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**FIRST REAL ESTATE INVESTMENT TRUST  
2020 FULL YEAR UNAUDITED FINANCIAL STATEMENTS & FOURTH QUARTER DISTRIBUTION ANNOUNCEMENT**

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First Real Estate Investment Trust ("First REIT") is a real estate investment trust constituted by the Trust Deed entered into on 19 October 2006 between First REIT Management Limited (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.

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 (formerly known as Bowsprit Capital Corporation 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.

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**Summary of First REIT's Results**

	Note	Group					
		2H 2020	2H 2019	Change	FY 2020	FY 2019	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Rental and Other Income</b>	1	41,021	57,661	(28.9%)	79,619	115,297	(30.9%)
<b>Net Property and Other Income</b>	1	39,937	56,528	(29.4%)	77,465	112,894	(31.4%)
Distributable Amount	2	14,993	34,296	(56.3%)	33,413	68,463	(51.2%)
<b>Distribution per unit (cts)</b>	3	1.85	4.30	(57.0%)	4.15	8.60	(51.7%)

Note:

- 1) Rental and other income for 2H 2020 decreased by 28.9% to S\$41.0 million, and net property and other income for 2H 2020 decreased by 29.4% to S\$39.9 million as compared to 2H 2019 mainly due to the additional two-month rental relief for September and October 2020 extended to Indonesia tenants.
- 2) The distribution amount to Unitholders included the 3Q 2020 distribution of S\$8.2 million which was paid on 23 December 2020. The 4Q 2020 distribution amount to Unitholders is S\$6.8 million.
- 3) Distribution per unit ("DPU") included 3Q 2020 DPU of 1.01 cents which paid on 23 December 2020. The 4Q 2020 DPU is 0.84 cents.

**Distribution Details**

<b>Distribution</b>	1 October 2020 to 31 December 2020
<b>Distribution type</b>	(a) Taxable income (b) Capital distribution
<b>Distribution rate</b>	Total : 0.84 cents per unit (a) Taxable income distribution – 0.10 cents per unit (b) Capital distribution – 0.74 cents per unit
<b>Book closure date</b>	27 January 2021 at 5.00 pm
<b>Ex-dividend date</b>	26 January 2021 at 9.00 am
<b>Payment date</b>	24 March 2021

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**1(a)(i) Statement of Total Return**

	Note	Group					
		2H 2020	2H 2019	Change	FY 2020	FY 2019	Change
		<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
<b>Rental and other income</b>	1	<b>41,021</b>	<b>57,661</b>	<b>(28.9%)</b>	<b>79,619</b>	<b>115,297</b>	<b>(30.9%)</b>
Property operating expenses	2	(1,084)	(1,133)	(4.3%)	(2,154)	(2,403)	(10.4%)
<b>Net property and other income</b>		<b>39,937</b>	<b>56,528</b>	<b>(29.4%)</b>	<b>77,465</b>	<b>112,894</b>	<b>(31.4%)</b>
Interest income		-	1,508	(100.0%)	1,436	2,364	(39.3%)
Manager's management fees	3	(4,682)	(5,734)	(18.3%)	(9,410)	(11,401)	(17.5%)
Trustee fees	4	(203)	(217)	(6.5%)	(416)	(430)	(3.3%)
Finance costs	5	(7,911)	(10,313)	(23.3%)	(17,826)	(20,390)	(12.6%)
Other expenses	6	(4,179)	(475)	NM	(5,703)	(1,002)	NM
<b>Net income before the undernoted</b>		<b>22,962</b>	<b>41,297</b>	<b>(44.4%)</b>	<b>45,546</b>	<b>82,035</b>	<b>(44.5%)</b>
Net fair value losses on investment properties	7	(401,387)	(5,607)	NM	(401,387)	(5,607)	NM
Net fair value gains/(losses) of derivative financial instruments	8	1,255	(499)	NM	(2,391)	(1,040)	NM
<b>Total return for the period/year before income tax</b>		<b>(377,170)</b>	<b>35,191</b>	<b>NM</b>	<b>(358,232)</b>	<b>75,388</b>	<b>NM</b>
Income tax benefit/(expense)	9	12,265	(17,149)	NM	5,822	(26,472)	NM
<b>Total return for the period/year after income tax</b>		<b>(364,905)</b>	<b>18,042</b>	<b>NM</b>	<b>(352,410)</b>	<b>48,916</b>	<b>NM</b>
<b>Other comprehensive return: Items that may be reclassified subsequently to profit or loss:</b>							
Exchange differences on translating foreign operations, net of tax		(526)	(24)	NM	(164)	(133)	23.3%
<b>Total comprehensive (loss)/income for the year</b>		<b>(365,431)</b>	<b>18,018</b>	<b>NM</b>	<b>(352,574)</b>	<b>48,783</b>	<b>NM</b>
<b>Total return for the year after income tax attributable:</b>							
Unitholders		(366,623)	16,324	NM	(355,827)	45,508	NM
Perpetual securities holders		1,718	1,718	-	3,417	3,408	0.3%
		<b>(364,905)</b>	<b>18,042</b>	<b>NM</b>	<b>(352,410)</b>	<b>48,916</b>	<b>NM</b>

Note:

NM – Not meaningful

- 1) Rental and other income for 2H 2020 decreased by 28.9% to S\$41.0 million compared to 2H 2019 mainly due to additional two-month rental relief for September and October 2020 extended to Indonesia tenants to alleviate the economic distress caused by the COVID-19 pandemic.
- 2) Property operating expenses for 2H 2020 decreased by 4.3% to S\$1.1 million compared to 2H 2019 mainly due to lower property expenses for Indonesia properties.
- 3) Manager's management fees for 2H 2020 decreased by 18.3% to S\$4.7 million compared to 2H 2019 mainly due to lower net property income and total assets.
- 4) Trustee fees for 2H 2020 decreased by 6.5% to S\$0.2 million compared to 2H 2019 mainly due to lower total assets.

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- 5) Finance costs for 2H 2020 decreased to S\$7.9 million compared to 2H 2019 mainly due to lower interest rates.
- 6) Other expenses for 2H 2020 increased to S\$4.2 million compared to 2H 2019 mainly due to project expenses incurred.
- 7) Net fair value losses on investment properties increased to S\$401.4 million compared to 2H 2019 mainly due to the valuation of certain Indonesia properties have taken into consideration the terms arising from (a) the Memorandum of Understanding entered into between Perpetual (Asia) Limited (as trustee of First REIT) and PT. Lippo Karawaci Tbk dated 28 November 2020 as announced in First REIT's announcement on 29 November 2020 titled "Restructuring of Master Leases" (the "Restructuring Announcement"); (b) the Memorandum of Understanding entered into between the Trustee and PT. Metropolis Propertindo Utama dated 28 November 2020 as announced in the Restructuring Announcement; and (c) existing occupation arrangements of the properties not affected by (a) or (b) .
- 8) Net change in fair value of derivative financial instruments for 2H 2020 relates to the revaluation gains on the interest rate swap contracts.
- 9) Income tax benefit for 2H 2020 of S\$12.3 million compared to income tax expense for 2H 2019 mainly due to write back of provision for deferred taxation on net fair value losses on investment properties.

**1(a)(ii) Statement of Distribution**

Note	Group					
	2H 2020	2H 2019	Change	FY 2020	FY 2019	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total return for the period/year after income tax	(364,905)	18,042	NM	(352,410)	48,916	NM
Adjustments for tax purposes:						
- Manager's management fees payable in units	2,334	4,887	52.2%	4,679	9,747	(52.0%)
- Foreign exchange gains	(986)	(81)	NM	(325)	(245)	32.7%
- Change in fair value on investment properties, net of deferred tax	383,118	13,361	NM	383,118	13,361	NM
- Net fair value (gains)/ losses of derivative financial instruments	(1,255)	499	NM	2,391	1,040	NM
- Amount reserved for distribution to perpetual securities holders	(1,718)	(1,718)	-	(3,417)	(3,408)	0.3%
- Others	(1,595)	(694)	NM	(623)	(948)	(34.3%)
<b>Total available for distribution to Unitholders</b>	<b>14,993</b>	<b>34,296</b>	<b>(56.3%)</b>	<b>33,413</b>	<b>68,463</b>	<b>(51.2%)</b>
Unitholders' distribution:						
- as distribution from operations	2,898	19,738	(85.3%)	11,795	39,544	(70.2%)
- as distribution of Unitholders' capital contribution	12,095	14,558	(16.9%)	21,618	28,919	(25.2%)
<b>Distributable amount to Unitholders</b>	<b>14,993</b>	<b>34,296</b>	<b>(56.3%)</b>	<b>33,413</b>	<b>68,463</b>	<b>(51.2%)</b>

Note:

NM – Not meaningful

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- 1) The change in fair value on investment properties, net of deferred tax comprises of the following figures.

	<b>Group</b>			
	<b>2H 2020</b>	<b>2H 2019</b>	<b>FY 2020</b>	<b>FY 2019</b>
	<b><u>S\$'000</u></b>	<b><u>S\$'000</u></b>	<b><u>S\$'000</u></b>	<b><u>S\$'000</u></b>
Fair value losses on investment properties	401,387	5,607	401,387	5,607
Deferred tax (benefit)/expense	(18,269)	7,754	(18,269)	7,754
<b>Change in fair value on investment properties, net of deferred tax</b>	<b>383,118</b>	<b>13,361</b>	<b>383,118</b>	<b>13,361</b>

- 2) In 2016, the Trust issued S\$60.0 million of subordinated perpetual securities. The perpetual securities confer a right to receive distribution payments at the rate of 5.68% per annum, with the first distribution rate reset falling on 8 July 2021 and subsequent resets occurring every five years thereafter. Distributions under the perpetual securities will be payable semi-annually in arrears on 8 January and 8 July in each year on a discretionary basis. Any distribution unpaid will be non-cumulative as stated in the terms and conditions of the perpetual securities.
- 3) The distribution amount to Unitholders included the 3Q 2020 distribution of S\$8.2 million which was paid on 23 December 2020. The 4Q 2020 distribution amount to Unitholders is S\$6.8 million.

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**1(b)(i) Statements of Financial Position**

	Note	Group		Trust	
		31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
		<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b>Assets</b>					
<b>Non-current Assets</b>					
Plant and equipment		41	55	-	-
Investment properties	1	939,670	1,340,780	33,800	34,500
Investments in subsidiaries		-	-	661,867	754,569
Loan receivable, non-current		-	-	30,288	34,661
Deferred tax assets		-	1,467	-	1,467
Total non-current assets		939,711	1,342,302	725,955	825,197
<b>Current Assets</b>					
Trade and other receivables, current		45,028	48,833	10,388	8,471
Loan receivable, current		-	-	4,191	4,191
Other assets, current		877	3,021	40	912
Cash and cash equivalents		19,292	32,980	10,738	26,084
Total current assets		65,197	84,834	25,357	39,658
<b>Total Assets</b>		<b>1,004,908</b>	<b>1,427,136</b>	<b>751,312</b>	<b>864,855</b>
<b>Non-current Liabilities</b>					
Deferred tax liabilities	2	19,968	39,703	-	-
Other financial liabilities, non-current	3	293,660	486,410	293,660	486,410
Derivative financial instruments		3,866	1,253	3,866	1,253
Total non-current liabilities		317,494	527,366	297,526	487,663
<b>Current Liabilities</b>					
Income tax payable		676	1,951	-	-
Trade and other payables, current		17,316	18,840	25,437	26,070
Other financial liabilities, current	3	195,345	-	195,345	-
Other liabilities, current		10,107	23,043	2,062	2,004
Derivative financial instruments		-	222	-	222
Total current liabilities		223,444	44,056	222,844	28,296
<b>Total Liabilities</b>		<b>540,938</b>	<b>571,422</b>	<b>520,370</b>	<b>515,959</b>
<b>Net Assets</b>		<b>463,970</b>	<b>855,714</b>	<b>230,942</b>	<b>348,896</b>
<b>Represented by:</b>					
<b>Net assets attributable to unitholders</b>		<b>403,092</b>	<b>794,836</b>	<b>170,064</b>	<b>288,018</b>
Perpetual securities holders' fund		60,878	60,878	60,878	60,878
<b>Net assets attributable to perpetual securities holder</b>		<b>60,878</b>	<b>60,878</b>	<b>60,878</b>	<b>60,878</b>
		<b>463,970</b>	<b>855,714</b>	<b>230,942</b>	<b>348,896</b>

Note:

- Investment properties decreased from S\$1,340.8 million to S\$939.7 million mainly due to net fair value losses on revaluation of investment properties, which the valuation of the certain Indonesia properties have taken into consideration the terms arising from (a) the Memorandum of Understanding entered into between Perpetual (Asia) Limited (as trustee of First REIT) and PT. Lippo Karawaci Tbk dated 28 November 2020 as announced in First REIT's announcement on 29 November 2020 titled "Restructuring of Master Leases" (the "Restructuring Announcement"); (b) the Memorandum of Understanding entered into between the Trustee and PT. Metropolis Properti Utama dated 28 November 2020 as announced in the Restructuring Announcement; and (c) existing occupation arrangements of the properties not affected by (a) or (b).

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**(b)(i) Statements of Financial Position (Cont'd)**

- 2) Deferred tax liabilities decreased from S\$39.7 million to S\$20.0 million mainly due to write back of provision for deferred taxation on change in fair value on investment properties.
- 3) Other financial liabilities, non-current decreased from S\$486.4 million to S\$293.7 million mainly due to reclassification of the S\$195.3 million bank loans, net of unamortised cost from non-current to current as the bank loans will be maturing in March 2021. These current bank loans will be refinanced by a new facility agreement entered by the Trust and Oversea-Chinese Banking Corporation Limited and CIMB Bank Berhad, Singapore Branch on 24 December 2020, in respect of a term loan facility of S\$178.5 million and a revolving credit facility of S\$42.5 million, with an accordion option for a S\$39.0 million.

**1(b)(ii) Borrowings and Debt Securities**

	<b>Group &amp; Trust</b>	
	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Amount repayable after one year</b>		
Secured	296,713	492,717
Less: unamortized transaction costs	(3,053)	(6,307)
<b>Total Borrowings, Non-current</b>	<b>293,660</b>	<b>486,410</b>
<b>Amount repayable within one year</b>		
Unsecured	195,662	-
Less: unamortized transaction costs	(317)	-
<b>Total Borrowings, Current (Note 1)</b>	<b>195,345</b>	<b>-</b>

Note:

- 1) The total current borrowings relate to term loan and revolving credit facilities that are due in March 2021 will be refinanced by a new facility agreement entered by the Trust with Oversea-Chinese Banking Corporation Limited and CIMB Bank Berhad, Singapore Branch on 24 December 2020, in respect of a term loan facility of S\$178.5 million and a revolving credit facility of S\$42.5 million, with an accordion option for a S\$39.0 million.

**Details of Collaterals**

As security for the borrowings, the following have been granted in favour of the lenders:

- (a) a mortgage over all the investment properties except Sarang Hospital, Siloam Hospitals Surabaya and Siloam Hospitals Yogyakarta.
- (b) pledge of shares of all the subsidiaries except Kalmore (Korea) Limited, Kalmore Investments Pte Ltd, Surabaya Hospitals Investment Pte Ltd, Icon1 Holdings Pte Ltd, PT Tata Prima Indah and PT Yogya Central Terpadu.

**Interest Rate Swaps**

First REIT has interest rate swaps to hedge the floating rate loan facilities with banks. The changes in fair value of the interest rate swaps was recognised in the Statements of Total Return.

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**1(c) Statement of Cash Flows**

	<b>Group</b>	
	<b>2H 2020</b>	<b>2H 2019</b>
	<b><u>S\$'000</u></b>	<b><u>S\$'000</u></b>
<b>Cash flows from operating activities</b>		
Total (loss)/return before income tax	(377,170)	35,191
Other income	-	(1,508)
Interest expense	6,376	8,865
Amortisation of borrowing costs	1,535	1,448
Depreciation expenses	6	7
Foreign exchange gains	(986)	(81)
Decrease in fair value of investment properties	401,387	5,607
Net fair value (gains)/losses of derivative financial instruments	(1,255)	499
(Gains)/Losses on disposal of quoted shares	(1)	4
Manager's management fees settled in units	1,343	2,456
<b>Operating cash flows before changes in working capital</b>	<b>31,235</b>	<b>52,488</b>
Trade and other receivables, current	3,193	(232)
Other assets, current	4,154	(90)
Trade and other payables, current	5,341	2,839
Other liabilities, current	(13,635)	(358)
<b>Net cash flows from operating activities before income tax</b>	<b>30,288</b>	<b>54,647</b>
Income taxes paid	(4,714)	(9,291)
<b>Net cash flows from operating activities</b>	<b>25,574</b>	<b>45,356</b>
<b>Cash flows from investing activities</b>		
Increase in investment properties	(1,522)	(1,033)
Interest received	6	1,489
Purchase of quoted shares	(145)	(238)
Disposal of quoted shares	178	279
<b>Net cash flows (used in)/from investing activities</b>	<b>(1,483)</b>	<b>497</b>
<b>Cash flows from financing activities</b>		
Distribution to Unitholders	(11,693)	(34,249)
Interest paid	(9,209)	(5,759)
Distribution to perpetual securities holders	(1,699)	(1,690)
<b>Net cash flows used in financing activities</b>	<b>(22,601)</b>	<b>(41,698)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,490</b>	<b>4,155</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>17,802</b>	<b>28,825</b>
<b>Cash and cash equivalents at end of the period</b>	<b>19,292</b>	<b>32,980</b>



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**1(c) Statement of Cash Flows (Cont'd)**

	Group	
	FY 2020	FY 2019
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Total (loss)/return before income tax	(358,232)	75,388
Other income	(1,436)	(2,364)
Interest expense	14,713	17,493
Amortisation of borrowing costs	3,113	2,897
Depreciation expenses	13	13
Foreign exchange gains	(325)	(245)
Decrease in fair value of investment properties	401,387	5,607
Net fair value losses of derivative financial instruments	2,391	1,040
Losses on disposal of quoted shares	6	7
Manager's management fees settled in units	2,750	4,878
<b>Operating cash flows before changes in working capital</b>	<b>64,380</b>	<b>104,714</b>
Trade and other receivables, current	3,737	10,589
Other assets, current	2,142	1,812
Trade and other payables, current	6,763	1,467
Other liabilities, current	(12,935)	250
<b>Net cash flows from operating activities before income tax</b>	<b>64,087</b>	<b>118,832</b>
Income taxes paid	(12,447)	(18,756)
<b>Net cash flows from operating activities</b>	<b>51,640</b>	<b>100,076</b>
<b>Cash flows from investing activities</b>		
Increase in investment properties	(1,665)	(1,202)
Interest received	1,451	2,345
Investment in quoted shares	(268)	(620)
Disposal of quoted shares	262	639
<b>Net cash flows (used in)/from investing activities</b>	<b>(220)</b>	<b>1,162</b>
<b>Cash flows from financing activities</b>		
Distribution to Unitholders	(43,773)	(68,285)
Increase in borrowings	1	100,000
Repayment of borrowings	2	(110,000)
Interest paid	(17,918)	(14,323)
Distribution to perpetual securities holders	(3,417)	(3,408)
<b>Net cash flows used in financing activities</b>	<b>(65,108)</b>	<b>(96,016)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(13,688)</b>	<b>5,222</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>32,980</b>	<b>27,758</b>
<b>Cash and cash equivalents at end of the year</b>	<b>19,292</b>	<b>32,980</b>

Note:

- 1) The increase in borrowings for 2019 was due to loan drawdown to repay loan matured in May 2019.
- 2) This relates to repayment of loans upon maturity.

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**1(d)(i) Statements of Changes in Unitholders' Funds**

	Group		Trust	
	2H 2020	2H 2019	2H 2020	2H 2019
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b>Balance at beginning of the financial period</b>	778,150	807,879	261,785	303,114
<b><u>Operations</u></b>				
Total (loss)/return after tax attributable to unitholders of Trust	(364,905)	18,042	(82,094)	15,965
<b><u>Translation transactions</u></b>				
Net movement in foreign exchange reserve	(526)	(24)	-	-
<b><u>Unitholders' transactions</u></b>				
Manager's management fees paid in units	3,784	4,906	3,784	4,906
Amount reserved for distribution to perpetual securities holders	(1,718)	(1,718)	(1,718)	(1,718)
Distribution to Unitholders	(11,693)	(34,249)	(11,693)	(34,249)
<b>Balance at end of the financial period</b>	403,092	794,836	170,064	288,018
<b><u>Perpetual Securities Holders' Fund</u></b>				
<b>Balance at beginning of the financial period</b>	60,859	60,850	60,859	60,850
Amount reserved for distribution to perpetual securities holders	1,718	1,718	1,718	1,718
Distribution to perpetual securities holders	(1,699)	(1,690)	(1,699)	(1,690)
<b>Balance at end of the financial period</b>	60,878	60,878	60,878	60,878
<b>Total</b>	463,970	855,714	230,942	348,896

**Note:**

- 1) In 2016, the Trust issued S\$60.0 million of subordinated perpetual securities. The perpetual securities confer a right to receive distribution payments at the rate of 5.68% per annum, with the first distribution rate reset falling on 8 July 2021 and subsequent resets occurring every five years thereafter. Distributions under the perpetual securities will be payable semi-annually in arrears on 8 January and 8 July in each year on a discretionary basis. Any distribution unpaid will be non-cumulative in accordance with the terms and conditions of the perpetual securities.

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**1(d)(i) Statements of Changes in Unitholders' Funds (Cont'd)**

Note	Group		Trust	
	FY 2020 S\$'000	FY 2019 S\$'000	FY 2020 S\$'000	FY 2019 S\$'000
<b>Balance at beginning of the financial year</b>	794,836	808,275	288,018	317,848
<b><u>Operations</u></b>				
Total (loss)/return after tax attributable to unitholders of Trust	(352,410)	48,916	(78,784)	32,392
<b><u>Translation transactions</u></b>				
Net movement in foreign exchange reserve	(164)	(133)	-	-
<b><u>Unitholders' transactions</u></b>				
Manager's management fees paid in units	8,020	9,471	8,020	9,471
Amount reserved for distribution to perpetual securities holders	(3,417)	(3,408)	(3,417)	(3,408)
Distribution to Unitholders	(43,773)	(68,285)	(43,773)	(68,285)
<b>Balance at end of the financial year</b>	403,092	794,836	170,064	288,018
<b><u>Perpetual Securities Holders' Fund</u></b>				
<b>Balance at beginning of the financial year</b>	60,878	60,878	60,878	60,878
Amount reserved for distribution to perpetual securities holders	3,417	3,408	3,417	3,408
Distribution to perpetual securities holders	(3,417)	(3,408)	(3,417)	(3,408)
<b>Balance at end of the financial year</b>	60,878	60,878	60,878	60,878
<b>Total</b>	463,970	855,714	230,942	348,896

**Note:**

- 1) In 2016, the Trust issued S\$60.0 million of subordinated perpetual securities. The perpetual securities confer a right to receive distribution payments at the rate of 5.68% per annum, with the first distribution rate reset falling on 8 July 2021 and subsequent resets occurring every five years thereafter. Distributions under the perpetual securities will be payable semi-annually in arrears on 8 January and 8 July in each year on a discretionary basis. Any distribution unpaid will be non-cumulative in accordance with the terms and conditions of the perpetual securities.

**1(d)(ii) Details of any changes in the issued and issuable units**

Note	Trust			
	2H 2020	2H 2019	FY 2020	FY 2019
<b>Balance at beginning of period/year</b>	802,343,424	792,782,115	797,674,515	788,479,925
Unitholders transactions:				
- Manager's management fees paid in units	4,862,927	4,892,400	9,531,836	9,194,590
<b>Balance at end of period/year</b>	807,206,351	797,674,515	807,206,351	797,674,515
New units to be issued:				
- Manager's management fees payable in units	3,494,202	2,318,459	3,494,202	2,318,459
<b>Total issued and issuable units</b>	810,700,553	799,992,974	810,700,553	799,992,974

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**1(d)(ii) Details of any changes in the issued and issuable units (Cont'd)**

Note:

- 1) The manager's management fees payable in units comprise 1,257,883 units for 4Q 2019 performance fee and 2,236,319 units for 4Q 2020 base fee.

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.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of current financial period and as at the end of the immediately preceding year**

	Trust	
	31 Dec 2020	31 Dec 2019
Issued units at end of period/year	807,206,351	797,674,515

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

Not applicable.

**1(d)(v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on**

Not applicable.

**2. 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.

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

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been applied**

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation applied in the financial statements for the current financial period are consistent with those applied in the audited financial statements for the year ended 31 December 2019.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

The Group adopted a number of new standards, amendments to standards and interpretations that are effective for annual periods beginning on or after 1 January 2020. The adoption of new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements of the Group.

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**6. Earnings per unit (“EPU”) and available distribution per unit (“DPU”) for the financial period**

	<b>Group</b>			
	<b>2H 2020</b>	<b>2H 2019</b>	<b>FY 2020</b>	<b>FY 2019</b>
<b><u>Earnings per unit</u></b>				
Weighted average number of units in issue	804,929,842	794,753,727	802,633,576	793,375,888
<b><u>Earnings per unit in cents attributable to unitholders</u></b>				
Basic and fully diluted basis	(45.55)	2.05	(44.33)	5.74
<b><u>Distribution per unit</u></b>				
Number of units in issue	807,206,351	797,674,515	807,206,351	797,674,515
<b><u>Distribution per unit in cents Attributable to unitholders</u></b>				
Based on the number of units in issue at the end of the period/year	1.85	4.30	4.15	8.60

**7. Net asset value (“NAV”) per unit at the end of the period**

	<b>Group</b>		<b>Trust</b>	
	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
<b>Net asset value per unit (cents)</b>	49.94	99.64	21.07	36.11

**8. Review of the performance**

2H 2020 vs 2H 2019

Rental and other income for 2H 2020 decreased by 28.9% to S\$41.0 million compared to 2H 2019 mainly due to additional two-month rental relief for September and October 2020 extended to Indonesia tenants to alleviate the economic distress caused by the COVID-19 pandemic.

Property operating expenses for 2H 2020 decreased by 4.3% to S\$1.1 million compared to 2H 2019 mainly due to lower property expenses for Indonesia properties.

Manager’s management fees for 2H 2020 decreased by 18.3% to S\$4.7 million compared to 2H 2019 mainly due to lower net property income and total assets.

Trustee fees for 2H 2020 decreased by 6.5% to S\$0.2 million compared to 2H 2019 mainly due to lower total assets.

Finance costs for 2H 2020 decreased to S\$7.9 million compared to 2H 2019 mainly due to lower interest rates.

Other expenses for 2H 2020 increased to S\$4.2 million compared to 2H 2019 mainly due to project expenses incurred.

Net fair value losses on investment properties increased to S\$401.4 million compared to 2H 2019 mainly due to the valuation of certain Indonesia properties have taken into consideration the terms arising from (a) the Memorandum of Understanding entered into between Perpetual (Asia) Limited (as trustee of First REIT) and PT. Lippo Karawaci Tbk dated 28 November 2020 as announced in First REIT’s announcement on 29 November 2020 titled “Restructuring of Master Leases” (the “Restructuring Announcement”); (b) the Memorandum of Understanding entered into between the Trustee and PT. Metropolis Propertindo Utama dated 28 November 2020 as announced in the Restructuring Announcement; and (c) existing occupation arrangements of the properties not affected by (a) or (b) .

Net change in fair value of derivative financial instruments for 2H 2020 relates to the revaluation gains on the interest rate swap contracts.

**8. Review of the performance (Cont'd)**

Income tax benefit for 2H 2020 of S\$12.3 million compared to income tax expense for 2H 2019 mainly due to write back of provision for deferred taxation on net fair value losses on investment properties.

Total return after tax for 2H 2020 decreased as compared to 2H 2019 mainly due to fair value losses on revaluation of investment properties. Excluding changes in fair value on revaluation of investment properties net of deferred tax, net changes in fair value of derivative financial instruments and unrealised exchange gains from USD loan, total return after tax for 2H 2020 will decrease by 49.8% to S\$16.0 million compared to 2H 2019 of S\$31.8 million mainly due to additional two-month COVID-19 rental relief for September and October 2020 provided to Indonesia tenants and higher project expenses incurred.

FY 2020 vs FY 2019

Rental and other income for FY 2020 decreased by 30.9% to S\$79.6 million compared to FY 2019 mainly due to a two-month COVID-19 rental relief for May and June 2020 provided to all tenants and an additional two-month rental relief for September and October 2020 extended to Indonesia tenants to alleviate the economic distress caused by the COVID-19 pandemic.

Property operating expenses for FY 2020 decreased by 10.4% to S\$2.2 million compared to FY 2019 mainly due to the lower property expenses incurred for Indonesia properties and property tax rebates received for Singapore property.

Interest income for FY 2020 decreased to S\$1.4 million compared to FY 2019 mainly due to termination of development of new Siloam Hospitals Surabaya on 29 June 2020.

Manager's management fees for FY 2020 decreased by 17.5% to S\$9.4 million compared to FY 2019 mainly due to lower net property income and total assets.

Trustee fees for FY 2020 decreased by 3.3% to S\$0.4 million compared to FY 2019 mainly due to lower total assets.

Finance costs for FY 2020 decreased to S\$17.8 million compared to FY 2019 mainly due to lower interest rates.

Other expenses for FY 2020 increased to S\$5.7 million compared to FY 2019 mainly due to project expenses incurred.

Net fair value losses on investment properties increased to S\$401.4 million compared to 2H 2019 mainly due to the valuation of certain Indonesia properties have taken into consideration the terms arising from (a) the Memorandum of Understanding entered into between Perpetual (Asia) Limited (as trustee of First REIT) and PT. Lippo Karawaci Tbk dated 28 November 2020 as announced in First REIT's announcement on 29 November 2020 titled "Restructuring of Master Leases" (the "Restructuring Announcement"); (b) the Memorandum of Understanding entered into between the Trustee and PT. Metropolis Propertindo Utama dated 28 November 2020 as announced in the Restructuring Announcement; and (c) existing occupation arrangements of the properties not affected by (a) or (b) .

Net change in fair value of derivative financial instruments relates to the revaluation losses of interest rate swap contracts.

Income tax benefit for FY 2020 of S\$5.8 million as compared to income tax expense for FY 2019 mainly due to write back of provision for deferred taxation on net fair value losses on investment properties.

Total return after tax for FY 2020 decreased as compared to FY 2019 mainly due to fair value losses on revaluation of investment properties. Excluding changes in fair value on revaluation of investment properties net of deferred tax, net changes in fair value of derivative financial instruments and unrealised exchange gains from USD loan, total return after tax for FY 2020 will decrease by 48.0% to S\$32.8 million compared to FY 2019 of S\$63.1 million mainly due to a two-month COVID-19 rental relief for May and June 2020 provided to all tenants and an additional two-month rental relief for September and October 2020 extended to Indonesia tenants as well as higher project expenses incurred.

**9. 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 quarter are in line with the commentary made in paragraph 10 of the previous quarter.

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

“The outlook of the healthcare sector is resilient both in Indonesia and globally. Additionally, we remain confident in First REIT’s future, given that we have a strong and reputable hospital operator, PT Siloam International Hospitals Tbk, who is the most progressive and innovative healthcare provider in Indonesia. We believe it will continue to outperform its peers in Indonesia, thereby generating long-term growth for our hospitals. With the proposed MLAs restructuring, First REIT will have greater certainty on its cash flows and valuations. Through the recapitalisation exercise, our gearing will be reduced and we will have a debt headroom in excess of S\$300 million. This ensures that First REIT is well-placed to seize yield-accretive acquisition opportunities outside of Indonesia and drive diversification efforts either through our sponsor, OUE Lippo Healthcare Limited’s Pan-Asian healthcare network which spans countries like Japan, China and Myanmar, or from third parties,” concluded Mr Tan.

Indonesia’s gross domestic product (“GDP”) contracted 3.49% y-o-y in the third quarter of 2020, mainly due to a 4.0% decrease in household consumption and a 6.5% decrease in investment driven by the COVID-19 pandemic. On a quarter-on-quarter basis, GDP rose 5.05%, after a 4.19% contraction in the second quarter<sup>1</sup>. At the final meeting of the year, Bank Indonesia kept its key interest rate unchanged at 3.75% after five rounds of interest rate reduction to support Indonesia’s pandemic-hit economy during the year<sup>2</sup>.

Looking ahead, according to a report by Organization for Economic Co-operation and Development (“OECD”), Indonesia’s GDP is poised to grow at 7.9% in 2021, making it the second-fastest growing economy in the world after China<sup>3</sup>. The Indonesian parliament approved a state budget of IDR2.75 quadrillion for 2021, with substantial investments directed towards strengthening the healthcare system.

While Indonesia has been significantly affected by the pandemic with over 758,000 virus cases as of 2 January 2021, it has taken steps to enforce social distancing restrictions in the worst-hit zones, secured close to 300 million doses of COVID-19 vaccines from various pharmaceutical companies and started distribution of its first delivery of vaccine to all its 34 provinces on 2 January 2021<sup>4,5</sup>.

The COVID-19 pandemic has impacted businesses globally, First REIT has and will continue to work with its tenants to ensure strict precautionary measures that prioritise the health and safety of all its patients, medical staff and visitors across all its properties.

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<sup>1</sup> 6 November 2020, Business Times – Indonesia sinks into first recession in over 20 years

<sup>2</sup> 18 December 2020, Business Times – Bank Indonesia keeps key rates unchanged at final meeting of 2020

<sup>3</sup> 15 December 2020, Business Times – Indonesia poised for strong economic rebound in 2021

<sup>4</sup> 30 December 2020, Straits Times – Indonesia set to secure 100m doses of vaccines from two drugmakers

<sup>5</sup> 3 January 2021, Business Times – Indonesia starts nationwide Sinovac vaccine distribution: Kompas

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**11. Distributions**

11(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 October 2020 to 31 December 2020

i. Distribution Type Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.10
Capital	0.74
Total	0.84

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.



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

11(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 October 2019 to 31 December 2019

i. Distribution Type Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.09
Tax-Exempt Income	1.15
Capital	0.91
Total	2.15

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%.

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.

11(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 27 January 2021 for the purposes of determining each Unitholder's entitlement to First REIT's distribution. The ex-distribution date will be on 26 January 2021 at 9.00am.

11(d) Date Payable: 24 March 2021

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

Not applicable.

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

First REIT has not obtained a general mandate from unitholders.

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**14. Segment Reporting**

No business segmental result has been prepared as all the investment properties are mainly used for healthcare and/or healthcare-related purposes. The main segment would be by geographical areas.

	<b>Indonesia</b>	<b>Singapore</b>	<b>Korea</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2020</b>				
Rental and other income	75,129	3,678	812	79,619
Net property and other income	74,249	3,353	(137)	77,465
Interest income	1,345	91	-	1,436
Manager's management fees				(9,410)
Trustee fees				(416)
Finance costs				(17,826)
Other trust expenses				(5,703)
Net income before undernoted				45,546
Net fair value losses on investment properties	(396,641)	(912)	(3,834)	(401,387)
Net losses in fair value of derivative financial instruments				(2,391)
Net loss for the year before income tax				(358,232)
Income tax benefit/(expense)	6,961	(1,467)	328	5,822
Total loss for the year after income tax				(352,410)
<b>2019</b>				
Rental and other income	110,357	3,994	946	115,297
Net property and other income	109,168	3,492	234	112,894
Interest income	2,234	130	-	2,364
Manager's management fees				(11,401)
Trustee fees				(430)
Finance costs				(20,390)
Other trust expenses				(1,002)
Net income before undernoted				82,035
Net fair value losses on investment properties	(4,691)	(512)	(404)	(5,607)
Net losses in fair value of derivative financial instruments				(1,040)
Net income for the year before income tax				75,388
Income tax (expense)/benefit	(26,581)	99	10	(26,472)
Total return for the year after income tax				48,916

	<b>Indonesia</b>	<b>Singapore</b>	<b>Korea</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Assets and liabilities</b>				
<b>2020</b>				
Segment assets including properties	951,431	45,102	8,375	1,004,908
Total assets				1,004,908
<b>2019</b>				
Segment assets including properties	1,352,673	63,917	10,546	1,427,136
Total assets				1,427,136

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**15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business and geographical segments.**

Refer to the review of actual performance on paragraph 8.

**16. A breakdown of sales as follows:**

	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>	<b>Changes</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Gross revenue reported for first half year	38,598	57,636	(33.0%)
Total return after income tax for first half year	12,495	30,874	(59.5%)
Total return after income tax but before change in fair values of investment properties net of deferred tax, net change in fair value of derivative financial instruments and unrealized exchange from USD loan for first half year	16,802	31,251	(46.2%)
Gross revenue reported for second half year	41,021	57,661	(28.9%)
Total (loss)/return after income tax for second half year	(364,905)	18,042	NM
Total return after income tax but before change in fair values of investment properties net of deferred tax, net change in fair value of derivative financial instruments and unrealized exchange from USD loan for second half year	15,972	31,821	(49.8%)

**17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:**

	<b>Latest Full Year</b>	<b>Previous Full Year</b>
	<b>\$'000</b>	<b>\$'000</b>
Distribution to unitholders	43,773	68,285

**18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual, First REIT Management Limited (the "Company"), as manager of First Real Estate Investment Trust ("First REIT") wishes to confirm that there was no person occupying managerial position in the Company or any of its principal subsidiaries who is a relative of a Director or Chief Executive Officer or Substantial Shareholder of the Company or Substantial Unitholder of First REIT for the financial year ended 31 December 2020.

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**19. 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 31 December 2020:

- 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 fulfil, 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 31 December 2020 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.

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

The Manager do hereby confirms that it has procured undertakings from all the directors and executive officers.

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  
14 January 2021