



First REIT

Forging ahead post-restructuring

SINGAPORE | REIT | INITIATION

- Indonesian hospital assets enjoy a long WALE of 11 years with a minimum annual rental escalation of 4.5% or a performance-based rent. FY23 rental income from Indonesia grew 7.6% in local terms, due to strong hospital revenue and performance rents.
- Capitalising on Japan's aging population by expanding into Japan in 1Q22 by acquiring 12 nursing homes from its sponsor OUEH and a further 2 in 3Q22 from a third party. Targeting to increase the portfolio in developed markets to more than 50% of AUM by 2027, while simultaneously reducing exposure to Indonesia as a percentage of total income.
- First REIT is trading at an attractive 20% discount to NAV and a forward FY24e distribution yield of 9.6%. We initiate coverage with a BUY recommendation on First REIT with a DDM-derived target price of S\$0.30.

Company Background

First REIT (FIRT) is Singapore's first healthcare REIT focused on investing in income-producing real estate assets primarily used for healthcare-related purposes. Its S\$1.14bn portfolio consists of 32 properties comprising 15 in Indonesia (74.5% of assets under management), 14 in Japan (22.7%), and 3 in Singapore (2.8%). FIRT's sponsors are OUE Limited and OUE Healthcare Limited (OUEH). FIRT has the right-of-first-refusal (ROFR) from OUEH, and a ROFR for a pipeline of hospitals from Lippo Karawachi (LPKR), a majority shareholder of Siloam. Siloam International Hospitals (38.7%) and LPKR (34.9%) are major tenants.

Key Investment Merits

- **Restructured MLA and a long portfolio WALE of 11.3 years ensure long term cash flow visibility.** The new MLA includes a minimum annual rental escalation of 4.5% or a performance-based rent of 8% of the hospital's Gross Operating Revenue (GOR) from the preceding financial year, denominated in IDR, for the Indonesian hospitals. Currently, 3 of the 14 hospitals are already paying performance-based rent, and more may start contributing as the operational performance of the hospitals improves. Furthermore, with Siloam added as a party to the new Tripartite MLAs, the exposure to LPKR will decrease from c.88% before the restructuring to 18.7%, assuming that rentals for each of the Tripartite MLAs beyond 2026 are calculated based on the performance-based rent. LPKR has been experiencing tight cash flow since FY19.
- **Recycling capital to fund expansion plans.** FIRT plans to divest some of its non-core and mature assets to fund its expansion plans. Currently, Imperial Aryaduta Hotel and Country Club (IAHCC) has been identified as a non-core asset and is being marketed for divestment. The manager is also exploring divesting into some of the older nursing homes in Japan to recycle the proceeds and buy newer, better nursing homes in Japan. FIRT is also open to divesting some of its mature Indonesian hospitals, if the conditions are right.
- **Expansion into developed markets.** After expanding into Japan in FY22, FIRT plans to diversify further into developed markets, with a target of having >50% of AUM in developed markets by FY27. This could be done through further acquisitions in Japan or Australia. This will help reduce exposure to Indonesia and the depreciating Indonesian Rupiah against the strong Singapore Dollar.

We initiate coverage on First REIT with a BUY rating and a DDM-derived target price of S\$0.30, based on a COE of 10.5% and a terminal growth rate of 2%. We forecast a DPU of 2.36 cents for FY24e and 2.51 cents for FY25e, translating into a forward yield of 9.6% and 10.3%, respectively.

5 July 2024

BUY (INITIATION)

LAST CLOSE PRICE	SGD 0.25
FORECAST DIV	SGD 0.02
TARGET PRICE	SGD 0.30
TOTAL RETURN	34.1%

COMPANY DATA

BLOOMBERG CODE:	FIRT SP
O/S SHARES (MN) :	2,086
MARKET CAP (\$ mn / SGD mn) :	378 / 511
52 - WK HI/LO (SGD) :	0.27 / 0.21
3M Average Daily T/O (mn) :	1.17

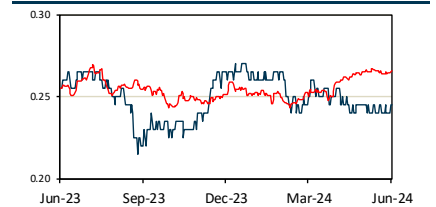
MAJOR SHAREHOLDERS (%)

OUE REALTY PTE LTD	35.1%
FIRST REIT MGMT LIMITED	9.9%
VANGUARD GROUP INC	1.9%

PRICE PERFORMANCE (%)

	1MTH	3MTH	YTD
COMPANY	0.0	2.4	(3.0)
STTF RETURN	0.0	5.0	4.8

PRICE VS. STTF



Source: Bloomberg, PSR

KEY FINANCIALS

Y/E Dec (S\$m)	FY22	FY23	FY24e	FY25e
Gross Revenue	111.3	108.6	103.2	102.1
NPI	108.6	105.3	100.2	99.1
Dist. Inc.	52.4	51.4	49.4	53.1
P/NAV (x)	0.80	0.81	0.80	0.80
DPU (\$ cents)	2.64	2.48	2.36	2.51
Dist. Yield (%)	10.78	10.11	9.63	10.26

Source: Company, PSR

VALUATION METHOD

DDM (Cost of Equity: 10.5%; Terminal g: 2%)

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Background

First REIT (FIRT) was listed on the SGX in Dec 2006. It is a healthcare real estate investment trust (REIT) focused on investing in diverse yield-accretive healthcare and healthcare-related real estate assets within and outside of Asia. First REIT is managed by First REIT Management Limited (the manager), which is headquartered in Singapore. The Manager is 60% directly held by OUE Limited (OUE) and 40% directly held by OUE Healthcare Limited (OUEH), who together are its Sponsors and hold a combined stake in First REIT of 44.7% as at Dec 23.

FIRT has a portfolio of 32 properties across Asia, with a total AUM of S\$1.14 billion as at Dec23. These include 15 properties in Indonesia comprising 11 hospitals, two integrated hospitals & malls, an integrated hospital & hotel, and one hotel & country club; three nursing homes in Singapore; and 14 nursing homes in Japan. FIRT’s healthcare properties in Indonesia are operated by PT Siloam International Hospitals Tbk (Siloam), while healthcare properties in Singapore and Japan are operated by well-established third-party operators.

The Sponsors

OUE Limited (OUE): Listed on the Main Board of the SGX, OUE is a leading real estate and healthcare group. Its activities include developing, investing, and managing real estate assets across the commercial, hospitality, retail, residential, and healthcare sectors. As of Dec 23, OUE’s total assets were valued at S\$9.3bn, with S\$7.9bn in funds under management.

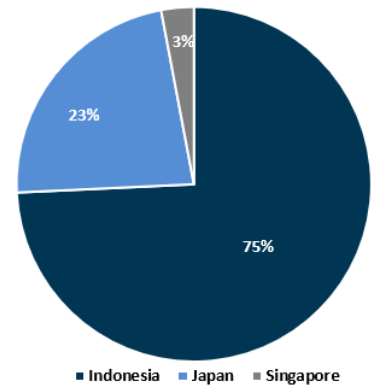
OUE Healthcare Limited (OUEH): Listed on the Catalist Board of the SGX, OUEH is a regional healthcare group with an extensive network of healthcare businesses across fast-growing markets in Asia. It currently owns, operates, and invests in healthcare businesses in Singapore, China, Myanmar, Indonesia, and Japan. OUEH is a subsidiary of OUE Limited. In 1Q22, FIRT leveraged its sponsor’s network and made its first foray into Japan by acquiring 12 nursing homes from OUEH.

The Master Lease Structure

The restructured Master Lease Agreement (MLA) that took effect in January 2021 for its Indonesian hospitals (excluding Lippo Cikarang, whose lease expires in December 2025) is the higher of an annual fixed base rent escalation of 4.5% or 8% of the hospital’s Gross Operating Revenue (GOR) in the preceding financial year and is denominated in IDR. Three hospitals (Siloam Hospitals Kebon Jeruk, Siloam Hospitals Purwakarta, and Siloam Sriwijaya) are paying performance-based rent.

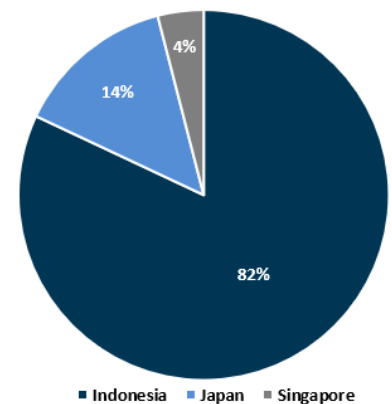
For the 14 Japan properties, annual rental is a fixed amount. Upon negotiation, it may be revised upwards every 2 to 3 years for 12 assets and every five years for two assets based on the increase in Japan’s CPI and interest rates. Singapore properties have a fixed base rental and a fixed annual increment of 2%. Most of FIRT’s properties are on triple net lease terms, where the master lessees bear all operating costs relating to the properties, including utilities, maintenance, insurance, and taxes.

Figure 1: AUM breakdown by country (as at Dec 23)



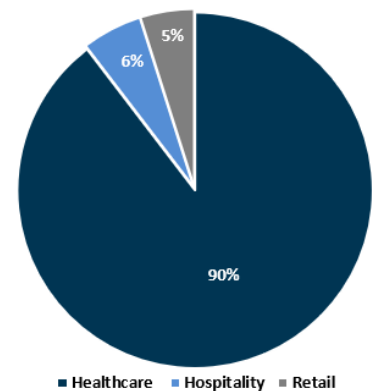
Source: Company, PSR

Figure 2: Revenue breakdown by country (as at Dec 23)



Source: Company, PSR

Figure 3: Rental income by trade sector (as at Dec 23)



Source: Company, PSR

Figure 4: MLAs in FIRT's countries of operations

	Rent escalation	Lease type
Indonesia	Higher of (i) base rent escalation of 4.5% or (ii) performance-based rent escalation of 8% of hospital's gross operating revenue in the preceding financial year.	Cost of utilities and repair managed by Master Lessees in triple net lease agreements.
Japan	Annual rental may be revised upwards upon negotiation every 2 to 3 years for 12 assets and every 5 years for 2 assets. Negotiation is based on the increase in Japan's CPI and interest rates.	Cost of utilities managed by Master Lessees in single net lease and triple net lease agreements.
Singapore	Fixed base rental with annual increment of 2%.	Cost of utilities and repair managed by Master Lessees in double net lease and triple net lease agreements.

Source: Company, PSR

Reduction of LPKR concentration

FIRT has 11 tenants, and its largest are Siloam and LPKR, contributing 38.7% and 34.9% of FY23 rental income, respectively. Based on the terms of the Tripartite MLAs, from 1 October 2026, Siloam will pay 6.5% of the preceding year's gross operating revenue (GOR), leaving LPKR or MPU to pay 1.5% of the preceding year's GOR, assuming performance-based rent is achieved. As a result, Siloam's direct rental contribution is projected to rise from c.50% in FY22 to 81.3% in the long term. In 1Q24, Siloam contributed 56.1% of the rental income from the hospitals in Indonesia, while LPKR or MPU contributed the balance of 43.9%. This brings more assurance of future rental collections as LPKR contributed most of the rent before the restructuring. Siloam is the largest hospital chain in Indonesia. It has continued to see strong free cash flow since FY20 due to steady growth in patient volumes, while LPKR, a property developer, has been in the red from FY19 to FY22 and is experiencing tight cash flow.

Previously, the biggest concern for FIRT was whether LPKR could continue to pay rent. However, with the restructured MLAs and its percentage of rental contribution decreasing from c.88% before the restructuring to c.43.9% in FY23 and expected to drop to less than 20% in the long run, FIRT's risk profile has improved.

Figure 5: Rental Income by tenant mix

Tenants	% of FY23 Rental Income
1) PT Siloam International Hospitals Tbk and subsidiaries ("Siloam")	38.7%
2) PT Lippo Karawaci Tbk and subsidiaries (LPKR) (excluding Siloam)	34.9%
3) Hikari Heights Varus Co., Ltd.	10.3%
4) PT Metropolis Propertindo Utama and subsidiaries (MPU)	5.9%
5) Safety Life Co., Ltd.	2.3%
6) The Lentor Residence Pte. Ltd.	2.0%
7) Orchard Care Co., Ltd.	1.7%
8) Precious Homes Pte. Ltd.	1.3%
9) Precious Homes Bukit Panjang Pte. Ltd.	1.3%
10) Benesse Style Care Co., Ltd.	1.0%
11) Social Welfare Research Institute Co., Ltd.	0.6%
Total	100.0%

Source: Company, PSR

Long Weighted Average Lease Expiry (WALE)

FIRT's portfolio WALE was 11.3 years as of Mar 24. 73.4% of leases have a WALE of more than ten years. The master lease of Imperial Aryaduta Hotel & Country Club (IAHCC) is renewed yearly pending its divestment.

Figure 6: Lease Expiry within 5 Years

Property	Expiry
Imperial Aryaduta Hotel & Country Club	Dec-24
Siloam Hospitals Lippo Cikarang	Dec-25
Pacific Healthcare Nursing Home @ Bukit Merah	Apr-27
Pacific Healthcare Nursing Home II @ Bukit Panjang	Apr-27
Medical and Rehabilitation Home Bon Séjour Komaki	May-27
The Lentor Residence	Jun-27
Hotel Aryaduta Manado	Nov-27

Source: Company, PSR

Portfolio underpinned by tertiary care hospitals

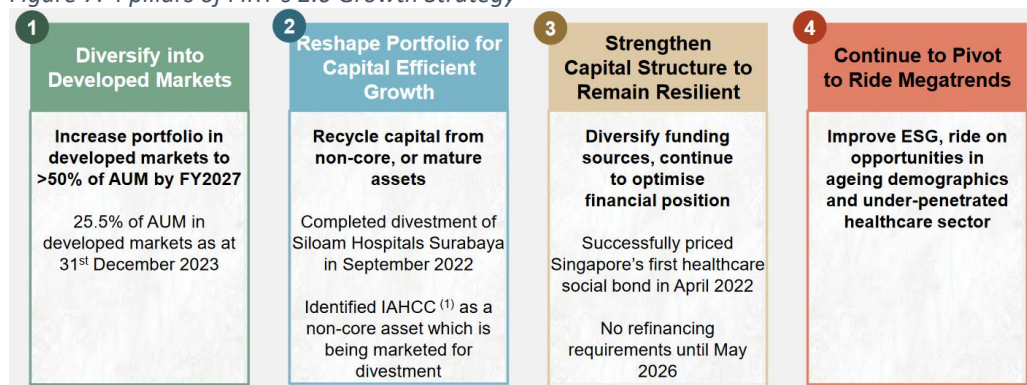
Tertiary care hospitals provide highly specialised consultative care and handle more complex cases. They have higher revenue intensity per patient and margins compared to primary and secondary care hospitals. Each of FIRT's hospitals has its own "Centre of Excellence," which focuses on selective branches of medicine such as Neuroscience, Cardiology, and Oncology. The resident and practising doctors are some of the nation's best in their respective fields, drawing patients from all over the country.

First REIT has also benefited from the strong Singapore Dollar, as some Indonesian patients at its hospitals, who used to travel to Singapore for medical tourism, have decided to seek treatment locally due to the increased costs in Singapore. Other potential customers could be from the Southeast Asia region, where they look to alternatives instead of Singapore to seek treatment due to affordability.

First REIT 2.0 Growth Strategy

Diversify into developed markets: FIRT aims to reduce its tenant concentration risk by increasing its portfolio in developed markets to more than 50% of AUM by 2027. It is focused on Japan, where interest rates are low, particularly in areas such as Tokyo, Fukuoka, and Yokohama, where the aging population is growing. It is also looking for acquisitions in countries such as Australia.

Reshape portfolio for capital efficient growth: Imperial Aryaduta Hotel and Country Club (IAHCC) has been identified as a non-core asset and is being marketed for divestment. The manager is also exploring divesting some of the nursing homes in Japan to recycle the proceeds and buy newer, better nursing homes in Japan. It is also open to divesting some of the mature hospitals in Indonesia to channel those funds into developed markets like Japan or Australia.

Figure 7: 4 pillars of FIRT's 2.0 Growth Strategy


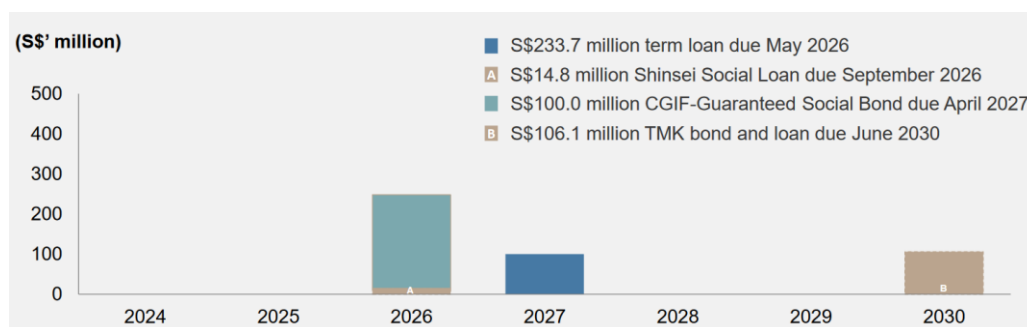
Source: Company

Capital management

FIRT has no refinancing requirements until May 26. As of 31 March 2024, its weighted average term to maturity is 3.3 years. 73.4% of debt is denominated in SGD, with the balance in JPY. Gearing is 38.8%, with an adjusted interest cover ratio of 3.7 times.

As of March 24, the all-in interest rate was 5% (1Q23: 4.7%; FY23: 5.0%). FIRT maintains a high interest rate hedge ratio of 87.1% of total loans. Given this, we expect borrowing costs to remain stable for FY24e. As about one-third of interest rate hedges expire at the end of this year, FIRT is positioned well to benefit from any rate cuts in FY24e.

FIRT has an outstanding perpetual bond with a face value of S\$33mn. Initially issued in 2016 as a S\$60mn facility, it was partially redeemed in FY22. The remaining portion has a 4.9817% coupon rate. The next reset date will be in July 2026.

Figure 8: Debt maturity profile


Source: Company

Resilient portfolio valuations

FIRT's total portfolio valuation stood at S\$1.14bn as of Dec 23, registering only a 0.5% YoY decline in spite of rising interest rates. Despite the weakening IDR, the valuation of the Indonesian portfolio improved by 2.8% YoY in SGD terms due to increased rent, a lower discount rate, and a lower terminal capitalisation rate. Japan's portfolio valuation fell 9.9% YoY in SGD terms mainly due to the depreciation of the JPY. Singapore's portfolio valuation fell 2.5% YoY due to a decreasing land tenure.

Fees

FIRT pays its REIT manager, First REIT Management Limited, a base fee of 0.4% p.a. of the value of FIRT's deposited property and a performance fee of 5% p.a. of the Net Property Income (NPI) of FIRT or the NPI of the relevant Special Purpose Vehicles for each year. The manager may elect to receive its management fees in cash, units, or a combination of both, and it is payable quarterly in arrears. From FY21-FY23, 50% of the manager's management fee was paid in units. We expect this arrangement to remain the same this year.

The manager's management fee was derived after deducting the asset management fee charged by the Japan Asset Management Company for managing Japan's properties.

Figure 9: FIRT's Fee Structure

FIRT's fee structure	
Manager's base fee	0.4% p.a. of deposited property value
Performance fee	5% p.a. of the Group's NPI
Trustee fee	Not exceeding 0.1% of the value of FIRT's deposited property
Acquisition fee	1% of the acquisition price
Divestment fee	0.5% of the sale price
Asset management fee	0.4% p.a. of the AUM in Japan, payable to the asset management company in Japan

Source: Company, PSR

Distribution policy: FIRT distributes at least 90% of its taxable income to Unitholders, with the actual level of distribution determined at the Manager's discretion. In FY23, the payout ratio was 100%. FIRT has consistently paid quarterly dividends.

Financials

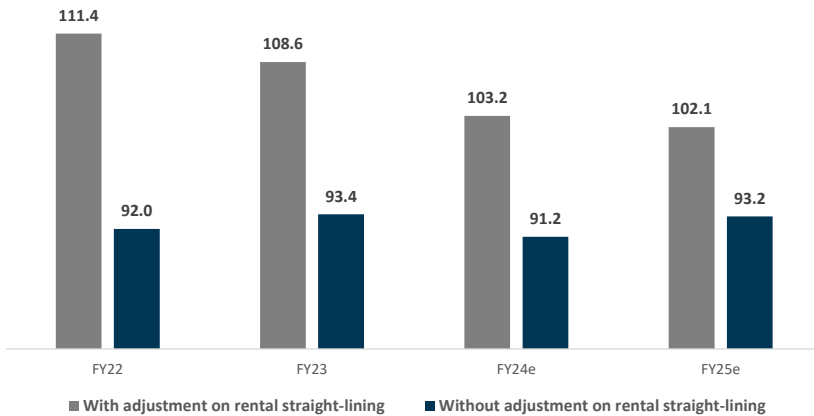
1Q24 Business Update

Revenue in 1Q24 dipped 2.7% YoY to S\$26.1mn due to the strong Singapore Dollar. Revenue in local currency terms grew 4.5% YoY for FIRT's Indonesia portfolio and grew 2% for its Singapore portfolio. As a result of higher interest rates, the distributable amount fell 2.2% YoY to S\$12.4mn, and DPU fell 0.02 Scents YoY to 0.6 Scents.

Revenue impacted by FX headwinds

We project revenue to decrease 5%/1% YoY in FY24e/25e due to strengthening of the Singapore Dollar against the Indonesian Rupiah and the Japanese Yen. Without FRS 116 adjustment on rental straight-lining, we forecast FY24e revenue to fall by 2% YoY and then rise by 2% in FY25e. To mitigate the impact of FX, FIRT intends to hedge around 50% of its income from Indonesia and Japan. As of March 24, around 34% of foreign-sourced income for FY24e has been hedged.

Figure 10: FIRT’s FY21-25e projected revenue (in S\$’mn)

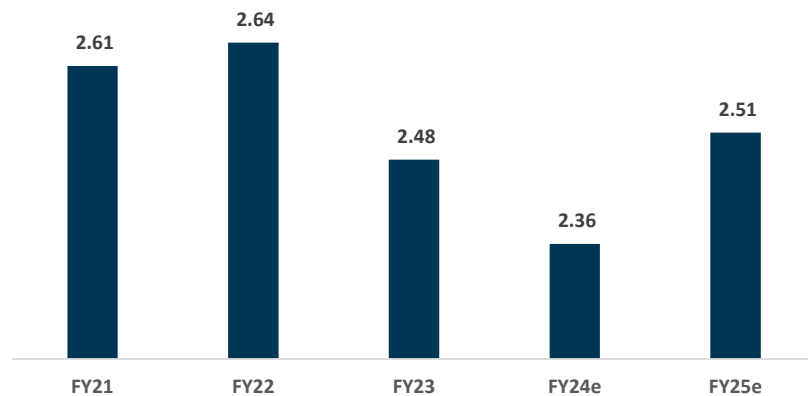


Source: Company, PSR

DPU is expected to recover in FY25e

Due to FX headwinds and higher interest rates, we expect DPU to fall 5% in FY24e. Despite the drop in DPU, FIRT still pays a forward FY24e dividend yield of c.9.8%. We expect DPU to recover in FY25e as interest rate pressures ease and further rental escalations kick in.

Figure 11: FIRT’s FY21-FY25e projected DPU (in Scents)



Source: Company, PSR

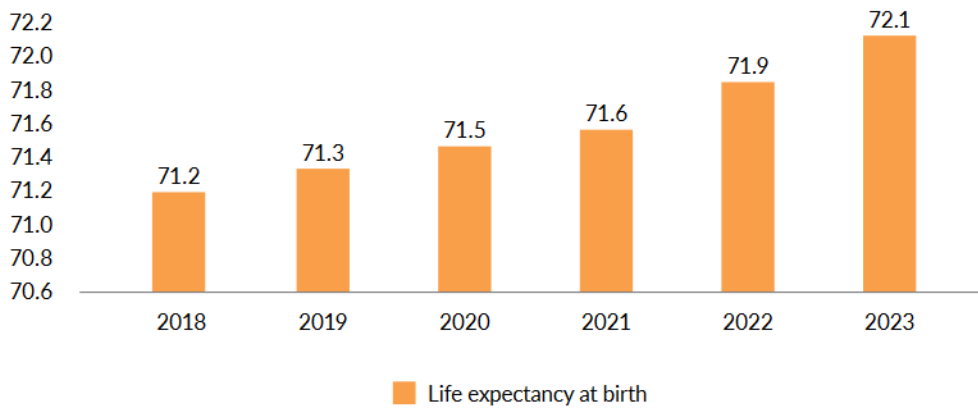
**Industry
Indonesia**

According to data from the Bureau Statistics of Indonesia, the total population was estimated at 275.8mn in 2022, placing the country among the top five largest in the world. Indonesia also registered a positive population growth trend, with an annual rate of 1.17% from 2020 to 2022, higher than global trends amid waning fertility rates, especially in more developed countries.

In Indonesia, the productive age of 15 to 64 has also shown a stable increase over the years, making up 69% of the total population in 2022. The high proportion of the productive age group could be associated with higher disposable income spent on expenses such as preventive healthcare. The increase in life expectancy (Figure 12) and the increase in fertility rate would also translate to an increase in demand for healthcare in the long term. It has been observed

that Indonesian patients who can afford it often opt to receive medical services at premium international-scale hospitals or even travel overseas for treatment. The government is also targeting to elevate the middle-class population to 80%, up from the current 20%, in its pursuit to become a high-income country by 2045. The rising affluence is expected to translate into a higher demand for quality healthcare in the long term.

Figure 12: Indonesia's life expectancy at birth (2018-2023)

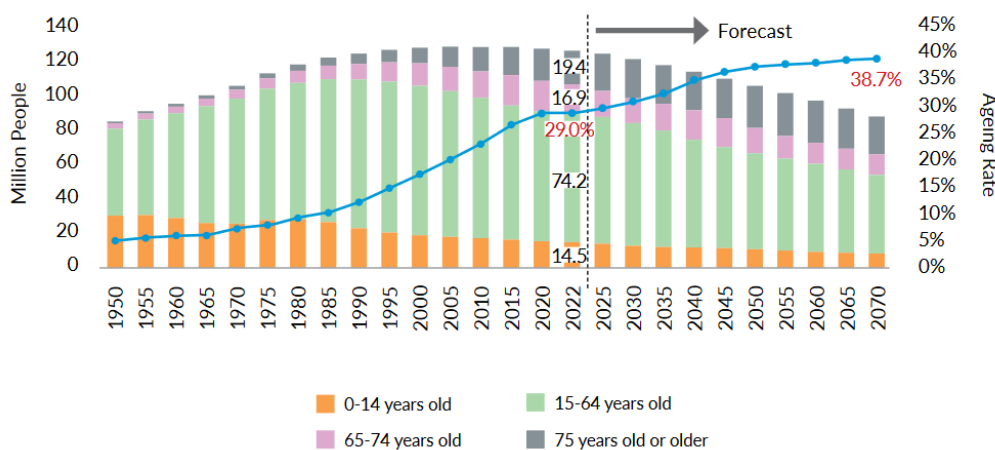


Source: Company, National Statistics Bureau, PT LEADS Property Services, CBRE

Japan

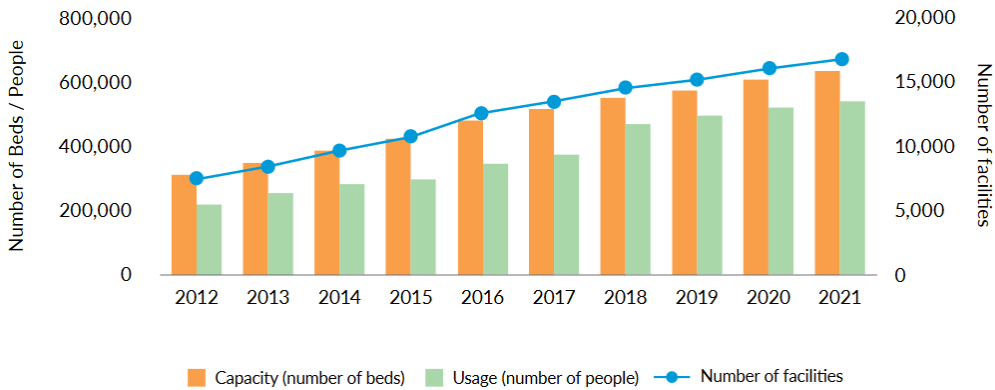
According to the annual report “Ageing Society 2023” released by the Cabinet Office of Japan, out of a total population of around 125mn in 2022, 36.2mn are seniors aged 65 years and over, accounting for approximately 29.0% of the total population. The ageing of the population is expected to accelerate even further, with the report estimating that by 2070, one in every 2.6 persons will be over 65 years of age, and one in every 4.0 persons will be over 75 years of age. Factors that contribute to the aging population include improved nutrition and advanced medical and pharmacological technologies. Hence, demand for healthcare facilities is expected to increase for some time to come.

Figure 13: Demographic trends by age in Japan (1950 to 2070)



Source: Company, CBRE Japan, Cabinet Office "Annual Report on the Ageing Society"

Figure 14: Nursing homes' facilities, capacity and usage

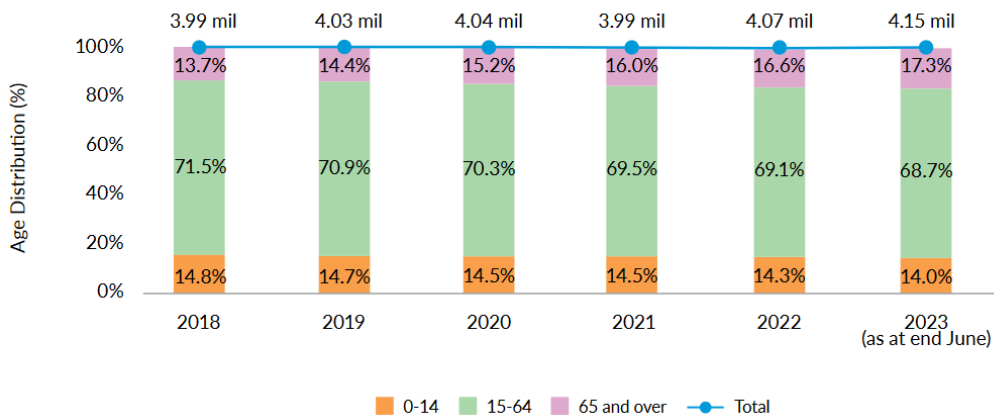


Source: CBRE Japan, Ministry of Health, Labour and Welfare, Survey of Social Welfare Facilities, Company

Singapore

Singapore is also one of the fastest-ageing nations in the world. Those aged 65 and above formed 17.3% of Singapore’s population as of Jun23, up from 13.7% in 2018 (Figure 15). This is projected to rise to 25% by 2030, similar to that in Japan and some European countries today. Nursing homes in Singapore were one of the fastest-growing health facility categories from 2018 to 2022, increasing by 11 facilities over the period (Figure 16). This is unsurprising given the Ministry of Health’s goal of almost doubling the number of nursing home beds to 31,000 by 2030 from 16,200 beds in 2020 to support the aging population.

Figure 15: Resident population by age distribution



Source: CBRE Singapore, SingStats, Company

Figure 16: Overall healthcare facilities in Singapore (2018 to 2022)

Healthcare Facilities	2018	2019	2020	2021	2022	CAGR
Hospitals (including Acute, Psychiatric, Community)	28	29	36	37	37	7.22%
Nursing Homes	72	77	77	80	83	3.62%
Polyclinics	20	20	20	23	23	3.56%
Private-General Practitioner Clinics	2,222	2,304	2,343	2,410	2,481	2.79%
Dental Clinics	1,122	1,097	1,107	1,147	1,204	1.78%
Pharmacies	258	256	259	261	251	

Source: CBRE Singapore, Ministry of Health, Company

Risks

Foreign exchange risk: As most rental revenue from Indonesia is collected in IDR after the restructured MLAs, First REIT is more susceptible to currency risk. However, the 4.5% annual rental escalation for its Indonesian hospitals helps to compensate investors for this risk. FIRT is also affected by the weakening JPY as income from Japan is collected in JPY. FIRT plans to mitigate the impact of FX risks by hedging at least 50% of foreign-sourced income. Furthermore, SGD appreciation may negatively impact valuations when overseas investment properties are translated back into SGD, potentially increasing gearing.

Valuation risk: The valuation of the Singapore portfolio might continue to fall due to decreasing land tenure. The valuation of the Indonesia portfolio should remain resilient due to an increase in rents. The valuation of the Japan portfolio is expected to remain stable due to cap rate compression driven by strong investment demand in Japan.

Interest rate risks: During periods of elevated interest rates, higher interest expenses may erode distributable income. FIRT has hedged 87% of its borrowings to mitigate this risk.

Country risk: FIRT has a large exposure to Indonesia and Japan, and any economic downturn in those countries could adversely impact its operations there, likely affecting DPU. Government policies, natural disasters, and political upheavals could also significantly impact FIRT.

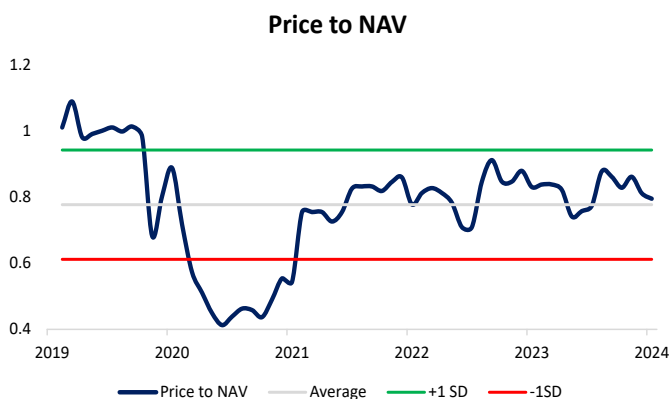
Concentration risks. Post-restructuring, FIRT was able to lower its exposure to LPKR by adding Siloam as a party to the tripartite MLAs, from c.88% (pre-restructuring) to less than 20% in the long term.

Income owed by MPU. As of March 24, MPU had S\$5.2mn in rentals outstanding. The manager is engaging closely with MPU on repayments.

Valuation

We initiate coverage on First REIT with a BUY recommendation and a price target of S\$0.30. Our valuation is based on DDM using a cost of equity of 10.5% and a 2% terminal growth rate. The current share price implies an FY24e dividend yield of 9.6%. FIRT is trading at 0.8x P/NAV, around its 5-year historical average.

Figure 17: Price/NAV of 0.8x is at 5-year average



Source: Company, PSR , Bloomberg

The only other healthcare REIT listed on the SGX is Parkway Life REIT. First REIT seems more attractive in terms of valuation (P/NAV) and dividend yield.

Figure 18: Peer comparison table

	Mkt. Cap. (S\$m)	3M Daily Average Volume	Price (S\$)	P/NAV	Trailing yield (%)	Returns YTD (%)	Gearing (%)	Adjusted Interest Coverage Ratio (x)	Cost of Debt (%)	% debt expiring in current FY	% debt expiring in next FY
Healthcare											
PARKWAYLIFE REIT	2,148	0.6	3.55	1.5	4.2	(2.5)	36.4	11.1	1.3	6.0	13.0
FIRST REIT	511	1.2	0.25	0.8	10.2	(9.4)	38.8	4.0	5.0	0.0	0.0

Source: Company, PSR , Bloomberg

Financials
Income statement

Y/E Dec, (S\$'000)	FY21	FY22	FY23	FY24e	FY25e
Gross revenue	102,346	111,275	108,568	103,229	102,109
Property expenses	(2,130)	(2,716)	(3,234)	(3,075)	(3,042)
Net property income	100,216	108,559	105,334	100,154	99,067
Net Finance (Expense)/Inc.	(16,889)	(19,157)	(22,191)	(22,100)	(22,043)
Manager's fees	(4,145)	(4,041)	(3,713)	(3,715)	(3,765)
Other items	(2,320)	73,043	(8,202)	(7,807)	(7,741)
FV change, derivatives & pptides	(1,052)	(106,450)	6,988	-	-
Net income before tax	75,810	51,954	78,216	66,533	65,518
Taxation	(12,697)	(18,369)	(14,877)	(13,307)	(13,104)
Net income after Tax	63,113	33,585	63,339	53,226	52,414
Distribution adjustments	(21,053)	18,765	(11,890)	(3,783)	726
Income available for distribution	42,060	52,350	51,449	49,444	53,140

Per unit data

Y/E Dec	FY21	FY22	FY23	FY24e	FY25e
NAV (S\$)	0.37	0.31	0.30	0.30	0.31
DPU (cents)	2.61	2.64	2.48	2.36	2.51

Cash Flow

Y/E Dec, (S\$'000)	FY21	FY22	FY23	FY24e	FY25e
CFO					
Net income before tax	75,810	51,954	78,216	66,533	65,518
Adjustments	(2,255)	27,386	3,731	14,392	17,473
WC changes	(2,552)	28,339	136	3,021	(3,188)
Cash generated from ops	71,003	107,679	82,083	83,946	79,803
Others	(4,421)	(14,599)	(12,128)	(13,307)	(13,104)
Cashflow from ops	66,582	93,080	69,955	70,639	66,700

CFI

Acquisitions	-	(25,777)	-	-	-
Capex, net	(662)	(4,306)	(4,923)	(4,898)	(4,971)
Others	5,899	12,424	300	392	450
Cashflow from investments	5,237	8,118	(4,623)	(4,506)	(4,521)

CCF

Proceeds from issuance of units	157,702	-	-	-	-
Loans, net of repayments	(145,557)	(14,532)	2,365	-	-
Distributions	(38,168)	(49,489)	(52,136)	(49,444)	(53,140)
Others	(14,054)	(38,630)	(19,489)	(19,130)	(19,302)
Cashflow from financing	(40,077)	(102,651)	(69,260)	(68,574)	(72,442)
Net change in cash	31,742	(1,453)	(3,928)	(2,440)	(10,263)
Cash at the start of the period	19,292	51,203	46,103	40,266	37,826
FX changes	169	(3,647)	(1,909)	-	-
Ending cash	51,203	46,103	40,266	37,826	27,562

Source: Company, Phillip Securities Research (Singapore) Estimates

Balance Sheet

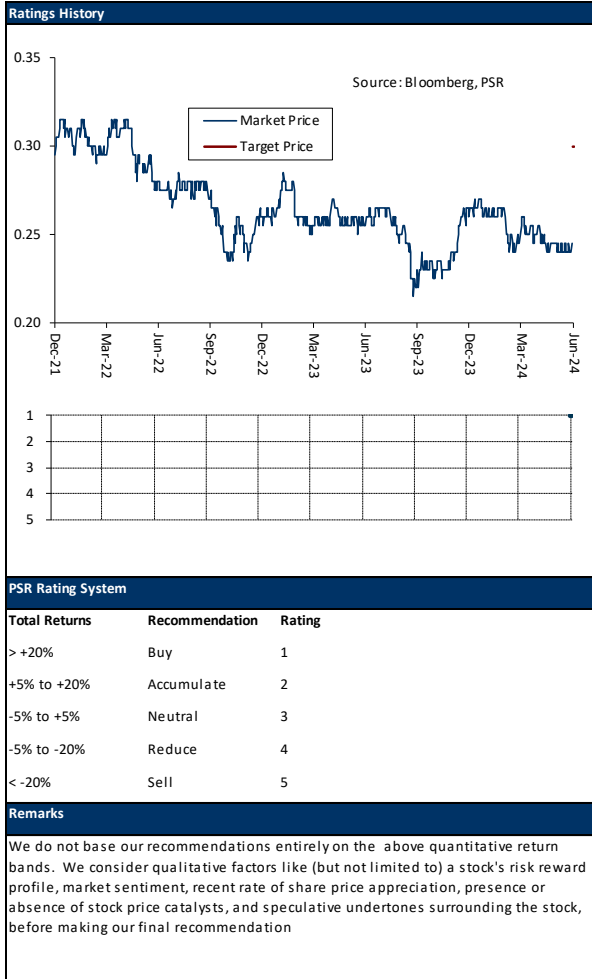
Y/E Dec, (S\$'000)	FY21	FY22	FY23	FY24e	FY25e
ASSETS					
Investment properties	962,447	1,145,343	1,139,468	1,156,415	1,170,293
Others	28	1,262	1	-	-
Total non-current assets	962,475	1,146,605	1,139,469	1,156,415	1,170,293
Trade receivables	32,488	5,027	6,249	4,473	6,133
Cash	51,203	46,103	40,266	37,826	27,562
Others	3,369	890	1,347	1,347	1,347
Total current assets	87,060	52,020	47,862	43,645	35,042
Total Assets	1,049,535	1,198,625	1,187,331	1,200,060	1,205,335
LIABILITIES					
Loans and borrowings	99,258	1,453	920	920	920
Trade payables	18,888	14,994	12,402	13,647	12,119
Others	9,015	4,744	4,369	4,369	4,369
Total current liabilities	127,161	21,191	17,691	18,936	17,408
Loans and borrowings	249,953	449,613	448,926	448,926	448,926
Others	20,601	62,459	60,548	60,548	60,548
Total non-current liabilities	270,554	512,072	509,474	509,474	509,474
Total Liabilities	397,715	533,263	527,165	528,410	526,882
Net assets	651,820	665,362	660,166	671,650	678,453
Represented by:					
Unitholders' funds	651,820	665,362	660,166	671,650	678,453

Valuation Ratios

Y/E Dec	FY21	FY22	FY23	FY24e	FY25e
P/NAV (x)	0.67	0.80	0.81	0.80	0.80
Distribution Yield (%)	10.6	10.8	10.1	9.6	10.3
NPI yield (%)	20.8	10.3	9.2	8.7	8.5

Growth & Margins

	FY21	FY22	FY23	FY24e	FY25e
Growth					
Revenue	-45.3%	8.7%	-2.4%	-4.9%	-1.1%
Net property income (NPI)	-14.6%	8.3%	-3.0%	-4.9%	-1.1%
Distributable income	-52.8%	24.5%	-1.7%	-3.9%	7.5%
DPU	0.5%	1.2%	-6.2%	-4.7%	6.6%
Margins					
NPI margin	97.9%	97.6%	97.0%	97.0%	97.0%
Key Ratios					
Net Debt or (Net Cash)	298,008	404,963	409,580	412,020	422,284
Gearing	33.3%	37.6%	37.9%	37.5%	37.3%



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