do not meet the definition for classification as a financial liability under FRS 32 *Financial Instruments: Disclosure and Presentation*. The perpetual securities are presented within equity, and the distributions treated as dividends.

## 8 Units in issue and net assets value attributable to unitholders

	<b>Group and Trust</b>	
	<b>30/6/2022</b>	<b>31/12/2021</b>
	<b>'000</b>	<b>'000</b>
At 1 January	1,613,028	807,206
Issuance of new units for rights issue exercise (a)	–	791,062
Issuance of new units for acquisition of subsidiaries (b)	431,148	–
Issuance of new units as settlement of the Manager’s management fees (c)	6,730	14,760
At 30 June 2022/31 December 2021	2,050,906	1,613,028

- (a) A total of 791,062,000 new units at an issue price of S\$0.20 per unit were issued in respect of the rights issue exercise in 2021.
- (b) A total of 431,148,000 new units at an issue price of S\$0.305 per unit were issued to OUE Lippo Healthcare Limited, a related party for the acquisition of subsidiaries on 1 March 2022 (note 14).
- (c) A total of 6,730,000 (31 December 2021: 14,760,000) new units at an issue price range from \$0.2848 to \$0.3003 (31 December 2021: \$0.2358 to \$1.0013) per unit were issued in respect of the settlement for the Manager’s management fees to the Manager.

At the end of the reporting period, 3,444,000 (31 December 2021: 3,303,000) units were issuable as settlement for the Manager’s management fees for the last quarter of the reporting period.

The issue price for determining the number of units issued and issuable as Manager’s management fees is calculated based on the volume weighted average traded price (“VWAP”) for all trades done on SGX-ST in the ordinary course of trading for 10 business days immediately preceding the respective last business day of the respective quarter end date.

The Trust does not hold any treasury units and there is no subsidiary holding as at end of current financial period and as at end of the corresponding period of the immediately preceding financial year.

Under the Trust Deed, every unit carries the same voting rights. Each unit represents an equal and undivided beneficial interest in the assets of the Trust. Units have no conversion, retraction, redemption or pre-emptive rights. The rights and interests of unitholders are contained in the Trust Deed and include the right to:

- Receive income and other distributions attributable to the units held;
- Receive audited financial statements and the annual report of the Trust; and
- Participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust.

No unitholder has a right to require that any assets of the Trust be transferred to him.

## 8 Units in issue and net assets value attributable to unitholders (con't)

Further, unitholders cannot give directions to the Trustee or the Manager (whether at a meeting of unitholders duly convened and held in accordance with the provisions of the Trust Deed or otherwise) if it would require the Trustee or the Manager to do or omit doing anything which may result in:

- The Trust ceasing to comply with applicable laws and regulations; or
- The exercise of any discretion expressly conferred on the Trustee or the Manager by the Trust Deed or the determination of any matter which, under the Trust Deed, requires the agreement of either or both of the Trustee and the Manager.

The Trust Deed contains provisions that are designed to limit the liability of a unitholder to the amount paid or payable for any unit. The provisions seek to ensure that if the issue price of the units held by a unitholder has been fully paid, no such unitholder, by reason alone of being a unitholder, will be personally liable to indemnify the Trustee or any creditor of the Trust in the event that the liabilities of the Trust exceeds its assets.

	<b>Group</b>		<b>Trust</b>	
	<b>30/6/2022</b>	<b>31/12/2021</b>	<b>30/6/2022</b>	<b>31/12/2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Net assets value attributable to unitholders	694,252	591,145	462,245	341,394
Net assets value per unit (in cents) attributable to unitholders	33.85	36.65	22.54	21.16

**9 Total return for the period before income tax**

	<b>Group</b>	
	<b>Six-month period ended 30/6/2022 \$'000</b>	<b>Six-month period ended 30/6/2021 \$'000</b>
Property tax expense	540	95
Valuation expenses	101	182
Professional fees	361	356
Impairment allowance on trade and other receivable	–	632
Others	61	56
<b>Property operating expenses</b>	<b>1,063</b>	<b>1,321</b>
Base fees	2,082	2,050
Performance fees	2,636	1,880
<b>Manager's management fees</b>	<b>4,718</b>	<b>3,930</b>
Interest expense	5,810	6,037
Amortisation of transaction costs	2,587	2,465
<b>Finance costs</b>	<b>8,397</b>	<b>8,502</b>
Handling and processing fees	161	105
Professional fees	324	343
Project expenses	292	727
Others	163	132
<b>Total other expenses</b>	<b>940</b>	<b>1,307</b>

## 10 Earnings per unit

The following table illustrates the numerators and denominators used to calculate basic and diluted earnings per unit which has no par value:

	<b>Group</b>	
	<b>Six-month period ended 30/6/2022 \$'000</b>	<b>Six-month period ended 30/6/2021 \$'000</b>
Denominator: Weighted average number of units outstanding during the period ('000)	<u>1,907,142</u>	<u>1,365,867</u>
Numerator: Total return attributable to unitholders during the period (\$'000)	<u>18,180</u>	<u>17,483</u>
<b>Earnings per unit (in cents)</b>		
Basic and diluted	<u>0.95</u>	<u>1.28</u>

## 11 Financial ratios

	<b>Group</b>	
	<b>Six-month period ended 30/6/2022</b>	<b>Six-month period ended 30/6/2021</b>
Expenses to average net assets attributable to unitholders ratio - excluding performance related fees <sup>(1)</sup>	0.55%	0.73%
Expenses to average net assets attributable to unitholders ratio - including performance related fees <sup>(1)</sup>	0.96%	1.11%
Portfolio turnover ratio <sup>(2)</sup>	N/M	N/M
Total operating expenses (\$'000) <sup>(3)</sup>	16,078	12,812
Total operating expenses to net assets attributable to unitholders ratio <sup>(3)</sup>	<u>2.32%</u>	<u>2.27%</u>

<sup>(1)</sup> The ratios are computed in accordance with the guidelines of the Investment Management Association of Singapore dated 25 May 2005. The expenses used in the computation relate to expenses excluding any property related expenses, interest expenses, foreign exchange losses, tax deducted at source and costs associated with the purchase of investments.

<sup>(2)</sup> Turnover ratio means the number of times per period that a dollar of assets is reinvested. It is calculated based on the lesser of purchases or sales of underlying investments of a scheme expressed as a percentage of daily average net asset value.

<sup>(3)</sup> The revised CIS Code dated 3 March 2022 requires disclosure of the total operating expenses of the property fund, including all fees and charges paid to the Manager and interested parties (in both absolute terms, and as a percentage of the property fund's net assets attributable to unitholders as at the end of the financial period) and taxation incurred in relation to the property fund's real estate assets.

N/M – Not meaningful as there was no sale of investment property during the six-month period ended 30 June 2022 and 30 June 2021.

## 12 Operating segments

### Information about reportable segment profit or loss and assets

The Group is engaged in a single business of investing in investment properties in the healthcare and/or healthcare related sector. As at 30 June 2022, the Group had three reportable segments: Indonesia operations, Singapore operations, and Japan operations (30 June 2021: three reportable operating segment: Indonesia operations, Singapore operations, and Korea operations). For management purposes the Group is organised into one major strategic operating segment that offers all the investment properties for healthcare and/or healthcare related purposes.

The geographical segment represents the Group's distinguishable components which provide products or services within a particular economic environment (location) and this component contains risks and returns that are different from those components which operate in other economic environments (locations). The liabilities are not analysed as the largest amount, namely the borrowings, are centrally managed.

There are no significant inter-segment transactions.

The management reporting system evaluates performance based on a number of factors. However the primary financial performance measurement is to evaluate the properties based on their returns and yields.

	Indonesia \$'000	Singapore \$'000	Japan <sup>1</sup> \$'000	Total \$'000
<b>1 January 2022 to 30 June 2022</b>				
<b>Total return reconciliation</b>				
Rental and other income	46,698	2,096	4,993	53,787
Net property income and other income	46,447	1,847	4,430	52,724
Interest income	96	25	–	121
Manager's management fees				(4,718)
Asset management fees				(356)
Trustee fees				(183)
Finance costs	–	(7,946)	(451)	(8,397)
Other expenses				(940)
Net income before the undernoted				38,251
Net fair value losses on investment properties	(9,461)	(10)	(275)	(9,746)
Net fair value gains of derivative financial instruments				673
Net foreign exchange losses				(698)
Total return for the period before income tax				28,480
Income tax expense	(5,779)	–	(3,039)	(8,818)
Total return for the period after income tax				19,662
<b>30 June 2022</b>				
<b>Assets</b>				
Segment assets including investment properties	948,977	72,254	276,929	1,298,160
Total assets				1,298,160

<sup>1</sup> Subsidiaries acquired in March 2022, included amounts for the period 1 March 2022 to 30 June 2022.

## 12 Operating segments (cont'd)

	Indonesia \$'000	Singapore \$'000	South Korea <sup>1</sup> \$'000	Total \$'000
<b>1 January 2021 to 30 June 2021</b>				
<b>Total return reconciliation</b>				
Rental and other income	36,410	2,045	478	38,933
Impairment allowance on trade receivables	–	–	(632)	(632)
Net property income and other income	35,880	1,943	(211)	37,612
Interest income	47	5	–	52
Manager's management fees				(3,930)
Trustee fees				(154)
Finance costs	–	(8,502)	–	(8,502)
Other expenses				(1,307)
Net income before the undernoted				23,771
Net fair value gains of derivative financial instruments				1,698
Net foreign exchange losses				(196)
Total return for the period before income tax				25,273
Income tax expense	(6,100)	–	–	(6,100)
Total return for the period after income tax				19,173
<b>31 December 2021</b>				
<b>Assets</b>				
Segment assets including investment properties	975,284	74,251	–	1,049,535
Total assets				1,049,535

<sup>1</sup> Disposed in August 2021.

Income is attributed to countries on the basis of the location of the investment properties. The non-current assets comprise mainly of investment properties which are analysed by the geographical area in which the assets are located (see the statements of portfolio for the carrying value of these assets).

Income from the Group's top one and top two customers in Indonesia in aggregate amounted to \$46,699,000 and \$36,409,000 (31 December 2021: \$90,807,000 and \$96,639,000) respectively.

## 13 Financial assets and financial liabilities

### *Accounting classifications and fair values*

The carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Group	Derivative financial instruments \$'000	Financial assets at amortised cost \$'000	Guaranteed bonds \$'000	Total carrying amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>30 June 2022</b>								
<b>Financial liabilities not measured at fair value</b>								
Guaranteed bonds	–	–	(95,054)	(95,054)	(98,940)	–	–	(98,940)
<b>Financial liabilities measured at fair value</b>								
Derivative financial instruments								
– interest rate swaps	–	–	–	–	–	–	–	–
<b>30 June 2021</b>								
<b>Financial liabilities measured at fair value</b>								
Derivative financial instruments								
– interest rate swaps	(2,168)	–	–	(2,168)	–	(2,168)	–	(2,168)

**13 Financial assets and financial liabilities (cont'd)**

	Derivative financial instruments \$'000	Financial assets at amortised cost \$'000	Guaranteed bonds \$'000	Total carrying amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Trust</b>								
<b>30 June 2022</b>								
<b>Financial liabilities measured at fair value</b>								
Derivative financial instruments								
– interest rate swaps	–	–	–	–	–	–	–	–
<b>31 June 2021</b>								
<b>Financial liabilities measured at fair value</b>								
Derivative financial instruments								
– interest rate swaps	(2,168)	–	–	(2,168)	–	(2,168)	–	(2,168)

## 14. Acquisition of subsidiaries

On 1 March 2022, the Trust completed its acquisition of 100.0% of the issued and paid-up share capital of OUELH Japan Medical Facilities Pte. Ltd. (“**JMF**”) and 100.0% of the issued and paid-up share capital of OUELH Japan Medical Assets Pte. Ltd. (“**JMA**”) (collectively known as the “Japan Subsidiaries”).

The acquisition of the Japan Subsidiaries were accounted for as an asset acquisition.

The fair value of identifiable assets and liabilities of the Subsidiaries as at 1 March 2022 (the date of acquisition) and the cashflow effect of the acquisition were:

	<b>\$'000</b>
Investment properties	293,666
Trade and other receivables	41,801
Cash and cash equivalents	22,008
Borrowings	(126,574)
Trade and other payables	(32,082)
Deferred tax liabilities	(32,861)
Income tax payable	(11)
Total identifiable net assets at fair value	165,947
Acquisition costs	3,075
<b>Purchase consideration (including acquisition costs)</b>	<b>169,022</b>

### Effect of the acquisition on cash flows

Purchase consideration (including acquisition costs)	169,022
Less:	
- Cash at bank of subsidiaries acquired	(22,008)
- Considerations paid in units	(131,500)
- Accrued acquisition costs	(864)
- Novation of intercompany loans and balances	(19,934)
Net cash inflow on acquisition net of cash acquired	(5,284)

## **Other Information Required by the Listing Rule Appendix 7.2**

### **Explanatory Notes**

#### **A. Statement of Financial Position (Please refer to Pages FS1 – FS2)**

1. Investment properties and investment in subsidiaries

Investment properties increased from \$962.4 million to \$1,215.3 million and investment in subsidiaries increased from \$669.2 million to \$806.0 million was mainly due to the acquisition of subsidiaries holding twelve Japan properties in March 2022.

2. Trade and other receivables

The decrease from \$32.5 million to \$2.4 million was mainly due to the receipt of progress payments, interest income on progress payments and professional fees in relation to the development works of a new Siloam Hospitals Surabaya in prior years which was no longer processing during the period.

3. Deferred tax liabilities

The increase from \$20.6 million to \$50.9 million was mainly related to deferred tax liabilities of twelve Japan properties assumed from the acquisition of subsidiaries, additional deferred tax expenses recognized during the period for the twelve Japan properties and partly offset by the foreign currency exchange movement from the depreciation of Japanese and Indonesian Rupiah.

4. Borrowings – current and non-current

The increase from \$349.2 million to \$455.8 million is mainly due to TMK bonds assumed after the completion of twelve Japan properties acquisition.

**Other Information Required by Listing Rule Appendix 7.2 (cont'd)**

**Explanatory Notes**

**B. Statement of Total Return**

		<b>Group</b>		
		<b>Half Year</b>		
<b>Note</b>		<b>30 Jun 2022</b>	<b>30 Jun 2021</b>	<b>Change</b>
		<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
	<b>Rental and other income</b>	<b>53,787</b>	<b>38,933</b>	<b>38.2%</b>
	Property operating expenses	(1,063)	(1,321)	19.5%
	<b>Net property and other income</b>	<b>52,724</b>	<b>37,612</b>	<b>40.2%</b>
	Interest income	121	52	NM
	Manager's management fees	(4,718)	(3,930)	(20.1%)
	Asset management fees	(356)	–	NM
	Trustee fees	(183)	(154)	(18.8%)
	Finance costs	(8,397)	(8,502)	1.2%
	Other expenses	(940)	(1,307)	28.1%
	<b>Net income before the undernoted</b>	<b>38,251</b>	<b>23,771</b>	<b>60.9%</b>
	Net fair value losses on investment properties	(9,746)	–	NM
	Net fair value gains of derivative financial instruments	673	1,698	(60.4%)
	Net foreign exchange losses	(698)	(196)	NM
	<b>Total return for the period before income tax</b>	<b>28,480</b>	<b>25,273</b>	<b>12.7%</b>
	Income tax expense	(8,818)	(6,100)	(44.6%)
	<b>Total return for the period after income tax</b>	<b>19,662</b>	<b>19,173</b>	<b>2.6%</b>
	<b>Other comprehensive income:</b>			
	<b>Items that may be reclassified subsequently to profit or loss:</b>			
	Exchange differences on translating foreign operations, net of tax	(26,211)	20	NM
	<b>Total comprehensive income for the period</b>	<b>(6,549)</b>	<b>19,193</b>	<b>NM</b>
	<b>Total return attributable to:</b>			
	Unitholders of Trust	18,180	17,483	4.0%
	Perpetual securities	1,482	1,690	(12.3%)
		<b>19,662</b>	<b>19,173</b>	<b>2.6%</b>

Note: NM – Not meaningful

**Other Information Required by Listing Rule Appendix 7.2 (cont'd)**

**C. Statement of Total Return**

1. Rental and other income for 1H 2022 increased by 38.2% to \$53.8 million compared to 1H 2021 was mainly due to contribution from the twelve Japan properties, and accounting treatment under FRS 116 – *Leases*, whereby the rental income from the Indonesia hospitals restructured master lease agreements with a minimum 4.5% annual escalation, was recognised on a straight-line basis for the entire lease term.
2. Property operating expenses for 1H 2022 decreased by 19.5% compared to 1H 2021 was mainly due to absence of impairment on receivable for Sarang Hospital made in 2021, partly offset by the property expenses of Japan properties which were acquired in March 2022.
3. Manager's management fees for 1H 2022 increased by 20.1% to \$4.7 million compared to 1H 2021 was mainly due to higher total assets and net property income resulting from acquisition of subsidiaries with the twelve Japan properties as well as recognition of FRS 116 rental straight lining adjustments for the Indonesia hospital properties and Singapore properties. The Manager's management fee was derived after deducting the asset management fee charged by the Japan asset management company.
4. Asset management fee was charged by Japan assets management company for managing Japan properties.
5. Trustee fees for 1H 2022 increased by 18.8% to \$183,000 compared to 1H 2021 was mainly due to higher total assets resulting from acquisition of subsidiaries in March 2022.
6. Other expense for 1H 2022 decreased by 28.1% to \$940,000 in 1H 2021 mainly due to the absence of project expenses incurred in 1H 2021 in relation to right issues.
7. Net fair value losses of investment properties relate to recognition of FRS 116 rental straight lining adjustments for the Indonesia hospital properties and Singapore properties.
8. Net fair value gains of derivative financial instruments for 1H 2022 relates to the revaluation of interest rate swap contracts. The interest rate swap contracts have expired on 1 March 2022.
9. Income tax expense for 1H 2022 increased by 44.6% to \$8.8 million mainly due to the provision of deferred tax on revaluation of the Japan investment properties.

**Other Information Required by Listing Rule Appendix 7.2 (cont'd)**

**D. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

The figures have not been audited or reviewed by our auditors.

**E. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter)**

Not applicable.

**F. Variance between the forecast or prospectus statement (if disclosed previously) and the actual results**

First REIT has not disclosed any forecast to the market.

The results for this half year are in line with the commentary made in paragraph 10 of FY 2021 full year result announcement.

**G. Commentary on the competitive conditions of the industry**

As a new COVID-19 wave from newer and more infectious strains spreads across Asia and the rest of the world, most of Asia's governments are sticking to reasonably strict health protocols, ramping up vaccination and monitoring their hospitals closely. Furthermore, businesses globally including the healthcare industry, also face challenges from rising interest rates and exchange rate volatility amid global geopolitical uncertainties.

The government in Indonesia is expecting economic growth to be between 4.5 to 5.3%<sup>1</sup> for 2022. Based on the government statistics, Indonesia has already spent Rp.21.3 trillion of its 2022 state revenue and expenditure budget in the healthcare sector as of May 2022 for patient claims, incentives for healthcare workers, vaccinations, and health services.<sup>2</sup> Demand for quality hospital services would continue to be sustained by domestic demand and growing affluence in Indonesia. The rise in COVID-19 cases in Indonesia have led to reinstatement of testing for some travellers starting from 17 July 2022<sup>3</sup>.

In Japan, demand for nursing homes will continue to grow, as its population is one of the fastest ageing populations, with the number of births hitting a record low in 2021<sup>4</sup>. As such, nursing home facilities will continue to be in demand, supported by the long-term care insurance introduced by the government. The population in Singapore is also living longer, with one in four Singaporeans expected to be 65 years old and older by 2030<sup>5</sup>.

Underpinned by the structural demographic megatrend of ageing population in Japan and Singapore, as well as increasing affluence in Indonesia, First REIT believes that the demand for quality healthcare will remain strong.

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<sup>1</sup> 24 May 2022, Bank Indonesia – BI 7-day reverse repo rate held at 3.50%: strengthening synergy to maintain stability and support recovery

<sup>2</sup> 29 June 2022, The Jakarta Post – State budget records exceptional performance, highlights controlled economic recovery

<sup>3</sup> 10 July 2022, The Straits Times – As Omicron subvariants power a Covid-19 infection surge, world govts keep calm and carry on

<sup>4</sup> 3 June 2022, The Straits Times – Japan records biggest ever population drop in 2021

<sup>5</sup> 6 July 2022, CNA – Commentary: Singapore's ageing population does not only bring challenges

**Other Information Required by Listing Rule Appendix 7.2 (cont'd)**

**G. Commentary on the competitive conditions of the industry (cont'd)**

First REIT will continue to carry out its 2.0 Growth Strategy and position itself to capture burgeoning opportunities in the healthcare real estate market by continuing its focus on diversifying into developed markets, reshaping its portfolio for capital efficient growth, strengthening its capital structure to remain resilient, and pivoting to ride megatrends.

First REIT targets for developed markets to comprise more than 50% of its portfolio in 3 to 5 years' time. This is being carried out through the divestment of non-core, non-healthcare, or mature assets such as Siloam Hospitals Surabaya. First REIT will continue to seek accretive prospects from its strong healthcare network from its sponsor group, comprising OUE Limited and OUELH, and assets from third parties within and outside Asia to boost future growth.

**H. Distributions**

(a) Current financial period reported on

Any distributions declared for the current financial period? Yes Distribution Type

Name of Distribution

Distribution for the period from 1 April 2022 to 30 June 2022

i. Distribution Type Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.03
Tax-Exempt Income	0.32
Capital	0.31
Total	0.66

Tax Rate

Taxable Income Distribution

Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from Singapore income tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%.

**Other Information Required by Listing Rule Appendix 7.2 (cont'd)**

**H. Distributions (cont'd)**

All other investors will receive their distributions after deduction of tax at the rate of 17%.

Tax-Exempt Income Distribution

Tax-Exempt Income Distribution is exempt from Singapore income tax in the hands of all unitholders.

Capital Distribution

Capital distribution represents a return of capital to unitholders for Singapore income tax purposes and is therefore not subject to Singapore income tax. For unitholders who are liable to Singapore income tax on profits from the sale of First REIT Units, the amount of capital distribution will be applied to reduce the cost base of their First REIT Units for Singapore income tax purposes.

(b) Corresponding period of the immediately preceding period

Any distributions declared for the corresponding period of the immediate preceding period? Yes

Distribution Type

Name of Distribution

Distribution for the period from 1 April 2021 to 30 June 2021

i. Distribution Type Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.04
Capital	0.61
Total	0.65

Tax Rate

Taxable Income Distribution

Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from Singapore income tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%.

**Other Information Required by Listing Rule Appendix 7.2 (cont'd)**

**H. Distributions (cont'd)**

All other investors will receive their distributions after deduction of tax at the rate of 17%.

Capital Distribution

Capital distribution represents a return of capital to unitholders for Singapore income tax purposes and is therefore not subject to Singapore income tax. For unitholders who are liable to Singapore income tax on profits from the sale of First REIT Units, the amount of capital distribution will be applied to reduce the cost base of their First REIT Units for Singapore income tax purposes.

- ii. Book closure date: The Transfer Books and Register of Unitholders of First Real Estate Investment Trust will be closed at 5.00p.m. on 15 August 2022 for the purposes of determining each unitholder's entitlement to First REIT's distribution. The ex-distribution date will be on 12 August 2022 at 9.00am.
- (c) Date Payable: 26 September 2022

**I. If no distribution has been declared/recommended, a statement to that effect**

Not applicable.

**J. If no IPT mandate has been obtained, a statement to that effect**

First REIT has not obtained a general mandate from unitholders.

The Manager hereby certifies that in relation to the distribution to the unitholders of First REIT for the period ended 30 June 2022:

- 1) First REIT will declare a distribution ("Distribution") in excess of its profits (defined as the total return for the period before distribution for the purpose of this certification). The excess is attributed to capital receipts comprising amounts received by First REIT from the redemption of redeemable preference shares in the Singapore special purpose companies ("SPCs") and the shareholder loan repayment by the Singapore SPC.
- 2) The Manager is satisfied on reasonable grounds that, immediately after making the Distribution, First REIT will be able to fulfill, from its deposited properties, its liabilities as they fall due.

**Other Information Required by Listing Rule Appendix 7.2 (cont'd)**

**J. If no IPT mandate has been obtained, a statement to that effect**

The distribution is computed based on the accounts of First REIT for the period ended 30 June 2022 and is verified by our external tax consultant.

First REIT's current distribution policy is to distribute at least 90.0% of its tax-exempt income (after deduction of applicable expenses) and capital receipts.

**K. Confirmation that the Issuer has procured undertakings from all its directors and executive officers under Rule 720(1)**

The Manager does hereby confirms that it has procured undertakings from all the directors and executives.

**L. Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual**

The Board of Directors of First REIT Management Limited do hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render these interim financial results to be false or misleading in any material respect.

BY ORDER OF THE BOARD OF  
FIRST REIT MANAGEMENT LIMITED  
(AS MANAGER OF FIRST REAL ESTATE INVESTMENT TRUST)

Tan Kok Mian Victor  
Executive Director and Chief Executive Officer

29 July 2022

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