

**First Real Estate Investment Trust and its Subsidiaries**

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

Condensed Interim Financial Statements  
Unaudited Six-month period ended 30 June 2021

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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”) (formerly known as Bowsprit Capital Corporation Limited) 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’s portfolio consists of twenty properties located in Indonesia, Singapore and South Korea, namely 1) Siloam Hospitals Lippo Village, 2) Siloam Hospitals Kebon Jeruk, 3) Siloam Hospitals Surabaya, 4) Imperial Aryaduta Hotel & Country Club, 5) Mochtar Riady Comprehensive Cancer Centre, 6) Siloam Hospitals Lippo Cikarang, 7) Siloam Hospitals Manado & Hotel Aryaduta Manado, 8) Siloam Hospitals Makassar, 9) Siloam Hospitals Bali, 10) Siloam Hospitals TB Simatupang, 11) Siloam Hospitals Purwakarta, 12) Siloam Sriwijaya, 13) Siloam Hospitals Kupang & Lippo Plaza Kupang, 14) Siloam Hospitals Labuan Bajo, 15) Siloam Hospitals Buton and Lippo Plaza Buton, 16) Siloam Hospitals Yogyakarta, 17) Pacific Healthcare Nursing Home @ Bukit Merah, 18) Pacific Healthcare Nursing Home II @ Bukit Panjang, 19) The Lentor Residence and 20) Sarang Hospital.

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 South Korea, the Sarang Hospital is operated by a private doctor.

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 and the rest of Southeast Asia.

## Summary of Results

	<b>Group</b>		
	<b>Six-month period ended</b>		
	<b>30 Jun 2021</b>	<b>30 Jun 2020</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Rental and Other Income</b>	38,933	38,598	0.9%
<b>Net Property and Other Income</b>	37,612	37,528	0.2%
Distributable Amount	20,887	18,435	13.3%
<b>Distribution per unit ("DPU") (cts)</b>	1.30*	2.30	(43.5%)
Adjusted Distribution per unit (cts)	2.56*	2.30	11.3%
Annualised Distribution per unit (cts)	2.60	4.15	(37.3%)

Note:

- \* DPU is lower for 1H 2021 mainly due to the issuance of 791,062,223 rights units on 24 February 2021. These new rights units are entitled to participate in the 1Q and 2Q 2021 distribution. If the new rights units issued on 24 February 2021 are excluded in the distribution computation, the adjusted distribution per unit is 2.56 cents for 1H 2021.

DPU included 1Q 2021 DPU of 0.65 cents which was paid on 28 June 2021. The 2Q 2021 DPU is 0.65 cents.

**Condensed statements of financial position**  
**As at 30 June 2021**

		<b>Group</b>		<b>Trust</b>	
	<b>Note</b>	<b>30/6/2021</b>	<b>31/12/2020</b>	<b>30/6/2021</b>	<b>31/12/2020</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Non-current assets</b>					
Plant and equipment		35	41	—	—
Investment properties	3	940,197	939,670	33,877	33,800
Investments in subsidiaries	4	—	—	648,784	661,867
Loans to subsidiaries		—	—	27,893	30,288
		<u>940,232</u>	<u>939,711</u>	<u>710,554</u>	<u>725,955</u>
<b>Current assets</b>					
Trade and other receivables	5	39,139	45,028	16,650	10,388
Loans to subsidiaries		—	—	4,191	4,191
Other non-financial assets		525	877	152	40
Cash and cash equivalents		36,612	19,292	22,496	10,738
		<u>76,276</u>	<u>65,197</u>	<u>43,489</u>	<u>25,357</u>
<b>Total assets</b>		<u>1,016,508</u>	<u>1,004,908</u>	<u>754,043</u>	<u>751,312</u>
<b>Non-current liabilities</b>					
Deferred tax liabilities		19,968	19,968	—	—
Other financial liabilities	6	248,027	293,660	248,027	293,660
Derivatives financial instruments		—	3,866	—	3,866
		<u>267,995</u>	<u>317,494</u>	<u>248,027</u>	<u>297,526</u>
<b>Current liabilities</b>					
Income tax payable		1,127	676	—	—
Trade and other payables		15,348	17,316	24,822	25,437
Other financial liabilities	6	98,594	195,345	98,594	195,345
Other non-financial liabilities		6,187	10,107	2,120	2,062
Derivative financial instruments		2,168	—	2,168	—
		<u>123,424</u>	<u>223,444</u>	<u>127,704</u>	<u>222,844</u>
<b>Total liabilities</b>		<u>391,419</u>	<u>540,938</u>	<u>375,731</u>	<u>520,370</u>

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

**Condensed statements of financial position (cont'd)**  
**As at 30 June 2021**

		<b>Group</b>		<b>Trust</b>	
	<b>Note</b>	<b>30/6/2021</b>	<b>31/12/2020</b>	<b>30/6/2021</b>	<b>31/12/2020</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Represented by:					
<b>Net assets attributable to unitholders</b>		564,239	403,092	317,462	170,064
Perpetual securities holders	7	60,850	60,878	60,850	60,878
<b>Total net assets</b>	9	<u>625,089</u>	<u>463,970</u>	<u>378,312</u>	<u>230,942</u>
<b>Units in issue ('000)</b>	8	<u>1,606,628</u>	<u>807,206</u>	<u>1,606,628</u>	<u>807,206</u>
<b>Net asset value per unit in cents attributable to unitholders</b>	9	<u>35.12</u>	<u>49.94</u>	<u>19.76</u>	<u>21.07</u>

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**Condensed statement of total return**  
**Six-month period ended 30 June 2021**

		<b>Group</b>	
		<b>Six-month</b>	<b>Six-month</b>
	<b>Note</b>	<b>period ended</b>	<b>period ended</b>
		<b>30/6/2021</b>	<b>30/6/2020</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Rental and other income</b>		38,933	38,598
Property operating expenses	10	(1,321)	(1,070)
<b>Net property and other income</b>		37,612	37,528
Interest income		52	1,436
Manager's management fees	10	(3,930)	(4,728)
Trustee fees		(154)	(213)
Finance costs	10	(8,502)	(9,915)
Other expenses	10	(1,503)	(1,524)
<b>Net income before the undernoted</b>		23,575	22,584
Net fair value gains/(losses) of derivatives financial instruments		1,698	(3,646)
<b>Total return for the period before income tax</b>		25,273	18,938
Income tax expenses		(6,100)	(6,443)
<b>Total return for the period after income tax</b>		19,173	12,495
<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		20	362
<b>Total comprehensive return for the period</b>		19,193	12,857
<b>Total return attributable to:</b>			
Unitholders of the Trust		17,483	10,796
Perpetual securities holders		1,690	1,699
		19,173	12,495
<b>Total comprehensive return attributable to:</b>			
Unitholders of the Trust		17,503	11,158
Perpetual securities holders		1,690	1,699
		19,193	12,857
<b>Earnings per unit in cents</b>			
Basic and diluted	11	1.28	1.42

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

**Statements of distribution**  
**Six-month period ended 30 June 2021**

	<b>Group</b>	
	<b>Six-month period ended 30/6/2021 \$'000</b>	<b>Six-month period ended 30/6/2020 \$'000</b>
<b>Amount available for distribution to unitholders at beginning of the period</b>	6,840	17,169
Total return for the period after income tax	19,173	12,495
Adjustments for tax purposes (Note A)	1,730	5,934
<b>Amount available for distribution to unitholders</b>	27,743	35,598
Total distribution paid to unitholders	(17,223)	(32,080)
<b>Amount available for distribution to unitholders at end of the period</b>	10,520	3,518
<b>Distribution per unit (cents)</b>	1.30	2.30

Note A - Adjustments for tax purposes:

	<b>Group</b>	
	<b>Six-month period ended 30/6/2021 \$'000</b>	<b>Six-month period ended 30/6/2020 \$'000</b>
Manager's management fees settled in units	2,050	2,345
Net fair value (gains)/losses of derivatives financial instruments	(1,698)	3,646
Amount reserved for distribution to perpetual securities holders	(1,690)	(1,699)
Foreign exchange adjustment losses	138	661
Other non-tax deductible items and adjustments	2,930	981
	1,730	5,934

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



**Condensed statements of movements in unitholders' funds**  
**Six-month period ended 30 June 2021**

	Note	Group 30/6/2021 \$'000	Group 30/6/2020 \$'000	Trust 30/6/2021 \$'000	Trust 30/6/2020 \$'000
<b>OPERATIONS</b>					
<b>Balance at beginning of the financial period</b>		403,092	794,836	170,064	288,018
Total return attributable to unitholders of Trust		19,173	12,495	5,444	3,310
<b>UNITHOLDERS' TRANSACTIONS</b>					
Proceeds from rights issue, net of related costs		157,702	—	157,702	—
Manager's management fees settled in units		3,165	4,236	3,165	4,236
Change in net assets resulting from creation of units		160,867	4,236	160,867	4,236
Amount reserved for distribution to perpetual securities holders		(1,690)	(1,699)	(1,690)	(1,699)
Distributions to unitholders		(17,223)	(32,080)	(17,223)	(32,080)
Net decrease in net assets resulting from unitholders' transactions		(18,913)	(33,779)	(18,913)	(33,779)
<b>FOREIGN EXCHANGE RESERVE</b>					
Net movement in other comprehensive income		20	362	—	—
<b>Balance at end of the financial period</b>		<b>564,239</b>	<b>778,150</b>	<b>317,462</b>	<b>261,785</b>

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**Condensed statements of movements in unitholders' funds (cont'd)**  
**Six-month period ended 30 June 2021**

	Note	Group		Trust	
		30/6/2021 \$'000	30/6/2020 \$'000	30/6/2021 \$'000	30/6/2020 \$'000
<b>PERPETUAL SECURITIES</b>					
<b>Balance at beginning of the financial period</b>		60,878	60,878	60,878	60,878
Amount reserved for distribution to perpetual securities holders		1,690	1,699	1,690	1,699
Distribution to perpetual securities holders		(1,718)	(1,718)	(1,718)	(1,718)
<b>Balance at the end of the financial period</b>		60,850	60,859	60,850	60,859
<b>Total</b>		625,089	839,009	378,312	322,644

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

**Condensed statements of cash flows**  
**Six-month period ended 30 June 2021**

	<b>Group</b>	
	<b>Six-month</b>	<b>Six-month</b>
	<b>period ended</b>	<b>period ended</b>
	<b>30/6/2021</b>	<b>30/6/2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Total return before income tax	25,273	18,938
Adjustments for:		
Interest income	(52)	(1,436)
Interest expense	6,037	8,337
Depreciation expenses	6	7
Amortisation of transaction costs	2,465	1,578
Impairment loss on trade and other receivables	632	424
Foreign exchange adjustment gains	138	661
(Gains)/Losses on disposal of quoted shares	(3)	7
Net fair value (gains)/losses of derivatives financial instruments	(1,698)	3,646
Manager's management fees settled in units	1,062	1,407
Operating cash flows before changes in working capital	33,860	33,569
Trade and other receivables	5,188	120
Other non-financial assets	351	(2,012)
Trade and other payables	(4,327)	1,422
Other non-financial liabilities	(3,917)	700
Net cash flows from operating activities	31,155	33,799
Income taxes paid	(5,649)	(7,733)
<b>Net cash flows from operating activities</b>	<b>25,506</b>	<b>26,066</b>
<b>Cash flows from investing activities</b>		
Increase in investment properties	(438)	(143)
Interest received	49	1,445
Investments in quoted shares	(287)	(123)
Disposals of quoted shares	290	84
<b>Net cash flows (used in)/from investing activities</b>	<b>(386)</b>	<b>1,263</b>
<b>Cash flows from financing activities</b>		
Distribution to unitholders	(17,223)	(32,080)
Proceeds from rights issue, net of related costs	157,702	–
Increase in borrowings	252,374	–
Repayment of borrowings	(392,929)	–
Interest paid	(6,006)	(8,709)
Distribution to perpetual securities holders	(1,718)	(1,718)
<b>Net cash flows used in financing activities</b>	<b>(7,800)</b>	<b>(42,507)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>17,320</b>	<b>(15,178)</b>
Cash and cash equivalents at beginning of the period	19,292	32,980
<b>Cash and cash equivalents at end of the period</b>	<b>36,612</b>	<b>17,802</b>

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**Condensed statements of cash flows (cont'd)**

**Significant non-cash transactions**

**Group**

There were units issued as settlement of the Manager's management fees:

- For the period from 1 January 2021 to 30 June 2021, 8,359,304 Units, amounting to approximately \$1,062,000 were issued to the Manager as satisfaction of the management fee paid to the Manager
- For the period from 1 January 2020 to 30 June 2020, 4,668,909 Units, amounting to approximately \$1,407,000 were issued to the Manager as satisfaction of the management fee paid to the Manager.

**Trust**

- (a) Dividend income amounting to \$15,192,000 (30 June 2020: \$21,113,000) were offset against the amount due to subsidiaries.
- (b) Redeemable preference shares amounting to \$13,083,000 (30 June 2020: \$7,227,000) redeemed during the financial period were offset against the amount due to subsidiaries.
- (c) The repayment of loan receivable amounting to \$2,394,000 (30 June 2020: \$2,296,000) was offset against the amount due to a subsidiary.

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

**Statements of portfolio**  
**As at 30 June 2021**

	Carrying value as at 30/6/2021 \$'000	Percentage of net assets attributable to unitholders as at 30/6/2021 %	Carrying value as at 31/12/2020 \$'000	Percentage of net assets attributable to unitholders as at 31/12/2020 %
<b>Group</b>				
Investment properties in Indonesia	902,145	159.89	901,771	223.70
Investment properties in Singapore	33,877	6.00	33,800	8.39
Investment property in South Korea	4,175	0.74	4,099	1.02
Portfolio of investment properties at valuation – total	940,197	166.63	939,670	233.11
Other net liabilities	(315,108)	(55.85)	(475,700)	(118.01)
Net assets attributable to holders	625,089	110.78	463,970	115.10
Perpetual securities	(60,850)	(10.78)	(60,878)	(15.10)
Net assets attributable to unitholders	564,239	100.00	403,092	100.00
<b>Trust</b>				
Investment properties in Singapore	33,877	10.67	33,800	19.87
Portfolio of investment properties at valuation – total	33,877	10.67	33,800	19.87
Investments in subsidiaries	648,784	204.37	661,867	389.19
Other net liabilities	(304,349)	(95.87)	(464,725)	(273.26)
Net assets attributable to holders	378,312	119.17	230,942	135.80
Perpetual securities	(60,850)	(19.17)	(60,878)	(35.80)
Net assets attributable to unitholders	317,462	100.00	170,064	100.00

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

**Statements of portfolio (cont'd)**  
**As at 30 June 2021**

**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 30/6/2021 \$'000	Percentage of net assets attributable to unitholders as at 30/6/2021 %	Carrying value as at 31/12/2020 \$'000	Percentage of net assets attributable to unitholders as at 31/12/2020 %
<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/6 years	3,593	9,131	1.62	9,100	2.26
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/6 years	3,563	9,400	1.66	9,400	2.33
The Lentor Residence 51 Lentor Avenue, Singapore 786876 8 June 2007, Nursing Home 99 years leasehold from 1938 10+10 years/16 years	4,005	15,346	2.72	15,300	3.80
Portfolio of Investment Properties held by the Trust at Valuation – Sub-total		33,877	6.00	33,800	8.39

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**Statements of portfolio (cont'd)**  
**As at 30 June 2021**

**By Geographical Area**

<b>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></b>	<b>Gross floor area in square meters</b>	<b>Carrying value as at 30/6/2021 \$'000</b>	<b>Percentage of net assets attributable to unitholders as at 30/6/2021 %</b>	<b>Carrying value as at 31/12/2020 \$'000</b>	<b>Percentage of net assets attributable to unitholders as at 31/12/2020 %</b>
<b>Indonesia</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/29 years	32,696	164,145	29.09	164,008	40.69
Siloam Hospitals Kebon Jeruk Jalan Raya Perjuangan Kav. 8 Kebon Jeruk, West Jakarta 11530, Indonesia 11 December 2006, Hospital HGB 15+15 years/29 years	20,268	73,885	13.09	73,800	18.31
Siloam Hospitals Surabaya Jalan Raya Gubeng No. 70, Gubeng Surabaya, East Java, 60281, Indonesia 11 December 2006, Hospital HGB 15+15 years/29 years	9,065	40,266	7.14	40,266	9.99
Imperial Aryaduta Hotel & Country Club Jalan Boulevard Jendral Sudirman, Kav. 401, Lippo Village 1300, Tangerang, Banten, Indonesia 11 December 2006, Hotel & Country Club HGB 15+15 years/15 years	17,926	41,400	7.34	41,400	10.27

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

**Statements of portfolio (cont'd)**  
**As at 30 June 2021**

**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 30/6/2021 \$'000	Percentage of net assets attributable to unitholders as at 30/6/2021 %	Carrying value as at 31/12/2020 \$'000	Percentage of net assets attributable to unitholders as at 31/12/2020 %
<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/29 years	37,933	126,906	22.49	126,859	31.47
Siloam Hospitals Lippo Cikarang Jalan Mohammad Husni Thamrin Kav. 105, Lippo Cikarang, Bekasi Indonesia 17550 31 December 2010, Hospital HGB 15+15 years/19 years	13,256	49,800	8.83	49,800	12.35
Siloam Hospitals Manado & Hotel Aryaduta Manado ("Manado Property") Jalan Sam Ratulangi No. 22, Komplek Boulevard Center and Jalan Piere Tendean No. 1, Manado, North Sulawesi Indonesia 95111  Siloam Hospitals Manado 30 November 2012, Hospital HGB 15+15 years/29 years  Hotel Aryaduta Manado 30 November 2012, Hotel HGB 15+15 years/21 years	36,051	77,460	13.73	77,460	19.22

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**Statements of portfolio (cont'd)**  
**As at 30 June 2021**

**By Geographical Area**

<b>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></b>	<b>Gross floor area in square meters</b>	<b>Carrying value as at 30/6/2021 \$'000</b>	<b>Percentage of net assets attributable to unitholders as at 30/6/2021 %</b>	<b>Carrying value as at 31/12/2020 \$'000</b>	<b>Percentage of net assets attributable to unitholders as at 31/12/2020 %</b>
<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/29 years	14,307	66,109	11.72	66,024	16.38
Siloam Hospitals Bali Jalan Sunset Road No. 818, Kuta, Badung, Bali, Indonesia 13 May 2013, Hospital HGB 15+15 years/29 years	20,958	63,026	11.17	63,006	15.63
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/29 years	18,605	41,931	7.43	41,931	10.40
Siloam Hospitals Purwakarta Jalan Raya Bungursari No. 1, Purwakarta, West Java, Indonesia 28 May 2014, Hospital HGB 15+15 years/29 years	8,254	22,910	4.06	22,910	5.68

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**Statements of portfolio (cont'd)**  
**As at 30 June 2021**

**By Geographical Area**

<b>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></b>	<b>Gross floor area in square meters</b>	<b>Carrying value as at 30/6/2021 \$'000</b>	<b>Percentage of net assets attributable to unitholders as at 30/6/2021 %</b>	<b>Carrying value as at 31/12/2020 \$'000</b>	<b>Percentage of net assets attributable to unitholders as at 31/12/2020 %</b>
<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/19 years	15,709	24,687	4.38	24,687	6.12
Siloam Hospitals Kupang & Lippo Plaza Kupang Jalan Veteran, No. 4, Arena Pameran Fatululi, Kupang, East Nusa Tenggara, Indonesia 14 December 2015, Hospital & Mall Build, Operate and Transfer scheme 15+15 years/19 years	55,368	53,459	9.47	53,459	13.26
Siloam Hospitals Labuan Bajo Jalan Gabriel Gampur, Labuan Bajo, East Nusa Tenggara, Indonesia 30 December 2016, Hospital HGB 15+15 years/29 years	7,604	11,178	1.98	11,178	2.77

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

**Statements of portfolio (cont'd)**  
**As at 30 June 2021**

**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 30/6/2021 \$'000	Percentage of net assets attributable to unitholders as at 30/6/2021 %	Carrying value as at 31/12/2020 \$'000	Percentage of net assets attributable to unitholders as at 31/12/2020 %
<b>Indonesia (cont'd)</b>					
Siloam Hospitals Buton & Lippo Plaza Buton Jalan Sultan Hasanuddin No. 50, 52, 54 and 58 Bau Bau, Sulawesi Tenggara, Indonesia 10 October 2017, Hospital & Mall Build, Operate and Transfer scheme 15+15 years/22 years	21,934	24,909	4.41	24,909	6.18
Siloam Hospitals Yogyakarta Jalan Laksda Adi Sucipto No. 32-34 Yogyakarta, Indonesia 22 December 2017, Hospital HGB 15+15 years/29 years	12,474	20,074	3.56	20,074	4.98
<b>South Korea</b> Sarang Hospital No. 9 Bongsannam 3 <sup>rd</sup> Street, Yeosu City, Jeonnam-Do, South Korea 5 August 2011, Hospital Freehold 10+10 years/10 years	4,982	4,175	0.74	4,099	1.02
Portfolio of Investment Properties held by the Group at Valuation – Total		940,197	166.63	939,670	233.11

**Notes:**

- (a): This refers to the entire tenure of the master lease terms 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 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 2021 and 31 December 2020 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 accompanying notes form an integral part of these financial statements.

## **Notes to the financial statements**

These notes form an integral part of the financial statements.

### **1 General**

First Real Estate Investment Trust and its Subsidiaries (the “Trust”) is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 19 October 2006 (subsequently amended by First Supplemental Deed dated 6 September 2007, Second Supplemental Deed dated 19 April 2010, Third Supplemental Deed dated 26 April 2011, Fourth Supplemental Deed dated 1 April 2013, First Amending and Restating Deed dated 23 March 2016, Supplemental Deed of Retirement and Appointment of Trustee dated 1 November 2017, Fifth Supplemental Deed dated 22 May 2018, Sixth Supplemental Deed dated 30 April 2019 and Seventh Supplemental Deed dated 7 April 2020) (the “Trust Deed”) between First REIT Management Limited (formerly known as Bowsprit Capital Corporation 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 (the “Group”) 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 registered office of the Manager is 333 Orchard Road #33-02 Mandarin Orchard Singapore, Singapore 238867.

The consolidated interim financial statements (“Financial Statements”) relate to the Trust and its subsidiaries (the “Group”).

### **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 Unit Trusts” (“RAP 7”) issued by the Institute of Singapore Chartered Accountants and the applicable requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (“MAS”) and the provisions of the Trust Deed. RAP 7 requires that the accounting policies should generally comply with the principles relating to recognition and measurement of the Financial Reporting Standards (“FRSs”) issued by the Singapore Accounting Standards Council.

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

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

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.

The financial statements are presented in Singapore dollars, recorded to the nearest thousand, unless otherwise stated.

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity'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 period ended 30 June 2021 and year ended 31 December 2020.

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 2020, 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 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing this financial statements.

### 3 Investment properties

	<b>Group</b>		<b>Trust</b>	
	<b>30/6/2021</b>	<b>31/12/2020</b>	<b>30/6/2021</b>	<b>31/12/2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
At fair value:				
Balance at beginning of the period/year	939,670	1,340,780	33,800	34,500
Additions at cost	438	425	77	212
Translation differences	89	(148)	–	–
Change in fair value included in statements of total return (Level 3)	–	(401,387)	–	(912)
Balance at end of the period/year	<u>940,197</u>	<u>939,670</u>	<u>33,877</u>	<u>33,800</u>
Rental income from investment properties recognised in the statement of total return during the reporting period/year	<u>38,933</u>	<u>79,316</u>	<u>2,045</u>	<u>3,375</u>
Direct operating expenses (including repairs and maintenance) arising from investment properties that generated rental income during the reporting period/year	<u>(1,321)</u>	<u>(2,154)</u>	<u>(102)</u>	<u>(46)</u>

The Group's portfolio consists of properties located in Indonesia, Singapore and South Korea (see the statements of portfolio). These investment properties include the building's mechanical and electrical equipment located in the respective properties.

As at 31 December 2020, the fair value of each investment property was measured on 2 November 2020 and updated to 31 December 2020 based on the highest and best use method to reflect the actual market state and circumstances. The fair value of investment properties were determined by independent professional valuers having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued. Independent valuations of the investment properties are carried out at least once a year.

### 3 Investment properties (cont'd)

The independent professional valuers have considered valuation techniques including the discounted cash flow method and the capitalisation approach. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. The capitalisation approach capitalises an income stream into a present value using single-year capitalisation rates. The valuation technique(s) considered by valuers for each property is in line with market practices generally adopted in the jurisdiction in which the property is located.

Management concurred that the highest and best use of the assets are the current use and that it would provide maximum value to market participants principally through its use in combination with other assets.

While it is not required for independent valuation to be undertaken for the interim financial reporting, management has reached out to the independent professional valuers from the annual valuation 2020 ("AV 2020") exercise 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 key parameters and assumptions with that as of 31 December 2020 and with no changes to the valuation techniques. Management therefore is of the view that the AV 2020 market value as at 31 December 2020 should be maintained, in the midst of the COVID-19 pandemic and its uncertainties.

### 4 Investments in subsidiaries

	Trust	
	30/6/2021	31/12/2020
	\$'000	\$'000
Movements during the period/year, at cost:		
Balance at beginning of the period/year	661,867	754,569
Redemption of redeemable preference shares	(13,083)	(17,245)
Allowance for impairment	—	(75,457)
Balance at the end of the period/year	648,784	661,867
Total cost comprising:		
Unquoted equity shares at cost	414,292	414,292
Redeemable preference shares at cost	318,085	331,168
Allowance for impairment	(83,593)	(83,593)
Total at cost	648,784	661,867
Movement in allowance for impairment:		
Balance at beginning of the period/year	(83,593)	(8,136)
Impairment loss recognised during the period/year	—	(75,457)
Balance at end of the period/year	(83,593)	(83,593)

## 4 Investments in subsidiaries (cont'd)

### Measurement of recoverable amounts for investments in subsidiaries

At each reporting date, the Trust carried out impairment assessment of its investments 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 and operational and financing cash flows. The recoverable amount was based on the net assets of the subsidiaries which comprise 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. During the reporting period, the performance of the subsidiaries were stabilised with the completion of restructuring of the master lease agreements for a majority of the Indonesia hospital properties during the financial period ended 30 June 2021. Based on the Trust's assessment, no additional impairment loss is recognised during the financial period ended 30 June 2021.

## 5 Trade and other receivables

	Note	Group		Trust	
		30/6/2021 \$'000	31/12/2020 \$'000	30/6/2021 \$'000	31/12/2020 \$'000
Trade receivables:					
- Third parties		5,991	8,169	214	24
- Related parties		7,803	11,678	8	8
- Less impairment allowance – third parties		(5,777)	(5,050)	–	–
Trade receivables – net		8,017	14,797	222	32
Other receivables:					
- Subsidiaries		–	–	16,124	10,542
- Related party <sup>(a)</sup>		29,514	29,514	–	–
- Third parties		1,608	717	871	381
Less impairment allowance - subsidiaries		–	–	(567)	(567)
Other receivables – net		31,122	30,231	16,428	10,356
Total trade and other receivables		39,139	45,028	16,650	10,388

- (a) The amount comprises progress payments previously 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 the new Siloam Hospitals Surabaya in prior years. As part of the lease restructuring and memorandum of understanding entered with PT Lippo Karawaci Tbk ("LPKR") dated 28 November 2020, LPKR will propose a plan for a full and final settlement of all the outstanding obligations owing by PT SK by end of August 2021.

The other receivables from third parties are recoverable from tax authorities.



## 5 Trade and other receivables (cont'd)

The below table shows the movement in the impairment allowance.

	<b>Group</b>		<b>Trust</b>	
	<b>30/6/2021</b>	<b>31/12/2020</b>	<b>30/6/2021</b>	<b>31/12/2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Movement in above allowance:				
Balance at beginning of the period/year	(5,050)	(4,324)	(567)	(567)
Impairment allowance included in statement of total return	(632)	(842)	—	—
Foreign exchange difference	(95)	116	—	—
Balance at the end of the period/year	<u>(5,777)</u>	<u>(5,050)</u>	<u>(567)</u>	<u>(567)</u>

The expected credit loss (“ECL”) on the trade receivables are based on the simplified approach to measuring ECL which uses a lifetime ECL allowance approach for all trade receivables recognised from the initial recognition of these assets. The Group has only a few customers, which credit risk can be graded individually and these are recorded at inception net of expected lifetime ECL.

For the few customers with large balances at the end of the reporting period/year, a loss allowance is recognised if there has been a significant increase in credit risk since initial recognition. At every reporting period, the historical observed default rates are updated and changes in the forward-looking estimates (including the impact of the COVID-19 pandemic) are analysed.

The loss allowance of \$5,777,000 as at 30 June 2021 (2020: \$5,050,000) was due to the receivable from the tenant of Sarang Hospital.

## 6 Other financial liabilities

	Note	Group and Trust	
		30/6/2021	31/12/2020
		\$'000	\$'000
<u>Current:</u>			
Bank loans (secured)	6A	100,000	195,662
Transaction cost to be amortised		(1,406)	(317)
		<u>98,594</u>	<u>195,345</u>
<u>Non-current:</u>			
Bank loans (secured)	6A	252,374	296,713
Transaction cost to be amortised		(4,347)	(3,053)
		<u>248,027</u>	<u>293,660</u>
Total other financial liabilities		<u>346,621</u>	<u>489,005</u>
<u>Current:</u>			
Bank loan A (secured)		–	195,662
Transaction cost to be amortised		–	(317)
		<u>–</u>	<u>195,345</u>
Bank loan B (secured)		100,000	–
Transaction cost to be amortised		(1,406)	–
		<u>98,594</u>	<u>–</u>
Current, total		<u>98,594</u>	<u>195,345</u>
<u>Non-current:</u>			
Bank loan A (secured)		–	196,713
Transaction cost to be amortised		–	(1,741)
		<u>–</u>	<u>194,972</u>
Bank loan B (secured)		–	100,000
Transaction cost to be amortised		–	(1,312)
		<u>–</u>	<u>98,688</u>
Bank loan C (secured)		252,374	–
Transaction cost to be amortised		(4,347)	–
		<u>248,027</u>	<u>–</u>
Non-current, total		<u>248,027</u>	<u>293,660</u>

The amounts under Bank loan A was partly repaid and partly refinanced via Bank loan C in March 2021.

## **6 Other financial liabilities (cont'd)**

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

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 Bank loan A. In March 2021, the Trust drew down Bank loan C under this \$260 million syndicated secured financing facility. Bank loan C consists of a 2-year Singapore dollar term loan and a 2-year Singapore dollar revolving credit facility loan. The amounts under Bank loan C are due in March 2023.

All the amounts are at floating interest rates or have interest rate swaps arranged.

### **A. Bank loans (secured)**

The floating interest rates for Bank loan A, Bank loan B and Bank loan C are ranged from 1.66% to 1.91% (2020: 1.62% to 3.76%), 2.23% to 2.38% (2020: 2.19% to 4.06%) and 2.68% (2020: Nil) per annum respectively.

The effective interest rates for Bank loan A, Bank loan B and Bank loan C are ranged from 1.94% to 4.75% (2020: 1.93% to 4.18%) per annum.

The Trust entered into interest rate swaps arrangements to manage the interest rate risk exposure arising from the bank loans with floating rates.

The bank loan agreements provide among other matters for the following:

- 1) Legal mortgage over all the properties of the Group except for Sarang Hospital and 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.
- 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.
- 4) A debenture containing first fixed and floating charges over all assets and undertakings of the Trust’s Singapore subsidiaries and subsidiaries of Trust’s Singapore subsidiaries except for Kalmore (Korea) Limited, 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 Trust’s Singapore subsidiaries except for Kalmore (Korea) Limited, Kalmore Investments Pte. Ltd. and Icon1 Holdings Pte. Ltd..

## **6 Other financial liabilities (cont'd)**

### **A. Bank loans (secured) (cont'd)**

- 6) Charge of all of the Singapore subsidiaries' shares in the Indonesia subsidiaries except for the 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 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 certain financial covenants.

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

## **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 has been reset on 8 July 2021 (Note 15).

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 the 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 holders.

These perpetual securities are classified as equity. An amount of \$3,417,000 and \$1,718,000 were reserved for distribution to perpetual securities holders for the reporting year ended 31 December 2020 and the six-month period ended 30 June 2021 respectively. Management has taken the view that as there is no contractual obligation to repay the principal or to pay any distributions, and that 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

	Note	Group and Trust	
		30/6/2021 '000	31/12/2020 '000
Units at beginning of the period/year		807,206	797,675
Issuance of new units for rights issue exercise	(a)	791,062	—
Issuance of new units as settlement of Manager's management fees	(b)	8,360	9,531
Units at end of the period/year		<u>1,606,628</u>	<u>807,206</u>

- (a) A total of 791,062,000 (2020: Nil) new units at an issue price of \$0.20 per unit were issued in respect of the rights issue exercise on 24 February 2021.
- (b) A total of 8,360,000 (2020: 9,531,000) new units at an issue price ranging from \$0.2358 to \$1.0013 (2020: \$0.4668 to \$1.0013) per unit were issued in respect of the settlement for the management fees to the Manager.

At the end of the reporting period, 2,650,000 (2020: 3,493,000) units were issuable as settlement for the Manager's management fees for the second 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.

## 9 Net assets value attributable to unitholders

	Group		Trust	
	30/6/2021 \$'000	31/12/2020 \$'000	30/6/2021 \$'000	31/12/2020 \$'000
Net assets value attributable to unitholders	<u>564,239</u>	<u>403,092</u>	<u>317,462</u>	<u>170,064</u>
Net assets value per unit (in cents) attributable to unitholders	<u>35.12<sup>1</sup></u>	<u>49.94</u>	<u>19.76<sup>1</sup></u>	<u>21.07</u>

Note:

<sup>1</sup> Based on enlarged share base as a result of rights issue.

## 9 Net assets value attributable to unitholders (cont'd)

### A. Movements in components of unitholders' funds and perpetual securities holders

Group	Unitholders' funds			Subtotal \$'000	Perpetual securities \$'000	Total \$'000
	Issued equity \$'000	Retained earnings \$'000	Foreign exchange reserve \$'000			
<b>Current period:</b>						
Opening balance at 1 January 2021	353,466	48,510	1,116	403,092	60,878	463,970
Total comprehensive income for the period	—	17,483	20	17,503	1,690	19,193
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
Distributions to perpetual securities holders	—	—	—	—	(1,718)	(1,718)
Distributions to unitholders	(15,613)	(1,610)	—	(17,223)	—	(17,223)
<b>Closing balance at 30 June 2021</b>	<b>498,720</b>	<b>64,383</b>	<b>1,136</b>	<b>564,239</b>	<b>60,850</b>	<b>625,089</b>
<b>Previous year:</b>						
Opening balance at 1 January 2020	368,318	425,238	1,280	794,836	60,878	855,714
Total comprehensive income for the year	—	(355,827)	(164)	(355,991)	3,417	(352,574)
Manager's management fees settled in units	8,020	—	—	8,020	—	8,020
Distributions to perpetual securities holders	—	—	—	—	(3,417)	(3,417)
Distributions to unitholders	(22,872)	(20,901)	—	(43,773)	—	(43,773)
<b>Closing balance at 31 December 2020</b>	<b>353,466</b>	<b>48,510</b>	<b>1,116</b>	<b>403,092</b>	<b>60,878</b>	<b>463,970</b>

## 9 Net assets value attributable to unitholders (cont'd)

	Unitholders' funds				
	Issued equity \$'000	Accumulated losses \$'000	Subtotal \$'000	Perpetual securities \$'000	Total \$'000
<b>Trust</b>					
<b>Current period:</b>					
Opening balance at 1 January 2021	353,466	(183,402)	170,064	60,878	230,942
Total comprehensive income for the period	—	3,754	3,754	1,690	5,444
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
Distributions to perpetual securities holders	—	—	—	(1,718)	(1,718)
Distributions to unitholders	(15,613)	(1,610)	(17,223)	—	(17,223)
<b>Closing balance at 30 June 2021</b>	<b>498,720</b>	<b>(181,258)</b>	<b>317,462</b>	<b>60,850</b>	<b>378,312</b>
<b>Previous year:</b>					
Opening balance at 1 January 2020	368,318	(80,300)	288,018	60,878	348,896
Total comprehensive loss for the year	—	(82,201)	(82,201)	3,417	(78,784)
Manager's management fees settled in units	8,020	—	8,020	—	8,020
Distributions to perpetual securities holders	—	—	—	(3,417)	(3,417)
Distributions to unitholders	(22,872)	(20,901)	(43,773)	—	(43,773)
<b>Closing balance at 31 December 2020</b>	<b>353,466</b>	<b>(183,402)</b>	<b>170,064</b>	<b>60,878</b>	<b>230,942</b>

## 10 Total return for the period before income tax

	<b>Group</b>	
	<b>Six-month</b>	<b>Six-month</b>
	<b>period ended</b>	<b>period ended</b>
	<b>30/6/2021</b>	<b>30/06/2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Property tax expense	95	—
Valuation expenses	182	134
Professional fees	356	409
Impairment allowance on trade and other receivables	632	424
Others	56	103
<b>Property operating expenses</b>	<b>1,321</b>	<b>1,070</b>
Base fees	2,050	2,851
Performance fees	1,880	1,877
<b>Manager's management fees</b>	<b>3,930</b>	<b>4,728</b>
Interest expense	6,037	8,337
Amortisation of transaction costs	2,465	1,578
<b>Finance costs</b>	<b>8,502</b>	<b>9,915</b>
Foreign exchange adjustment gains	196	837
Handling and processing fees	105	160
Professional fees	343	235
Project expenses	727	220
Others	132	72
<b>Total other expenses</b>	<b>1,503</b>	<b>1,524</b>

## 11 Earnings per unit

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

	<b>Group</b>	
	<b>Six-month</b>	<b>Six-month</b>
	<b>period ended</b>	<b>period ended</b>
	<b>30/6/2021</b>	<b>30/06/2020</b>
Denominator: Weighted average number of units outstanding during the period/year ('000)	1,365,867	880,922
Numerator: Profit attributable to unitholders		
Total profit after income tax (\$'000)	17,483	12,495
Earnings per unit (in cents)		
Basic and diluted	1.28	1.42 <sup>1</sup>



## 11 Earnings per unit (cont'd)

Note:

- <sup>1</sup> With the completion of the issuance of rights units on 24 February 2021, prior year comparatives for earnings per unit were restated through retrospective application of a bonus factor to the average weighted number of units. The bonus factor is derived from the division of fair value per unit immediately before the exercise of rights by the theoretical ex-rights fair value.

## 12 Financial ratios

	<b>Group</b>	
	<b>Six-month</b>	<b>Six-month</b>
	<b>period ended</b>	<b>period ended</b>
	<b>30/6/2021</b>	<b>30/06/2020</b>
Expenses to average net assets attributable to unitholders ratio - excluding performance related fees <sup>(1)</sup>	0.77%	0.58%
Expenses to average net assets attributable to unitholders ratio - including performance related fees <sup>(1)</sup>	1.16%	0.82%
Portfolio turnover ratio <sup>(2)</sup>	N/M	N/M
Total operating expenses (\$'000) <sup>(3)</sup>	6,908	7,535
Total operating expenses to net asset value ratio <sup>(3)</sup>	<u>0.14%</u>	<u>0.14%</u>

- <sup>(1)</sup> The annualised 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/year 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 Code on Collective Investment Schemes dated 16 April 2020 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 asset value as at the end of the financial year) 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 financial year ended 31 December 2020 and six-month period ended 30 June 2021.

## 13 Financial information by 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. The Group had three reportable operating segments: Indonesia operations, Singapore operations and South Korea operations.

	Indonesia \$'000	Singapore \$'000	South Korea \$'000	Total \$'000
<b>30 June 2021</b>				
<b>Profit or loss 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				(1,503)
Net income before the undernoted				23,575
Net fair value gains of derivatives financial instruments				1,698
Total profit before income tax				25,273
Income tax expense	(6,100)	–	–	(6,100)
Total profit after income tax				19,173
<b>Assets</b>				
Segment assets including properties	951,889	57,688	6,931	1,016,508
Total assets				1,016,508

## 13 Financial information by operating segments (cont'd)

	Indonesia \$'000	Singapore \$'000	South Korea \$'000	Total \$'000
<b>30 June 2020</b>				
<b>Profit or loss reconciliation</b>				
Rental and other income	36,947	1,323	328	38,598
Impairment allowance on trade receivables	—	—	(101)	(101)
Net property income and other income	36,515	1,152	(139)	37,528
Interest income	1,331	105	—	1,436
Manager's management fees				(4,728)
Trustee fees				(213)
Finance costs	—	(9,915)	—	(9,915)
Other expenses				(1,524)
Net income before the undernoted				22,584
Net fair value losses of derivatives financial instruments				(3,646)
Total profit before income tax				18,938
Income tax expense	(6,425)	—	(18)	(6,443)
Total profit after income tax				12,495
<b>31 December 2020</b>				
<b>Assets</b>				
Segment assets including properties	953,431	45,102	6,375	1,004,908
Total assets				1,004,908

Income are attributed to countries on the basis of the location of the investment properties. The non-current assets 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 \$33,848,000 and \$36,409,000 (30 June 2020: \$32,163,000 and \$36,944,000) respectively.

## 14 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	Fair value – hedging instruments \$'000	Financial assets at amortised cost \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>30 June 2021</b>								
<b>Financial assets not measured at fair value</b>								
Trade and other receivables	–	39,139	–	39,139	–	–	–	–
Cash and cash equivalents	–	36,612	–	36,612	–	–	–	–
	–	75,751	–	75,751	–	–	–	–
<b>Financial liabilities measured at fair value</b>								
Derivatives financial instruments – interest rate swaps	(2,168)	–	–	(2,168)	–	(2,168)	–	(2,168)
<b>Financial liabilities not measured at fair value</b>								
Other financial liabilities – bank loans	–	–	(346,621)	(346,621)	–	–	–	–
Trade and other payables	–	–	(15,348)	(15,348)	–	–	–	–
	–	–	(361,969)	(361,969)	–	–	–	–

## 14 Financial assets and financial liabilities (cont'd)

Group	Fair value – hedging instruments \$'000	Financial assets at amortised cost \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>31 December 2020</b>								
<b>Financial assets not measured at fair value</b>								
Trade and other receivables	–	45,028	–	45,028	–	–	–	–
Cash and cash equivalents	–	19,292	–	19,292	–	–	–	–
	–	64,320	–	64,320	–	–	–	–
<b>Financial liabilities measured at fair value</b>								
Derivatives financial instruments – interest rate swaps	(3,866)	–	–	(3,866)	–	(3,866)	–	(3,866)
<b>Financial liabilities not measured at fair value</b>								
Other financial liabilities – bank loans	–	–	(489,005)	(489,005)	–	–	–	–
Trade and other payables	–	–	(17,316)	(17,316)	–	–	–	–
	–	–	(506,321)	(506,321)	–	–	–	–

## 14 Financial assets and financial liabilities (cont'd)

	Fair value – hedging instruments \$'000	Financial assets at amortised cost \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Trust</b>								
<b>30 June 2021</b>								
<b>Financial assets not measured at fair value</b>								
Trade and other receivables	–	16,650	–	16,650	–	–	–	–
Loans to subsidiaries	–	32,084	–	32,084	–	–	–	–
Cash and cash equivalents	–	22,496	–	22,496	–	–	–	–
	–	71,230	–	71,230	–	–	–	–
<b>Financial liabilities measured at fair value</b>								
Derivatives financial instruments – interest rate swaps	(2,168)	–	–	(2,168)	–	(2,168)	–	(2,168)
<b>Financial liabilities not measured at fair value</b>								
Other financial liabilities – bank loans	–	–	(346,621)	(346,621)	–	–	–	–
Trade and other payables	–	–	(24,822)	(24,822)	–	–	–	–
	–	–	(371,443)	(371,443)	–	–	–	–

## 14 Financial assets and financial liabilities (cont'd)

	Fair value – hedging instruments \$'000	Financial assets at amortised cost \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Trust</b>								
<b>31 December 2020</b>								
<b>Financial assets not measured at fair value</b>								
Trade and other receivables	–	10,388	–	10,388	–	–	–	–
Loans to subsidiaries	–	34,479	–	34,479	–	–	–	–
Cash and cash equivalents	–	10,738	–	10,738	–	–	–	–
	–	55,605	–	55,605	–	–	–	–
<b>Financial liabilities measured at fair value</b>								
Derivatives financial instruments – interest rate swaps	(3,866)	–	–	(3,866)	–	(3,866)	–	(3,866)
<b>Financial liabilities not measured at fair value</b>								
Other financial liabilities – bank loans	–	–	489,005	489,005	–	–	–	–
Trade and other payables	–	–	25,437	25,437	–	–	–	–
	–	–	514,442	514,442	–	–	–	–

## **15 Subsequent events**

On 8 July 2021, the distribution rate applicable to Series 002 S\$60,000,00 in aggregate principal amount of resettable fixed rate subordinated perpetual securities (the “Perpetual Securities”) has been reset. 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.

On 19 July 2021, the Group has entered into conditional sale and purchase agreements in relation to the divestment of Sarang Hospital and the entire shareholding interest in First REIT’s indirect wholly owned subsidiary, Kalmore (Korea) Limited. The divestment is expected to be completed in August 2021.



## Other Information Required by Listing Rule Appendix 7.2

### Explanatory Notes

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

##### 1. Other Financial liabilities – Current and Non-Current

The decrease from \$489.0 million to \$346.6 million is mainly due to net partial repayment of S\$140.1 million bank loan upon maturity in March 2021. The current bank loan as at 31 December 2020 has been refinanced by a new bank loan facility entered by the Trust with Oversea-Chinese Banking Corporation Limited and CIMB Bank Berhad, Singapore Branch, which was drawn down on 1 March 2021.

#### B. Statement of Total Return

		<b>Group</b>		
		<b>Half Year</b>		
<b>Note</b>	<b>30 Jun 2021</b>	<b>30 Jun 2020</b>	<b>Change</b>	
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	
<b>Rental and other income</b>	<b>1</b>	<b>38,933</b>	<b>38,598</b>	<b>0.9%</b>
Property operating expenses	2	(1,321)	(1,070)	23.5%
<b>Net property and other income</b>		<b>37,612</b>	<b>37,528</b>	<b>0.2%</b>
Interest income		52	1,436	NM
Manager's management fees	3	(3,930)	(4,728)	(16.9%)
Trustee fees	4	(154)	(213)	(27.7%)
Finance costs	5	(8,502)	(9,915)	(14.3%)
Other expenses		(1,503)	(1,524)	(1.4%)
<b>Net income before the undernoted</b>		<b>23,575</b>	<b>22,584</b>	<b>4.4%</b>
Net fair value gains/(losses) of derivative financial instruments	6	1,698	(3,646)	NM
<b>Total return for the period before income tax</b>		<b>25,273</b>	<b>18,938</b>	<b>33.5%</b>
Income tax expense	7	(6,100)	(6,443)	(5.3%)
<b>Total return for the period after income tax</b>		<b>19,173</b>	<b>12,495</b>	<b>53.4%</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		20	362	NM
<b>Total comprehensive return for the period</b>		<b>19,193</b>	<b>12,857</b>	<b>49.3%</b>
<b>Total return attributable to:</b>				
Unitholders of Trust		17,483	10,796	61.9%
Perpetual securities holders		1,690	1,699	(0.5%)
		<b>19,173</b>	<b>12,495</b>	<b>53.4%</b>

Note:

NM – Not meaningful

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

**B. Statement of Total Return (cont'd)**

1. Rental and other income for 1H 2021 increased by 0.9% to \$38.9 million compared to 1H 2020 was mainly due to annual rental escalation for Singapore properties.
2. Property operating expenses for 1H 2021 increased by 23.5% to \$1.3 million compared to 1H 2020 was mainly due to impairment on receivables for South Korea property.
3. Manager's management fees for 1H 2021 decreased by 16.9% to \$3.9 million compared to 1H 2020 was mainly due to lower total assets.
4. Trustee fees for 1H 2021 decreased by 27.7% to \$154,000 compared to 1H 2020 was mainly due to lower total assets.
5. Finance costs for 1H 2021 decreased by 14.3% to \$8.5 million compared to 1H 2020 was mainly due to partial repayment of bank loans upon their maturity in March 2021.
6. Net fair value gains/(losses) of derivative financial instruments for 1H 2021 relates to the revaluation of interest rate swap contracts.
7. Income tax expense for 1H 2021 decreased by 5.3% to \$6.1 million compared to 1H 2020 was mainly due to lower withholding taxes on the back of lower dividend income received from the foreign subsidiaries.

**C. 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.

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

Not applicable.

**E. 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 2020 full year result announcement.

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

### **F. Commentary on the competitive conditions of the industry**

Following a spike in COVID-19 cases that has overwhelmed Indonesia's medical system, the government has downgraded its gross domestic product ("GDP") growth forecast to 3.7% to 4.5%, from 4.5% to 5.3% after reinstating stringent emergency public activity restrictions that cover most of the country. On a quarter-on-quarter basis, GDP is expected to hit 6.3% and 5.5% in the third and fourth quarters respectively. Bank Indonesia has kept its key interest rate at a record low of 3.5% since February and its focus for the rest of the year is on keeping rates low and liquidity flush to support the economy, and maintaining a stable exchange rate.<sup>1</sup>

The government's health budget for 2021 has increased to Rp193.9 trillion (US\$13.4 billion) as the number of cases continue to rise. The budgeted funds are set aside for diagnostics, testing and tracing, health equipment, COVID-19 hospital treatment and financial incentive for healthcare workers. It has also procured more than 53.9 million doses of vaccines and aims to increase the vaccine rollout to 2 million doses per day as soon as possible, and eventually to 3 million doses per day by October.<sup>2</sup>

First REIT's Indonesia hospitals operated by Siloam have aided the government through the provision of swab tests, rapid tests and antibody test services, as well as providing healthcare professionals to assist with the nation's vaccination programme. Amid the ongoing pandemic and in line with government regulations, First REIT's assets continue to operate under strict precautionary measures that prioritise the health and safety of all its patients, staff, and visitors.

With reference to Siloam's recent results announcement for the first half ended 30 June 2021, Siloam has shown sustainable growth momentum. Revenue grew 51.7% y-o-y to Rp3.8 trillion in 1H 2021 while net profit recovered from a loss a year ago to Rp302 billion in 1H 2021. Patient volumes, both inpatient admissions and outpatient visits, have also shown steady upward trend, expanding for the last four consecutive quarters.

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<sup>1</sup> 13 July 2021, Business Times - Bank Indonesia looking at tightening policy from late next year

<sup>2</sup> 5 July 2021, The Jakarta Post - Indonesia increases health spending, wants vaccinations day and night

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

### G. Distributions

(a) Current financial period reported on

Any distributions declared for the current financial period? Yes

#### Distribution Type

Name of Distribution (a) 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%.

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.

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

### G. Distributions (cont'd)

- (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 2020 to 30 June 2020

- i.      Distribution Type      Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.02
Capital	0.42
Total	0.44

#### 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%.

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.

- (c) Book closure date: The Transfer Books and Register of Unitholders of First Real Estate Investment Trust will be closed at 5.00p.m. on 13 August 2021 for the purposes of determining each unitholder's entitlement to First REIT's distribution. The ex-distribution date will be on 12 August 2021 at 9.00am.

- (d) Date Payable: 24 September 2021

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

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

Not applicable.

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

First REIT has not obtained a general mandate from unitholders.

**J. Certificate pursuant to Paragraph 7.3 of the Property Funds Guidelines**

The Manager hereby certifies that in relation to the distribution to the unitholders of First REIT for the quarter ended 30 June 2021:

- 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.

The distribution is computed based on the accounts of First REIT for the quarter ended 30 June 2021 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.

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

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 2021

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