

PROPOSED RESTRUCTURING, RECAPITALISATION AND REPOSITIONING OF FIRST REIT

19 JANUARY 2021

A stylized illustration of a cityscape featuring two prominent skyscrapers with grid-like window patterns. The buildings are rendered in a light grey line-art style. In the foreground, there are several trees with rounded, green and orange foliage, and a traffic light is visible. The overall aesthetic is clean and modern.

ANCHORING VALUE
FOR SUSTAINABLE GROWTH

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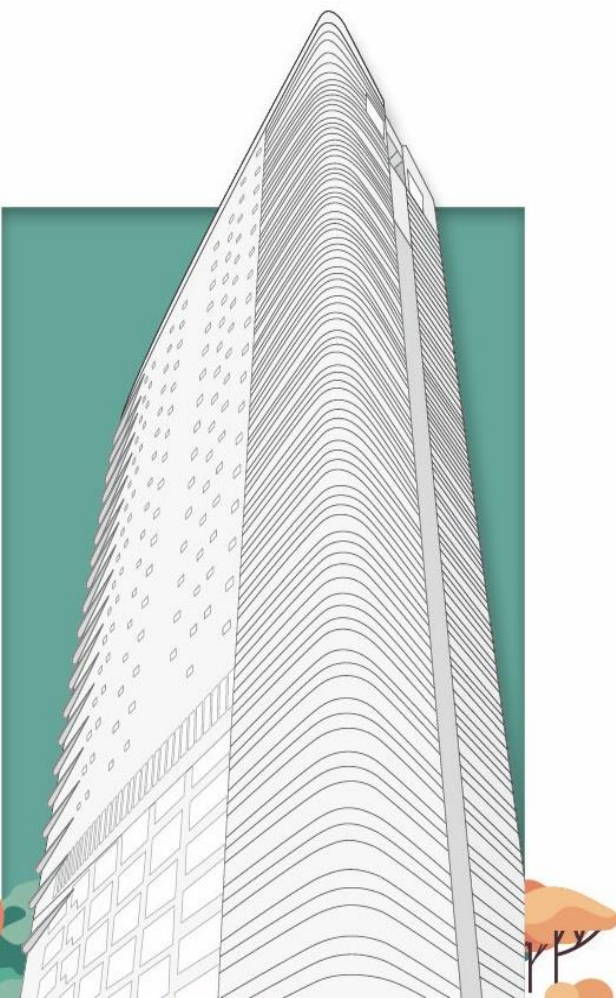
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The past performance of First REIT is not necessarily indicative of the future performance of First REIT.

These materials contain a summary only and do not purport to contain all of the information that may be required to evaluate any potential transaction mentioned in this presentation, including the restructuring of the master lease agreements for all of the hospitals which First REIT had leased to either LPKR or LPKR and certain subsidiaries of PT Siloam International Hospitals Tbk being interested person transactions, which may or may not proceed. This presentation is for information purposes only and does not constitute or form part of an offer, solicitation, recommendation or invitation for the sale or purchase of any securities of First REIT in Singapore or any other jurisdiction. No part of it nor the fact of its presentation shall form the basis of or be relied upon in connection with any investment decision, contract or commitment whatsoever.

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For terms not defined herein, please refer to the circular dated 28 December 2020 (the "Circular").



What are the Proposed Transactions?

Proposed Restructuring of the LPKR MLAs and the Rights Issue

A

Restructuring of Master Lease Agreements

Proposed Restructuring of the LPKR MLAs

- Proposed restructuring of the master lease agreements (“**MLAs**”) for all of the hospitals which First REIT had leased to either PT. Lippo Karawaci Tbk (“**LPKR**”) or LPKR and certain subsidiaries of PT Siloam International Hospitals Tbk (“**Siloam**”) (the “**LPKR Hospitals**” and the MLAs for all of the LPKR Hospitals, the “**LPKR MLAs**”, and the proposed restructuring of the LPKR MLAs, “**Proposed LPKR MLA Restructuring**”)



The viability of the Rights Issue is dependent on the Manager being able to provide certainty in respect of the valuations and cash flows of First REIT's assets through the Proposed LPKR MLA Restructuring

B

Recapitalisation of First REIT

S\$158.2 Million Rights Issue

- The Manager intends to undertake a rights issue to issue approximately 791,063,000 Units (the “**Rights Units**”) (which is equivalent to approximately 98% of the 807,206,351 Units in issue as at 23 December 2020, being the latest practicable date prior to the date of this Presentation (the “**Latest Practicable Date**”) to raise gross proceeds of approximately S\$158.2 million on a renounceable basis to Eligible Unitholders and on a *pro rata* basis of 98 Rights Units for every 100 Existing Units held as at 5:00 p.m. (Singapore time) on the Rights Issue Record Date, at an indicative issue price of S\$0.20 per Rights Unit (the “**Issue Price**”), fractional entitlements to be disregarded (the “**Rights Issue**”)



The Rights Issue is required to repay the S\$140 million difference between the amount of S\$400 million under the 2018 Secured Loan Facilities and the maximum amount of S\$260 million under the Refinancing Facility

Background and Context of the Proposed Transactions







LPKR's Financial Position

The Manager understands that without the Proposed LPKR MLA Restructuring, there is a real risk and high probability that LPKR would default under the existing LPKR MLAs

Rating Agency Outlook (LPKR) in September 2020

Rating Agency	Rating	Outlook
S&P Global Ratings ("S&P")	B-	Negative
Moody's Investors Service ("Moody's")	B3	Stable
Fitch Ratings Singapore Pte. Ltd. ("Fitch")	B-	Negative

Potential Consequences of a LPKR Default under the LPKR MLAs

-  An immediate loss of approximately 72.1%⁽¹⁾ of First REIT's rental income;
-  Breaches in First REIT's debt covenants;
-  Impairs First REIT's ability to execute any refinancing and meet its repayment obligations;
-  Lengthy, costly and cumbersome legal disputes;
-  Continued Incurring of operating expenses and potential future capital expenditure; and
-  Trigger a difficult, uncertain and lengthy leasing exercise

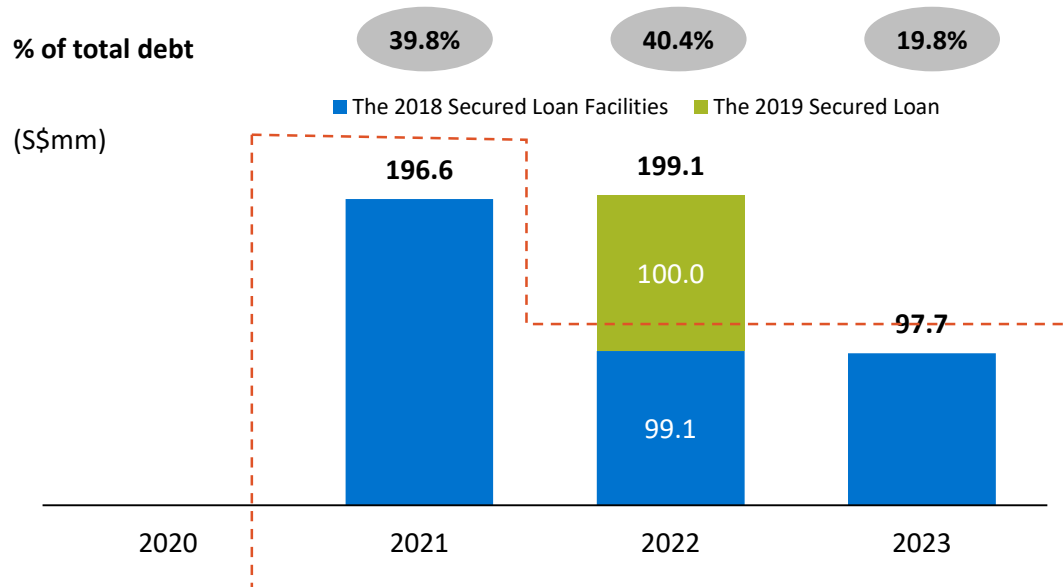
(1) With reference to First REIT's rental income currently attributable to the LPKR Hospitals as a proportion to the total rental and other income of First REIT for FY2019.

Background and Context of the Proposed Transactions (Cont'd)

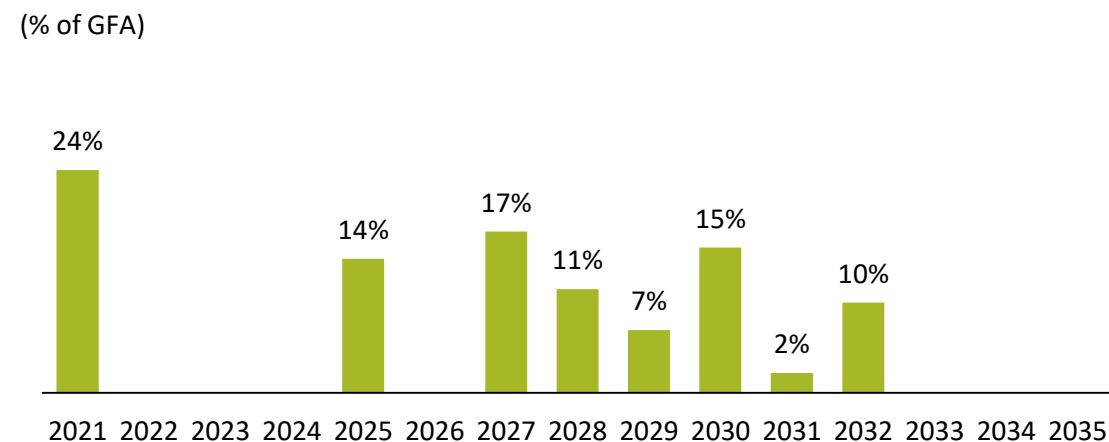
First REIT's Impending Debt Maturity and Lease Expiry

- **First REIT's Debt Maturity**
 - 80.2% (or approximately S\$395.7 million) of First REIT's debt is coming due within the next 18 months with 39.8% (or approximately S\$196.6 million) coming due on 1 March 2021
- **Impending Expiry of IPO MLAs**
 - The initial term of the master lease agreements in respect of Siloam Hospitals Surabaya, Siloam Hospitals Kebon Jeruk and Siloam Hospitals Lippo Village will expire in December 2021
- **Conditions to Re-Financing**
 - First REIT's lenders have expressed significant concerns over the sustainability of First REIT's capital structure in light of LPKR's current financial circumstances and LPKR's expressed intentions regarding the Proposed LPKR MLA Restructuring
 - The Trustee has signed the Refinancing Facility in order to meet its repayment obligation on 1 March 2021. It is a condition of the Refinancing Facility that First REIT undertakes an equity fund raising exercise to repay the difference between the amount of S\$400 million under the 2018 Secured Loan Facilities and the maximum amount of S\$260 million under the Refinancing Facility, being S\$140 million
 - However, the viability of the Rights Issue is dependent on the Manager being able to provide certainty in respect of the valuations and cash flows of First REIT's assets through the Proposed LPKR MLA Restructuring, as Unitholders as well as other stakeholders of First REIT rely on First REIT's valuations and visibility on future cash flows in order to evaluate First REIT and make decisions regarding First REIT
 - Hence, the Proposed LPKR MLA Restructuring is necessary to enable the Manager to proceed with the Rights Issue

Debt Maturity Profile



Current Lease Expiry Profile (by GFA)



Why is FIRST REIT undertaking the Proposed Transactions?

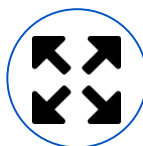
Restructuring, Recapitalising and Repositioning First REIT for the Future

Rationale for the Proposed LPKR MLA Restructuring

- 1 Avoids the adverse consequences of a default by LPKR under the existing LPKR MLAs and resulting termination of the existing LPKR MLAs
- 2 Avoids the time, costs and complications of enforcing legal rights in Indonesia
- 3 Provides clarity on asset valuations and cash flows
- 4 Facilitates debt financing and refinancing and avoids an imminent default of repayment due on 1 March 2021
- 5 Takes into account the changed economic environment in Indonesia due to the Covid-19 pandemic
- 6 Provides for sustainable and stable long-term master lease structure with regular fixed increments and potential additional upside
- 7 Renews all of the LPKR MLAs to December 2035 and together with the restructuring of the MLAs entered into with PT. Metropolis Propertindo Utama in respect of Siloam Sriwijaya, Siloam Hospitals Purwakarta and Siloam Hospitals Kupang (the "MPU MLA Restructuring"), increases First REIT's weighted average lease expiry by approximately 5.2 years⁽¹⁾
- 8 Preserves long-term value for Unitholders



Sustainable path for First REIT and avoids the adverse consequences of a default by LPKR under the existing LPKR MLAs



Extends First REIT's weighted average lease expiry by approximately 5.2 years from 7.4 years⁽¹⁾ to 12.6 years⁽²⁾ to reposition First REIT for future growth



Avoids an imminent default of repayment obligation due on 1 March 2021 and facilitates having in place a sustainable capital structure



Preserves long-term value for the unitholders of First REIT

⁽¹⁾ Weighted by GFA as at 31 December 2019.

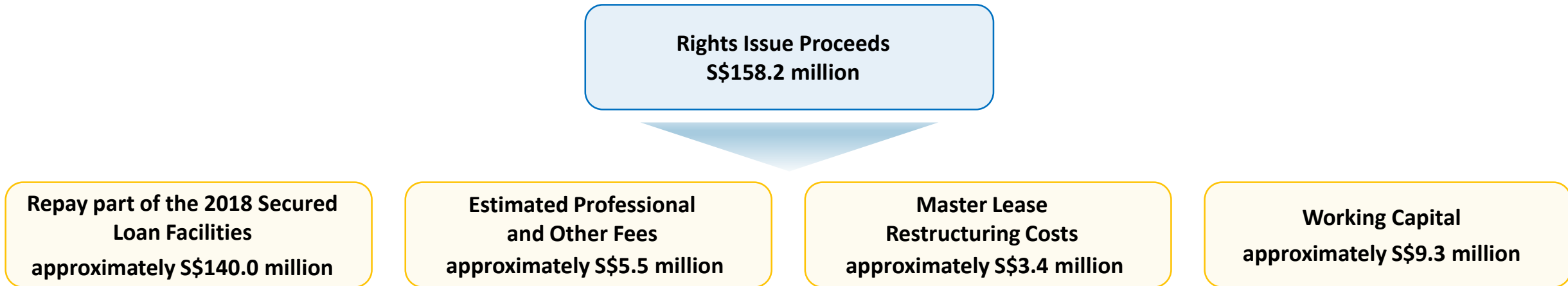
⁽²⁾ Assumes both the Proposed LPKR MLA Restructuring and the MPU MLA Restructuring are completed.



What is the Use of Proceeds from the Proposed Rights Issue?

Repayment of 2018 Secured Loan Facilities and Meeting First REIT Debt Obligations Due on 1 Mar 2021

- The Rights Issue is expected to raise gross proceeds of approximately S\$158.2 million, based on an indicative Issue Price of S\$0.20 per Rights Unit. The gross proceeds raised from the Rights Issue are intended to be used in the following manner:
 - To repay part of the 2018 Secured Loan Facilities (syndicated loan facilities of up to S\$400 million, out of which S\$196.6 million is due on 1 March 2021);
 - The estimated professional and other fees to be incurred by First REIT in connection with the Rights Issue;
 - Master lease restructuring costs; and
 - Working capital of First REIT



In support of First REIT and the Rights Issue, FRML and OUE Lippo Healthcare Limited (“OUELH”) have provided irrevocable undertakings that, among others, FRML will, and OUELH will procure OLH Healthcare Investments Pte. Ltd. (“OHI”) to, accept, subscribe and pay in full for its respective total provisional allotments of the Rights Units. In addition, OUE Limited (“OUE”) has provided an irrevocable undertaking that, among others, OUE will either (in the event that the Rights Issue is not underwritten) procure that Clifford Development Pte. Ltd. (“CDPL”) applies, subscribes and pays in full any Excess Rights Units to the extent that they remain unsubscribed after satisfaction of all applications for Excess Rights Units) or (in the event that the Rights Issue is underwritten) commit to the underwriter(s) of the Rights Issue to procure that CDPL subscribes and pays in full, the Rights Units to the extent that they are not successfully subscribed for under the Rights Issue

Pro Forma Financial Effects of the Proposed Transactions

Overview of Key Terms

S\$mm unless otherwise stated

		Current (FY2019)	Proposed
LPKR Hospitals and MPU Hospitals	Base Rent	S\$80.9 ⁽¹⁾ (LPKR Hospitals) S\$11.3 (MPU Hospitals)	S\$50.9 (LPKR Hospitals) (IDR550.7bn) ⁽³⁾ S\$5.8 (MPU Hospitals) (IDR62.4bn) ⁽³⁾
	Base Rent Escalation	2x of Singapore's consumer price index increase for the preceding calendar year (capped at 2%)	4.5% annually
	Variable / Performance Based Rent	S\$2.9 (LPKR) S\$0.1 (MPU)	8.0% of preceding financial year Hospital gross operating revenue
	Total Rent Payable	Base + Variable	Higher of Base or Performance Based Rent (asset by asset basis)
	Tenure	15 years + 15 years with mutual agreement /at the option of lessees	15 years + 15 years with mutual agreement
	Currency	SGD	IDR
	Security Deposits	6 months	8 months
Other Assets ⁽²⁾	Base Rent	S\$20.5	Unchanged
	Variable Rent	S\$0.5	Unchanged

Note: Assume IDR / SGD = 10,830

(1) Currently, Siloam Hospitals Manado and Hotel Aryaduta Manado are leased as a whole. The terms of the lease for the Manado Property are contained within one MLA dated 21 September 2012 and there is no separate MLA for Hotel Aryaduta Manado. The master lessee of Hotel Aryaduta Manado will pay a commencement base rent of S\$3.307 million as at 1 January 2021 based on the terms of the supplemental MLA in respect of Hotel Aryaduta Manado. The existing base rent of Siloam Hospitals Manado is a derived number, by subtracting S\$3.307 million from the total rent of the Manado Property for FY2019.

(2) Refers to Siloam Hospitals Lippo Cikarang, Hotel Aryaduta Manado, Lippo Plaza Kupang, Lippo Plaza Buton, Imperial Aryaduta Hotel & Country Club, Pacific Healthcare Nursing Home @Bukit Merah, Pacific Healthcare Nursing Home II @Bukit Panjang, The Lentor Residence, and Sarang Hospital.

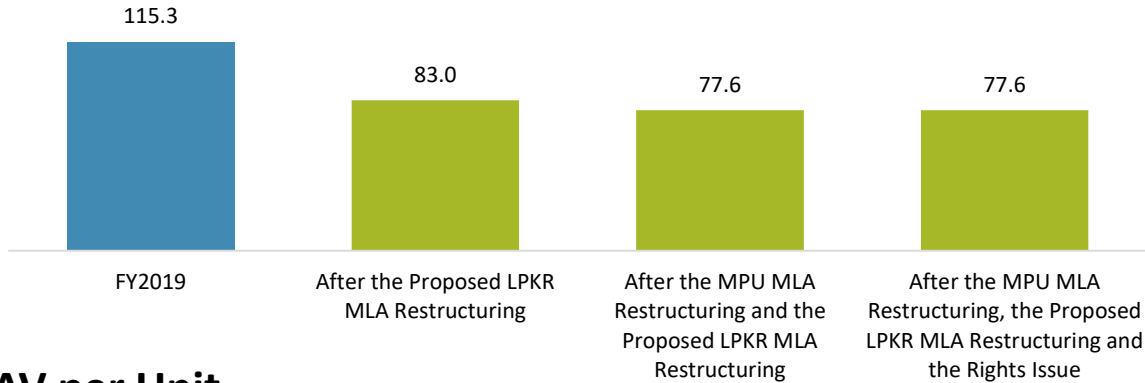
(3) On 1 January 2021, the Singapore Dollar denominated rents for each hospital will be converted to Indonesian Rupiah at an exchange rate of S\$1.00 to Rp.10,830.

Pro Forma Financial Effects of the Proposed Transactions (Cont'd)

Illustrative Financial Impact (FY19)

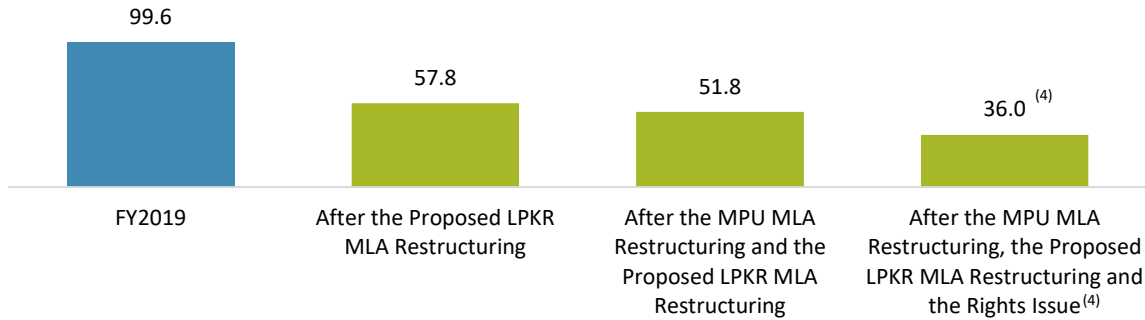
Rental and Other Income

(\$mm)



NAV per Unit

(cents)

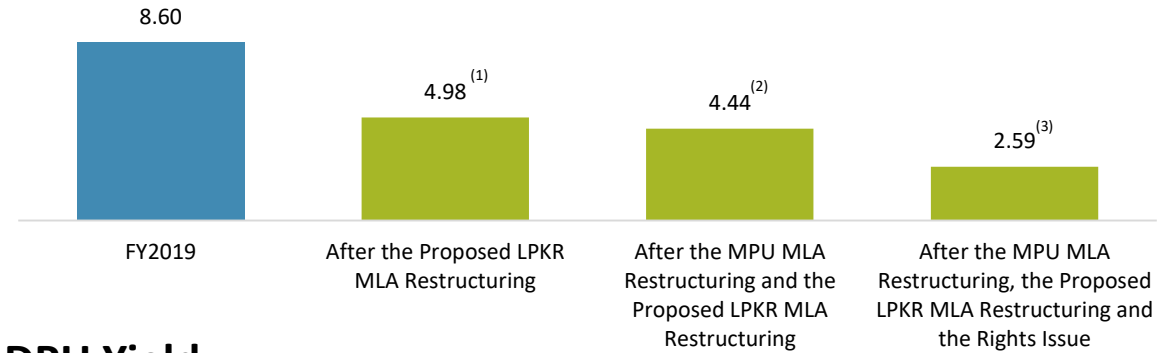


Note: Assume IDR / SGD = 10,830

- (1) Excluding the one-off master lease restructuring costs of S\$3.4 million, the DPU will be 5.40 cents
- (2) Excluding the one-off master lease restructuring costs of S\$3.4 million, the DPU will be 4.86 cents
- (3) Taking into account the issue of 791,063,000 Rights Units. Excluding the one-off master lease restructuring costs of S\$3.4 million, the DPU will be 2.81 cents.
- (4) Taking into account the issue of 791,063,000 Rights Units.
- (5) Based on the closing price on the Market Day before LPKR unilaterally announced its intention to restructure all of the LPKR MLAs (being 29 May 2020) of S\$0.885 per Unit.

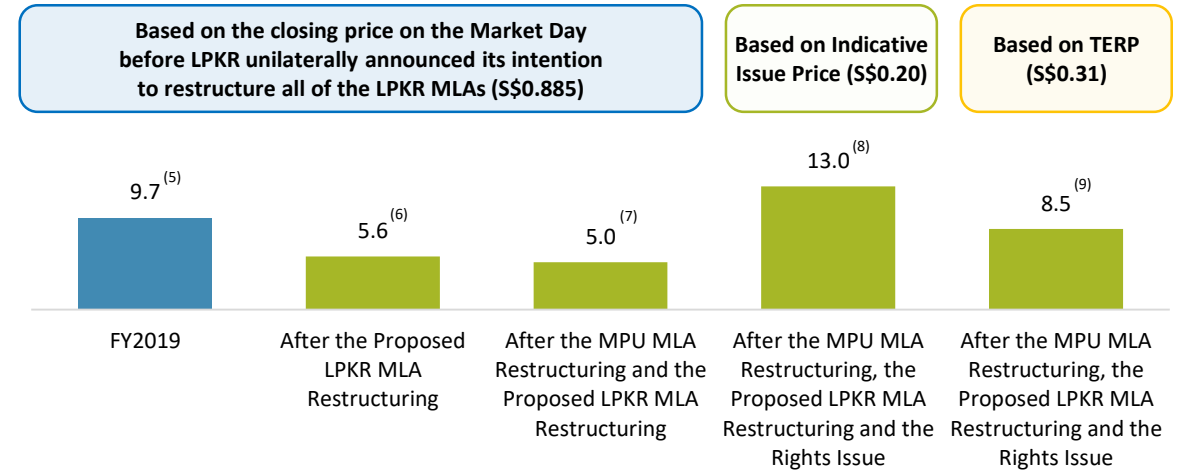
DPU

(Cents)



DPU Yield

(%)

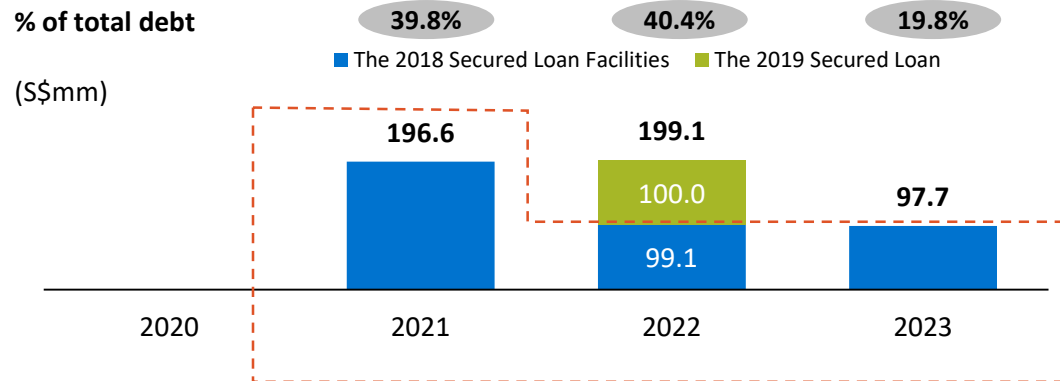


- (6) Based on the closing price on the Market Day before LPKR unilaterally announced its intention to restructure all of the LPKR MLAs (being 29 May 2020) of S\$0.885 per Unit. Excluding the one-off master lease restructuring costs of S\$3.4 million, the DPU yield will be 6.1%.
- (7) Based on the closing price on the Market Day before LPKR unilaterally announced its intention to restructure all of the LPKR MLAs (being 29 May 2020) of S\$0.885 per Unit. Excluding the one-off master lease restructuring costs of S\$3.4 million, the DPU yield will be 5.5%.
- (8) Based on the indicative Issue Price of S\$0.20 per Unit. Excluding the one-off master lease restructuring costs of S\$3.4 million, the DPU yield will be 14.1%.
- (9) Based on theoretical ex-rights price calculated based on the closing price on the Latest Practicable Date (being S\$0.41 per Unit) of S\$0.31 per Unit. Excluding the one-off master lease restructuring costs of S\$3.4 million, the DPU yield will be 9.2%.

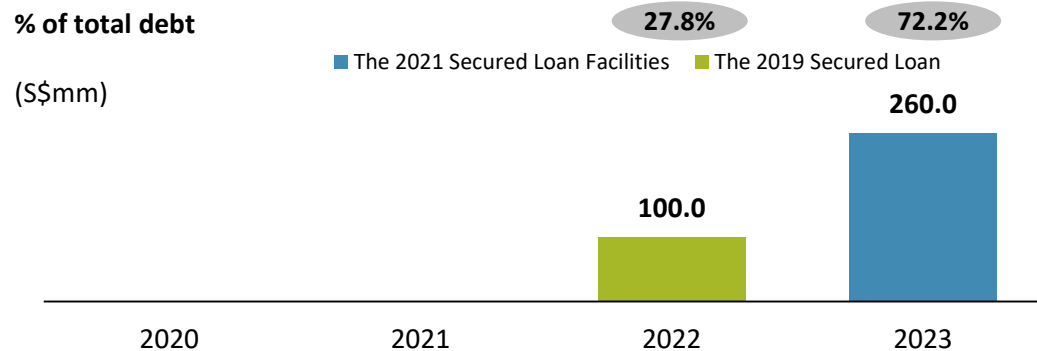
Financial Effects of the Proposed Transactions (Cont'd)

Pro Forma Debt Maturity and Gearing

Current Debt Maturity Profile⁽¹⁾



Pro Forma Debt Maturity Profile⁽¹⁾ after Refinancing and Partial Repayment of Loans after the Rights Issue



Pro Forma Capitalisation (FY19)

(S\$'000s)

	Actual ⁽²⁾	As adjusted for the Proposed LPKR MLA Restructuring	As adjusted for the MPU MLA Restructuring and the Proposed LPKR MLA Restructuring	After the MPU MLA Restructuring, the Proposed LPKR MLA Restructuring and the Rights Issue ⁽³⁾
Short-term debt:				
Unsecured	-	-	-	-
Secured	-	-	-	-
Total short-term debt	-	-	-	-
Long-term debt:				
Unsecured	-	-	-	-
Secured	486,410	486,410	486,410	346,410
Total long-term debt	486,410	486,410	486,410	346,410
Total Debt	486,410	486,410	486,410	346,410
Unitholders funds	794,836	461,074	412,815	571,230
Perpetual securities holders' fund	60,878	60,878	60,878	60,878
Total Capitalisation	1,342,124	1,008,362	960,103	978,518
Leverage ratio	34.5%	45.4%	47.9%	33.9%

(1) Debt figures are calculated before transaction costs

(2) Based on the FY2019 Audited Consolidated Financial Statements.

(3) Taking into account the issue of 791,063,000 Rights Units.

What is the Outlook for the Restructured, Recapitalised and Repositioned First REIT?

1

New Sustainable 15-year Master Lease Agreements (“MLAs”)

2

Locked in Rental Escalation and Improved Upside Sharing

3

Sponsor-backed Recapitalisation Resets Capital structure to a Sustainable Level

4

Debt Headroom and Sponsor Healthcare Network Supports Future Growth and Diversification Opportunities

5

Robust Long-term Outlook for the Healthcare Sector

Source: Bloomberg and company

(1) Based on the indicative Issue Price of S\$0.20 per Unit. Excluding the one-off master lease restructuring costs of S\$3.4 million, the DPU yield will be 14.1%.

(2) Based on the closing price on 31 December 2020 (being S\$0.235 per Unit). Excluding the one-off master lease restructuring costs of S\$3.4 million, the DPU yield will be 12.0%.

(3) Based on 10-year IDR-denominated Indonesia government bond yield of 6.2% as at 15 January 2021.

(4) Based on 10-year SGD-denominated Singapore government bond yield of 0.9% as at 15 January 2021.

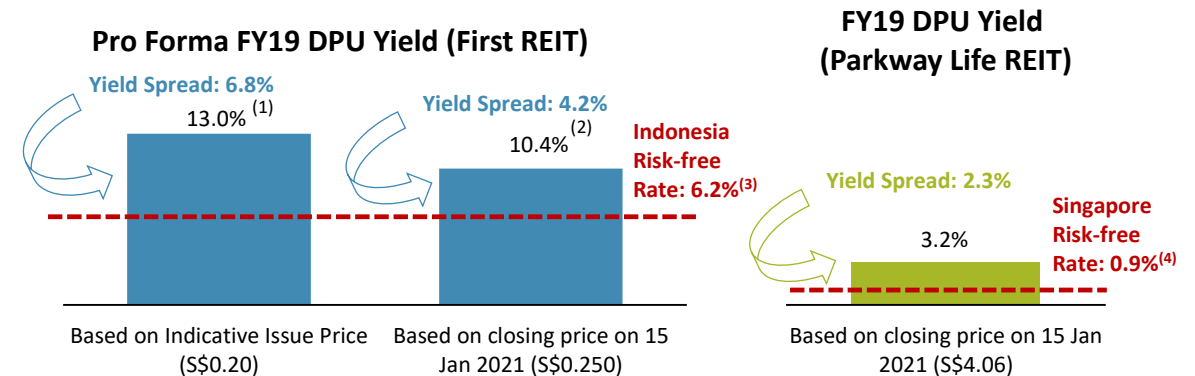
(5) Weighted by gross floor area (“GFA”) as at 31 December 2019.

(6) By pro forma FY19 rental income.

(7) As of 1H20.

(8) Based on 50% leverage ratio.

Restructured, Recapitalised and Repositioned First REIT



- **Highly Visible Cash Flows:** 15 year MLAs extends weighted average lease expiry from 7.4 years to **12.6⁽⁵⁾ years**
- **Embedded Organic Growth:** 73% of portfolio⁽⁶⁾ will have a **minimum escalation of 4.5%** and further enhanced upside sharing
- **Sustainable Capital Structure:** **Pro Forma gearing of 34.4%⁽⁷⁾** with zero refinancing obligations over the next 16 months provides a path for further funding source diversification (including bonds) and optimisation
- **Yield Accretive M&A Driven Growth:** **S\$321.1mm** debt headroom⁽⁸⁾ and access to sponsor’s healthcare network in developed and growth markets
- **Positioned for Further Diversification:** Continued efforts to diversify tenant base and expansion into countries with positive market fundamentals

What is the Outlook for the Restructured, Recapitalised and Repositioned First REIT?

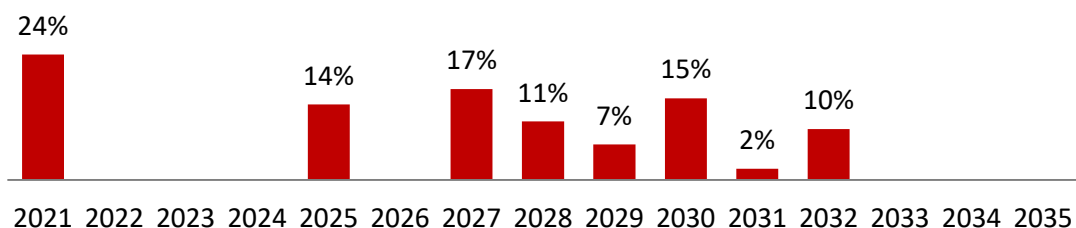
Sustainable 15 Year Master Lease Structure

The new 15-year sustainable LPKR MLAs and MPU MLAs extends First REIT's weighted average lease expiry from 7.4 years to 12.6 years providing unitholders a highly visible stream of locked-in cash flows with minimal lease expiry over the next 5 years (approximately 10% by GFA)

Pre MLA Restructuring

WALE⁽¹⁾ = 7.4 years

(% of GFA) Current Lease Expiry Profile (by GFA)

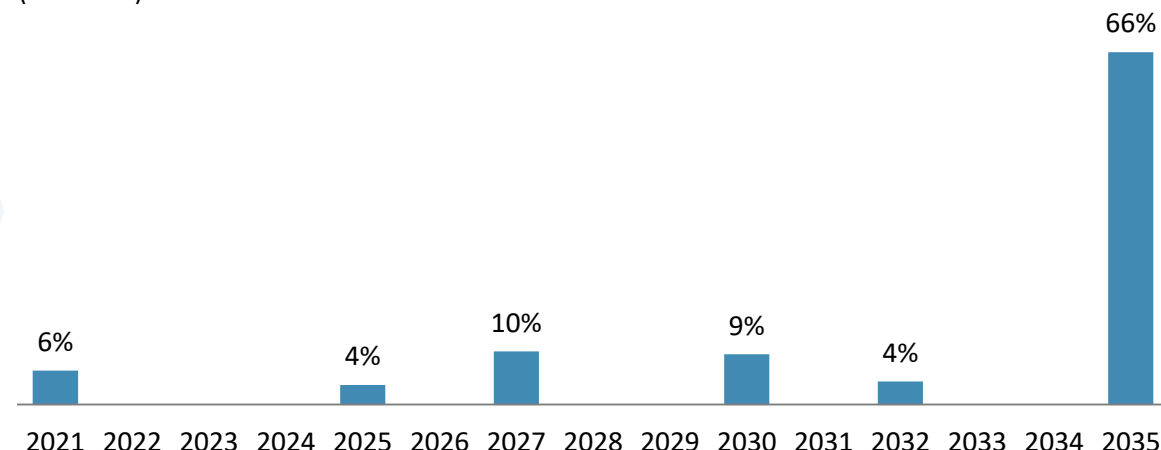


- Unsustainable with high risk of master lease default
- Approximately 38% of leases expiring in the next 5 years

Post MLA Restructuring

WALE⁽¹⁾ = 12.6 years⁽²⁾

(% of GFA) New Lease Expiry Profile⁽²⁾ (by GFA)



- Sustainable Master Lease Structures: 40–45% of hospitals' EBITDAR
- Long term locked in Cash Flows: New 15-year MLAs
- High Visibility over Cash Flows: 10% of leases expiring in the next 5 years

Note: Assume IDR / SGD = 10,830

(1) Weighted by GFA as at 31 December 2019.

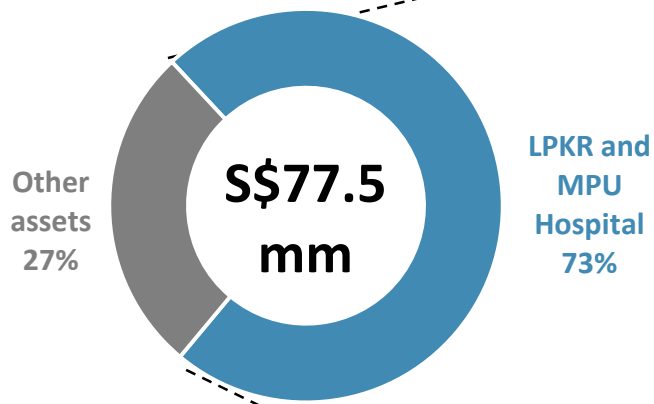
(2) Assumes both the Proposed LPKR MLA Restructuring and the MPU MLA Restructuring are completed.

What is the Outlook for the Restructured, Recapitalised and Repositioned First REIT?

Locked in Escalation and Improved Upside Sharing

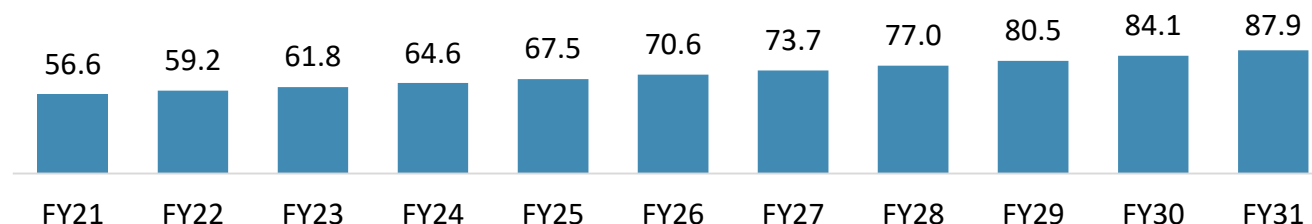
Over 73% of First REIT's pro forma revenue base will enjoy (i) a minimal rental escalation of 4.5% per annum; and (ii) further upside through a revised and enhanced performance based rent structure providing our unitholders visibility on embedded organic growth

Pro Forma FY19 Rental and Other Income



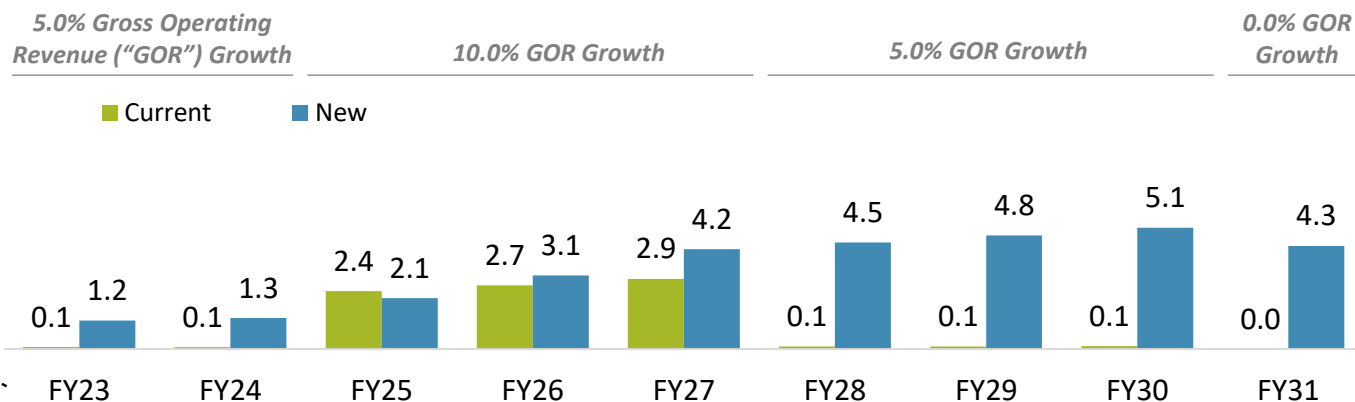
A Guaranteed 4.5% Rental Escalation Per Annum

Base Rent of the LPKR Hospitals and MPU Hospitals (\$mm)



B Improved Upside Sharing

Variable Rent Base Rent of the LPKR Hospitals and MPU Hospitals (\$mm) For Illustration Only⁽¹⁾



A Improved Base Rent Structure: Rental escalation of 4.5% per annum for base rent allows First REIT to enjoy 1.6x of its FY21 commencement base rent (\$56.6mm) by FY31

B Enhanced Upside Sharing: Revised performance based rent structure replaces the existing variable rent structure and provide the opportunity to enjoy greater permanent upside sharing

Note: Assume IDR / SGD = 10,830

(1) Assume FY21 GOR for LPKR Hospitals and MPU Hospitals to be \$463.8mm in total. Illustration for upside commences in FY23 as current variable rent compares GOR for the preceding financial year and the further preceding financial year. Upside from both the current and new structure are calculated at the asset level before aggregating the figures. Upside from the new structure is computed by taking the excess of base rent.

What is the Outlook for the Restructured, Recapitalised and Repositioned First REIT?

Sponsor-backed Recapitalisation Resets Capital Structure to a Sustainable Level

OUE

OUE LIPPO
Healthcare

Two Pronged Sponsor-Backed S\$418.2 million Recapitalisation

Equity

Commitment to support 100% of the
S\$158.2mm rights issue

Debt

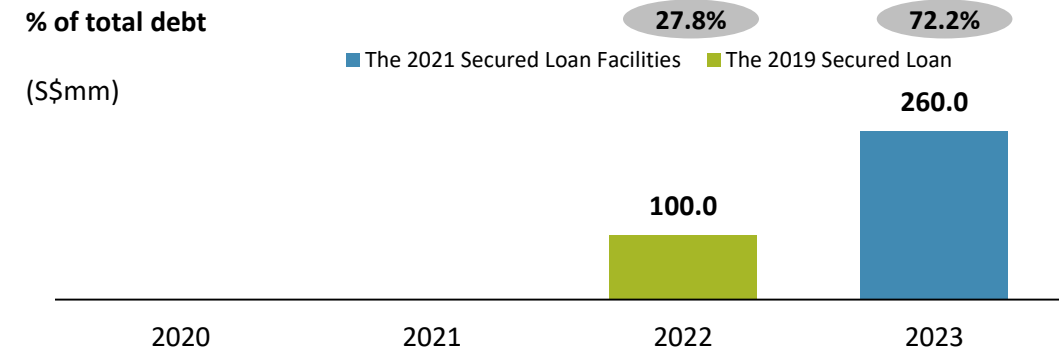


New S\$260 million
Secured Loan Facilities

Stabilised Capital Structure

- Gearing: 34.4%⁽¹⁾
- Weighted average term to maturity: 1.94 years⁽²⁾
- Weighted all-in cost of debt: 4.1%
- Interest coverage ratio: 4.6x
- No long-term debt refinancing till 16 May 2022

Pro Forma Debt Maturity Profile⁽³⁾ after Refinancing and Partial Repayment of Loans after the Rights Issue



The Sponsor-backed Proposed Recapitalisation Exercise (i) brings gearing down to approximately 34.4%, (ii) extend its weighted average term to maturity to 1.94 years⁽¹⁾ with zero refinancing due in the next 16 months, and (iii) provides a path for further funding source diversification and optimisation

(1) As of 1H20.

(2) As at 31 December 2020.

(3) Debt figures are calculated before transaction costs and assumes maximum refinancing of S\$260million for the 2021 Secured Loan Facilities.

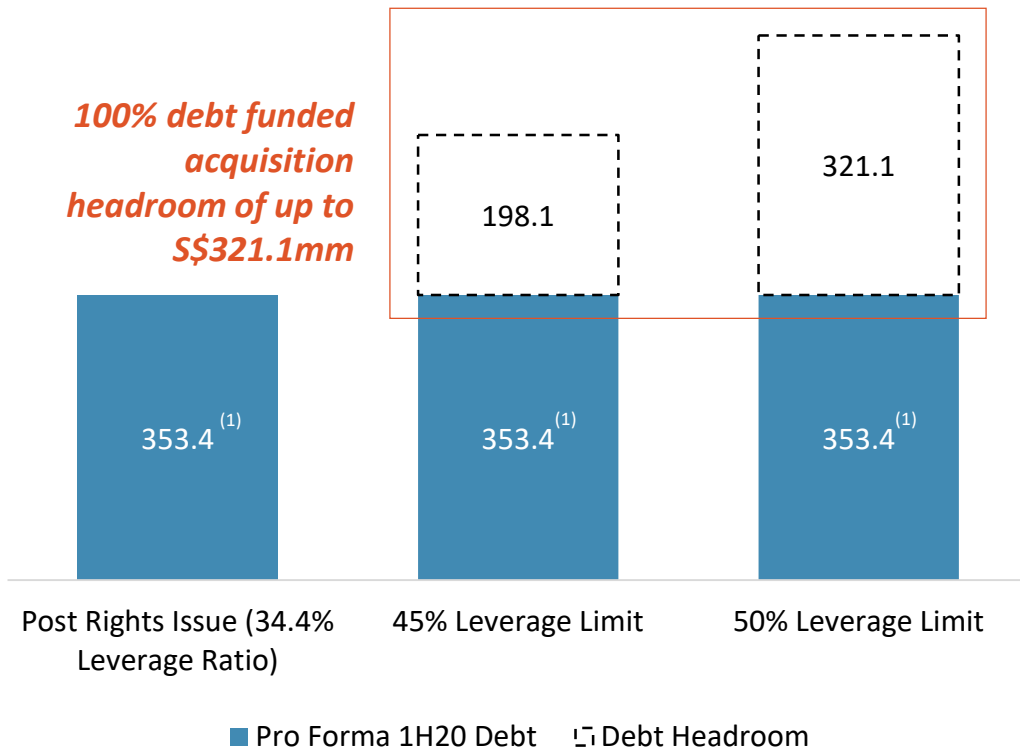
What is the Outlook for the Restructured, Recapitalised and Repositioned First REIT?

Debt Headroom and Sponsor Healthcare Network Support Future Growth and Diversification Opportunities

Clear inorganic growth and diversification trajectory given a 100% debt funded acquisition headroom of up to S\$321.1 million and sponsor pipeline across developed markets (such as Japan) and growth markets (such as China)

Debt Headroom Provides Capital for Growth

(S\$m)



100% debt funded acquisition headroom of up to S\$321.1mm

Sponsor Healthcare Network Provides Access to Key Focus Markets

	Sponsor Pipeline	Other Focus Market												
Developed Markets (Ageing and Fragmented)	Income Producing Japan Nursing Homes <table border="1"> <thead> <tr> <th>Coverage</th> <th>No. of Homes</th> <th></th> </tr> </thead> <tbody> <tr> <td>4 Cities</td> <td>12</td> <td></td> </tr> <tr> <th>No. of Units</th> <th>Portfolio Value⁽²⁾</th> <th></th> </tr> <tr> <td>1,451</td> <td>S\$300m</td> <td></td> </tr> </tbody> </table>	Coverage	No. of Homes		4 Cities	12		No. of Units	Portfolio Value ⁽²⁾		1,451	S\$300m		Europe United Kingdom Australia
	Coverage	No. of Homes												
4 Cities	12													
No. of Units	Portfolio Value ⁽²⁾													
1,451	S\$300m													
Emerging Markets (Ageing and Emerging)	China Hospitals <table border="1"> <thead> <tr> <th>Presence in</th> <th>50:50 Joint Venture</th> <th></th> </tr> </thead> <tbody> <tr> <td>3 Cities</td> <td>CMLHM WITH CHINA MERCHANTS SHEKOU INDUSTRIAL ZONE HOLDINGS CO., LTD</td> <td> </td> </tr> </tbody> </table>	Presence in	50:50 Joint Venture		3 Cities	CMLHM WITH CHINA MERCHANTS SHEKOU INDUSTRIAL ZONE HOLDINGS CO., LTD	 	Myanmar Hospitals <table border="1"> <thead> <tr> <th>Myanmar Medical Facilities</th> <th>Total Bed Capacity</th> </tr> </thead> <tbody> <tr> <td>6</td> <td>370</td> </tr> </tbody> </table>	Myanmar Medical Facilities	Total Bed Capacity	6	370		
	Presence in	50:50 Joint Venture												
3 Cities	CMLHM WITH CHINA MERCHANTS SHEKOU INDUSTRIAL ZONE HOLDINGS CO., LTD	 												
Myanmar Medical Facilities	Total Bed Capacity													
6	370													

Source: OUE LH Annual Report 2019

(1) Computed by assuming repayment of S\$140mm from existing 1H20 borrowings of S\$493.4mm (before transaction costs).

(2) As at 31 December 2019

What is the Outlook for the Restructured, Recapitalised and Repositioned First REIT?

Robust Long-term Outlook for the Healthcare Sector



Outlook for Global Healthcare Market Remains Robust with Secular Themes Across Key Markets



Strong growth expected across the Global Healthcare Sector

- Expected to grow at 5.5% compound annual growth rate between 2020 – 2025 from US\$2.0tn to US\$2.6tn.



Shifting Focus of Care—From ‘Sickcare’ to ‘Healthcare’ to Health

- Growth in healthcare spending globally expected to be driven by prevention, diagnosis, and monitoring.



China: Government promotion of private healthcare and an aging society

- Development of private healthcare recently being promoted by the government; In May 2019, the State Council announced a plan in support of private healthcare development.
- Growing demand for specialized healthcare and high-quality medical services, private healthcare has recorded dynamic growth.
- Population growth along with rising life expectancy implies increasing grey society in China.



Japan and Europe: Rapidly aging populations

- Japan has the fastest aging population in the world and the the number of people aged 65+ is growing at a faster rate than other age group in Europe.
- Aging population means a higher incidence of chronic diseases and more pressure on expensive long-term care.



Rising Adoption of Technology Enabled Healthcare Services in Indonesia

- Indonesia has only 0.4 doctors per 1000 patients⁽¹⁾ in a land area spanning 17,000 islands.
- Telemedicine makes healthcare accessible to the further regions and decreases pressure on the existing healthcare infrastructure.



Improvement in Indonesia’s Healthcare Infrastructure

- The Indonesian government is trying to improve the country’s healthcare infrastructure in hopes of encouraging local patients to seek medical treatment domestically.
- An estimate of 1.2 million Indonesians spend over US\$2bn annually on overseas healthcare in neighbouring countries such as Singapore and Malaysia.



High Demand for Healthcare due to the Universal Insurance BPJS Kesehatan

- Ensures contracts with private providers to offer high-quality services that are effective and efficient.
- Regions in Java and Sumatra are considered to be a high potential market by private providers than the untapped opportunities in rural areas and eastern Indonesia; Java is regarded to have significant growth potential as it has double the number of BPJS Kesehatan holders.



Technology and Healthcare Infrastructure Driving Growth Across the Indonesian Healthcare Market

Source: Frost and Sullivan’s Independent Market Research Report; Frost and Sullivan’s “Vision 2025—Rising Healthcare Expenditures and Disproportionate Improvement in Patient Outcomes Spur Disruptive Changes in the Global Healthcare Industry”; EMIS’ “China Healthcare Sector 2020 Q4”; Marketline’s “Japan - Healthcare Providers”, “Europe - Healthcare Providers”, and “China - Healthcare Providers”.

(1) Ratio of Indonesian Doctors Second Lowest in Southeast Asia, Katada 2nd April 2020.

	Resolutions	Voting Threshold % ⁽¹⁾
1	<ul style="list-style-type: none"> The Proposed LPKR MLA Restructuring 	> 50
2	<ul style="list-style-type: none"> The proposed waiver by Unitholders other than CDPL, which is a direct wholly-owned subsidiary of OUE, and its concert parties (as defined in The Singapore Code on Take-overs and Mergers (the “Takeover Code”)) (the “Independent Unitholders”) of their rights to receive a general offer for their Units from CDPL pursuant to Rule 14 of the Takeover Code (the “Proposed Whitewash Resolution”) 	>50

Unitholders should note that Resolution 1 and Resolution 2 are not inter-conditional upon each other. The Manager will not launch the Rights Issue unless Resolution 1 is passed. In the event that Resolution 2 is not passed, the Manager will not launch the Rights Issue unless it is able to arrange for the Rights Issue to be underwritten. It should be noted that the FRML Irrevocable Undertaking, the OUELH Irrevocable Undertaking and the OUE Irrevocable Undertaking are conditional upon the passing of Resolution 1 and Resolution 2



- If Resolution 1 is not passed, the Rights Issue CANNOT proceed*
- If Resolution 1 is passed but Resolution 2 is not passed, the Rights Issue CANNOT proceed unless the Manager is able to arrange for the Rights Issue to be underwritten*
- If the Rights Issue does not proceed, First REIT will face an urgent need to re-evaluate alternate funding sources or face financing default*

⁽¹⁾ Threshold in respect of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed.

Summary of the EGM

What does the Independent Financial Advisor Recommend?

1

Ordinary Resolution to approve the Proposed LPKR MLA Restructuring

An extract of the IFA Letter is reproduced below:

“Having carefully considered the information above and subject to our terms of reference set out in section 2 of this letter, we are of the opinion that,

- ✓ on balance, the Proposed LPKR MLA Restructuring as an interested person transaction is **on normal commercial terms** and is **not prejudicial** to the interests of First REIT and its minority Unitholders.
- ✓ Accordingly, we advise the Independent Directors, the ARC, and the IC to recommend independent Unitholders to **vote in favour** of the Proposed LPKR MLA Restructuring.”



Independent Financial Advisor

2

Ordinary Resolution for the Proposed Whitewash Resolution

An extract of the IFA Letter is reproduced below:

“Having carefully considered the information above and subject to our terms of reference set out in section 2 of this letter, we are of the opinion that:

- ✓ (i) the terms of the Rights Issue, which is the subject of the Proposed Whitewash Resolution, are **fair and reasonable**, and (ii) the Proposed Whitewash Resolution is **fair and reasonable**.
- ✓ Accordingly, we advise the Independent Directors, the ARC, and the IC to recommend Independent Unitholders to **vote in favour** of the Proposed Whitewash Resolution.”



Independent Financial Advisor

Summary of the EGM

What does the Independent Committee and the Audit and Risk Committee Recommend?

1

Ordinary Resolution to approve the Proposed LPKR MLA Restructuring

Based on the opinion of the IFA (as set out in the IFA Letter in Appendix C of the Circular) and the rationale for the Proposed LPKR MLA Restructuring as set out in paragraph 6 of the Letter to Unitholders,

- ✓ the Independent Committee and the Audit and Risk Committee believe that the Proposed LPKR MLA Restructuring is based on **normal commercial terms** and **would not be prejudicial** to the interests of First REIT or its minority Unitholders.
- ✓ Accordingly, the Independent Committee and the Audit and Risk Committee recommend that Unitholders **vote at the EGM in favour** of the resolution relating to the Proposed LPKR MLA Restructuring.



Independent Committee and the Audit and Risk Committee

2

Ordinary Resolution for the Proposed Whitewash Resolution

Based on the opinion of the IFA (as set out in the IFA Letter in Appendix C of the Circular) and the rationale for the Proposed Whitewash Resolution as set out in paragraph 11 of the Letter to Unitholders,

- ✓ the Independent Committee and the Audit and Risk Committee believe that the Proposed Whitewash Resolution is **fair and reasonable**.
- ✓ Accordingly, the Independent Committee and the Audit and Risk Committee recommend that Unitholders **vote at the EGM in favour** of the Proposed Whitewash Resolution.



Independent Committee and the Audit and Risk Committee

Concluding Remarks

Who are the Advisors and Who do I Contact if I need Assistance?

Key Transaction Parties

Financial Advisor

BofA SECURITIES 

Legal Counsel

ALLEN & GLEDHILL

Independent Financial Advisor (IFA)

 **SAC**
CAPITAL

Reporting Accountant


RSM

Independent Market Consultant

FROST & SULLIVAN

Independent Valuers

 **Knight Frank**  **CUSHMAN & WAKEFIELD**

KJPP Willson & Rekan in association with Knight Frank and Cushman & Wakefield VHS Pte. Ltd. in conjunction with KJPP Firman Suryantoro Sugeng Suzy Hartomo & Rekan

For investor relations queries, please contact:

First REIT

ir@first-reit.com

Klareco Communications

IR_FirstREIT@klarecocomms.com

Appendix



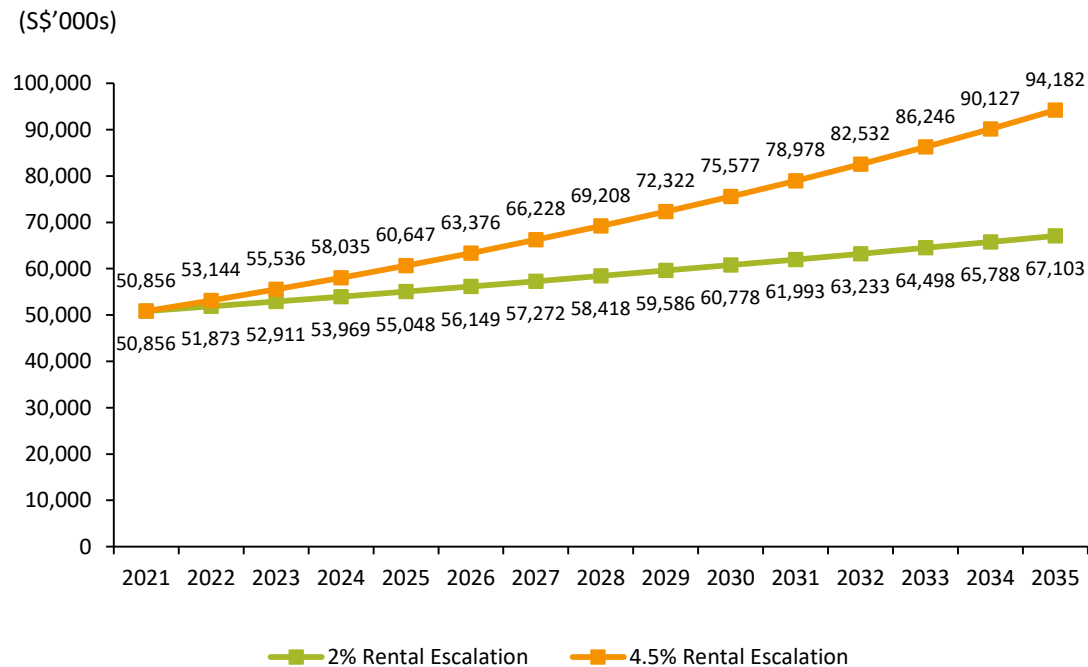
Siloam Hospitals Lippo Village

What are the Terms of the Proposed LPKR MLA Restructuring? (Cont'd)

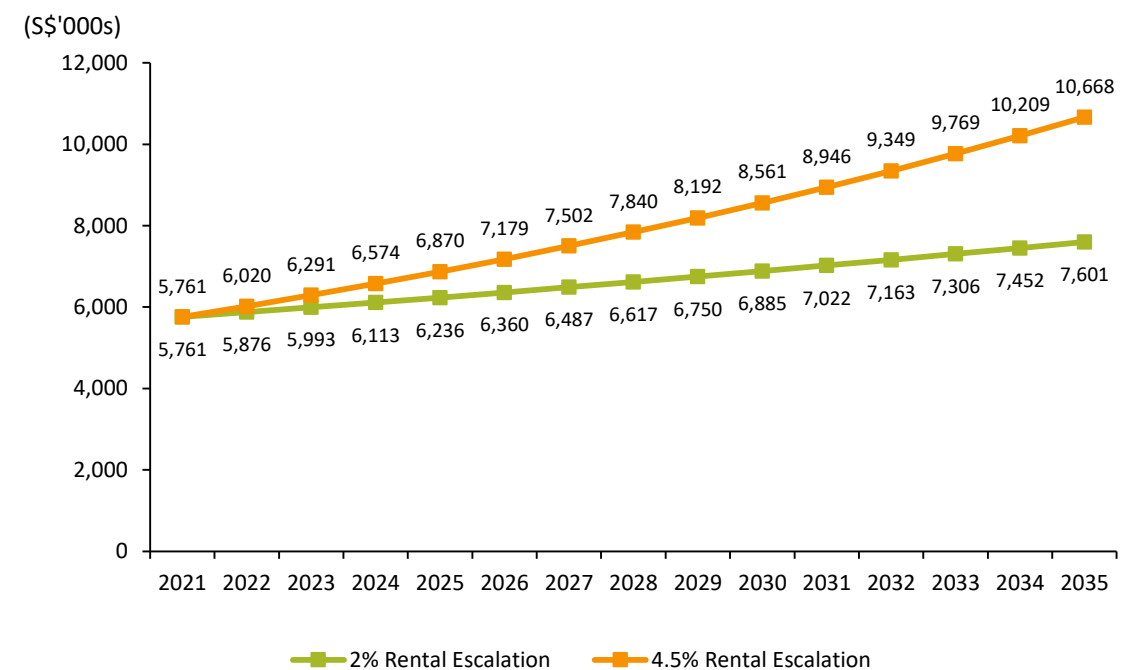
Illustrative Base Rent Over Time

- **Higher Fixed Escalation Rate:** 4.5% per annum as compared to the current step-up mechanism which is two times the Singapore consumer price index subject to a cap of 2.0%
- **Buffer Against Depreciation:** Approximately 2.45% in 2022 and 40.35% in 2035 when compared against the growth in the base rent of First REIT under the LPKR MLAs using the existing base rent formula assuming maximum growth at 2.0% per annum

Base Rental for LPKR Hospitals Over Time



Base Rental for MPU Hospitals Over Time



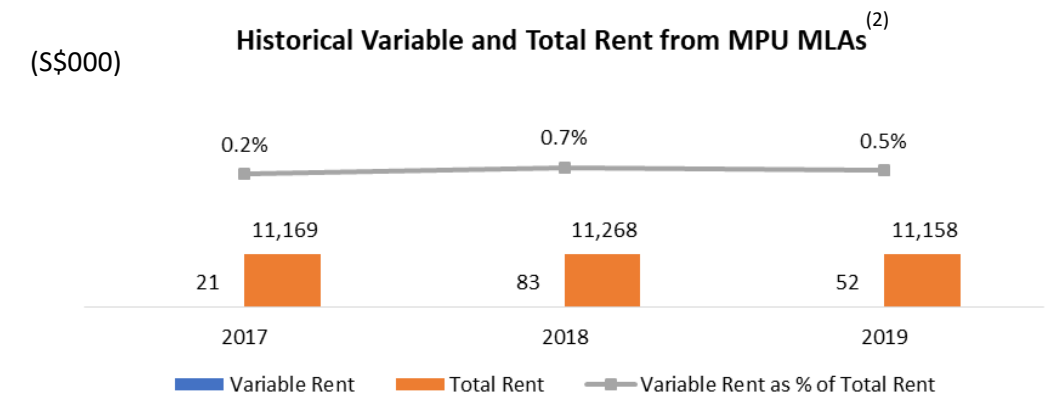
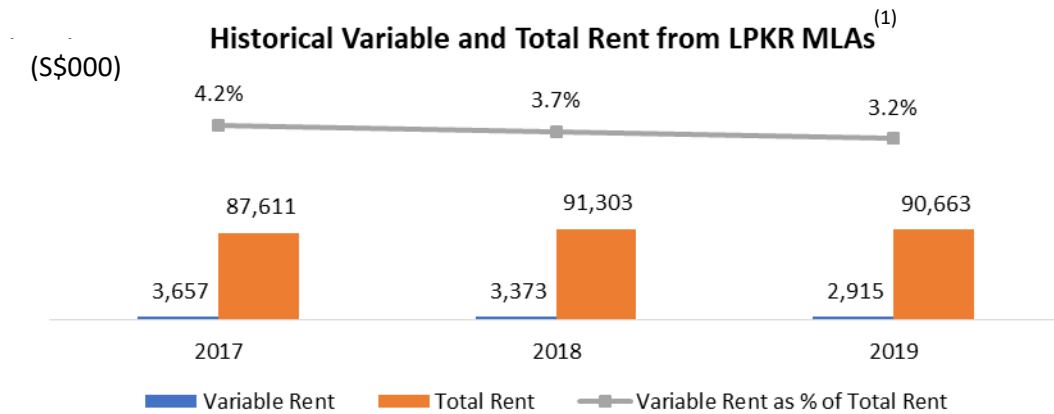
Note: Presented based on a fixed Singapore Dollar to Indonesian Rupiah exchange rate of S\$1.00 to Rp.10,830 for illustrative purposes only

What are the Terms of the Proposed LPKR MLA Restructuring? (Cont'd)

Revised Performance Based Rent Structure

- **Enhanced Upside Sharing:** Revised performance based rent structure replaces the existing variable rent structure, which has contributed not more than 4.2% and 0.7% to the total rent received for each year over the past three years under the existing LPKR MLAs and MPU MLAs respectively, and provides improved upside sharing for First REIT

Assets	Current Variable Rent Structure	Revised Performance Based Rent Structure
4 LPKR Hospital Assets (Mochtar Riady Comprehensive Cancer Centre, Siloam Hospitals Lippo Village, Siloam Hospitals Kebon Jeruk, Siloam Hospitals Surabaya)	<ul style="list-style-type: none"> • Generally, where the audited Gross Operating Revenue ("GOR") for the preceding financial year exceeds the audited GOR for the further preceding financial year by <ul style="list-style-type: none"> - 5% or less, no variable rent shall be payable - More than 5% but less than 15%, variable rent payable shall be equivalent to 0.75% of the audited GOR in the preceding financial year; - 15% or more but less than 30%, variable rent payable shall be equivalent to 1.25% of the audited GOR in the preceding financial year; - 30% or more, variable rent payable shall be equivalent to 2.00% of the audited GOR in the preceding financial year 	<ul style="list-style-type: none"> • 8.0% of the GOR for the preceding financial year
Remaining 10 LPKR and MPU Hospital Assets	<ul style="list-style-type: none"> • Generally, where the audited GOR for the preceding financial year exceeds the audited GOR for the further preceding financial year by <ul style="list-style-type: none"> - Less than 5%, no variable rent shall be payable - 5% or more but less than 15%, variable rent payable shall be equivalent to 0.75% of the excess amount; - 15% or more but less than 30%, variable rent payable shall be equivalent to 1.25% of the excess amount; - 30% or more, variable rent payable shall be equivalent to 2.00% of the excess amount 	



(1) Represents LPKR Hospitals and Aryaduta Manado.
 (2) Represents MPU Hospitals.

What are the Terms of the Proposed LPKR MLA Restructuring? (Cont'd)

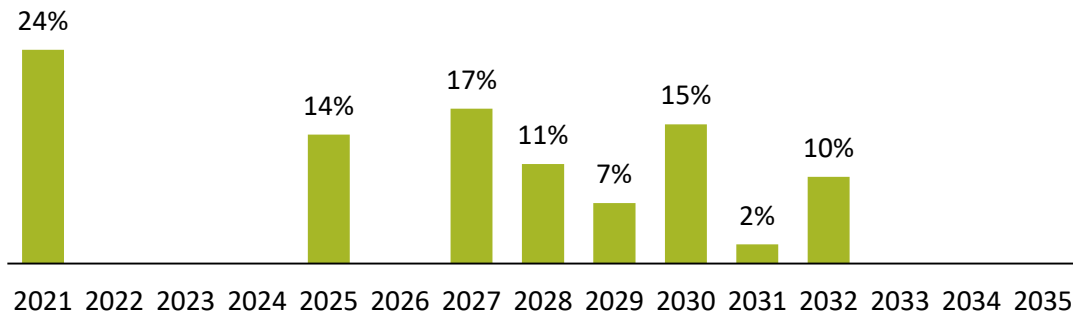
Increased WALE Post Completion of the Proposed LPKR and MPU MLA Restructuring

- Extended Weighted Average Lease Expiry (“WALE”): WALE for First REIT will be extended from 7.4 years as at 31 December 2019 to 12.6 years⁽¹⁾, which provides a more certain and stable lease profile to reposition First REIT for future growth

WALE⁽¹⁾ = 7.4 years

Current Lease Expiry Profile (by GFA)

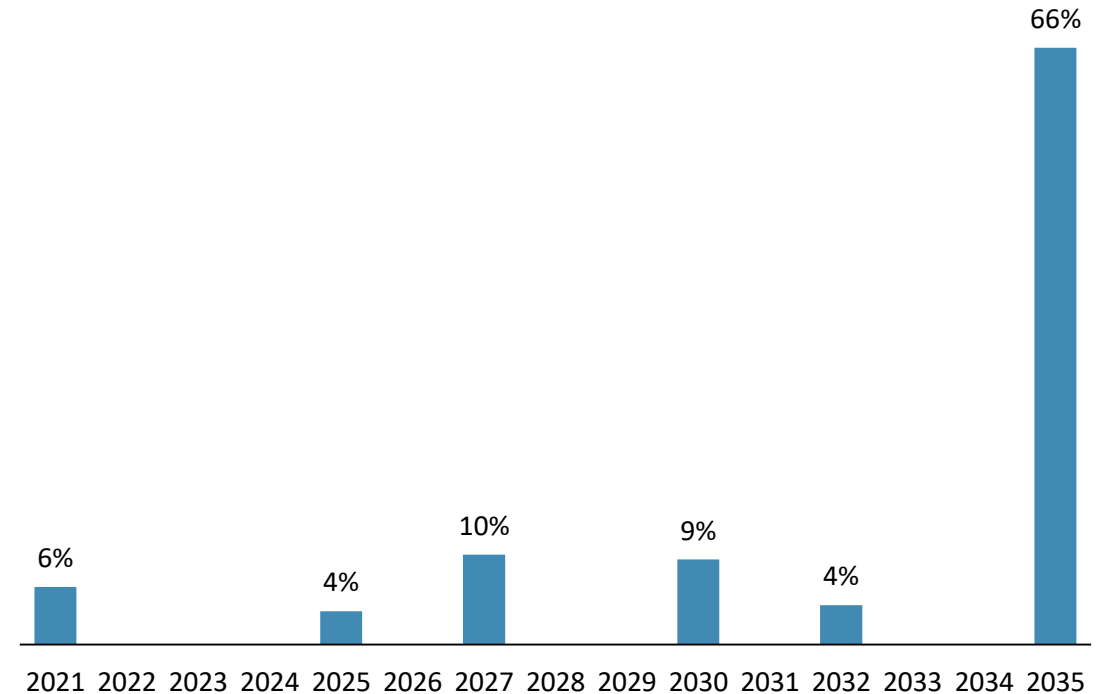
(% of GFA)



WALE⁽¹⁾ = 12.6 years⁽²⁾

New Lease Expiry Profile⁽²⁾ (by GFA)

(% of GFA)



Note: Assume IDR / SGD = 10,830

(1) Weighted by GFA as at 31 December 2019.

(2) Assumes both the Proposed LPKR MLA Restructuring and the MPU MLA Restructuring are completed.

Financial Effects of the Proposed Transactions

Summary Valuation Impact (FY19)

The *pro forma* financial effects of the MPU MLA Restructuring, the Proposed LPKR MLA Restructuring and the Rights Issue presented below are strictly for illustrative purposes only and are prepared based on the audited consolidated financial statements of First REIT and its subsidiaries for FY2019 ("FY2019 Audited Consolidated Financial Statements")

	FY2019 ⁽¹⁾	FY2019 ⁽¹⁾		
		After the Proposed LPKR MLA Restructuring	After the MPU MLA Restructuring and the Proposed LPKR MLA Restructuring	After the MPU MLA Restructuring, the Proposed LPKR MLA Restructuring and the Rights Issue
<i>(\$mm unless otherwise noted)</i>				
Rental and other income / % Change	115.3	83.0 (28%)	77.6 (33%)	77.6 (33%)
Net property and other income / % Change	112.9	80.6 (29%)	75.1 (33%)	75.1 (33%)
NAV per Unit (cents)	99.6	57.8	51.8	36.0
Leverage ratio (%)	34.5%	45.4%	47.9%	33.9%
DPU Yield (%) based on the closing price on the Latest Practicable Date (\$S0.41)	–	12.1% ⁽²⁾	10.8% ⁽³⁾	–
DPU Yield (%) based on the closing price on the Market Day before LPKR unilaterally announced its intention to restructure all of the LPKR MLAs (\$S0.885)	9.7% ⁽⁴⁾	5.6% ⁽⁵⁾	5.0% ⁽⁶⁾	–
DPU Yield (%) based on indicative Issue Price ⁽⁷⁾	–	–	–	13.0%
DPU Yield (%) based on theoretical ex-rights price calculated based on the closing price on the Latest Practicable Date (being \$S0.41 per Unit) (\$S0.31) ⁽⁸⁾	–	–	–	8.5%

Note: Assume IDR / SGD = 10,830

(1) Based on the FY2019 Audited Consolidated Financial Statements.

(2) Based on the closing price on the Latest Practicable Date of \$S0.41 per Unit. Excluding the one-off master lease restructuring costs of \$S3.4 million, the DPU yield will be 13.2%.

(3) Based on the closing price on the Latest Practicable Date of \$S0.41 per Unit. Excluding the one-off master lease restructuring costs of \$S3.4 million, the DPU yield will be 11.9%.

(4) Based on the closing price on the Market Day before LPKR unilaterally announced its intention to restructure all of the LPKR MLAs (being 29 May 2020) of \$S0.885 per Unit.

(5) Based on the closing price on the Market Day before LPKR unilaterally announced its intention to restructure all of the LPKR MLAs (being 29 May 2020) of \$S0.885 per Unit. Excluding the one-off master lease restructuring costs of \$S3.4 million, the DPU yield will be 6.1%.

(6) Based on the closing price on the Market Day before LPKR unilaterally announced its intention to restructure all of the LPKR MLAs (being 29 May 2020) of \$S0.885 per Unit. Excluding the one-off master lease restructuring costs of \$S3.4 million, the DPU yield will be 5.5%.

(7) Based on the indicative Issue Price of \$S0.20 per Unit. Excluding the one-off master lease restructuring costs of \$S3.4 million, the DPU yield will be 14.1%.

(8) Based on theoretical ex-rights price calculated based on the closing price on the Latest Practicable Date (being \$S0.41 per Unit) of \$S0.31 per Unit. Excluding the one-off master lease restructuring costs of \$S3.4 million, the DPU yield will be 9.2%.

Financial Effects of the Proposed Transactions

Summary Valuation Impact (1H20)

The *pro forma* financial effects of the MPU MLA Restructuring, the Proposed LPKR MLA Restructuring and the Rights Issue presented below are strictly for illustrative purposes only and are prepared based on the unaudited consolidated financial statements of First REIT and its subsidiaries for 1H2020 ("1H2020 Unaudited Consolidated Financial Statements")

	1H2020 ⁽¹⁾	1H2020 ⁽¹⁾		
		After the Proposed LPKR MLA Restructuring	After the MPU MLA Restructuring and the Proposed LPKR MLA Restructuring	After the MPU MLA Restructuring, the Proposed LPKR MLA Restructuring and the Rights Issue
<i>(\$mm unless otherwise noted)</i>				
Rental and other income / % Change	38.6	27.9 (28%)	26.1 (32%)	26.1 (32%)
Net property and other income / % Change	37.5	26.9 (28%)	25.0 (33%)	25.0 (33%)
NAV per Unit (cents)	97.0	55.4	49.4	34.6
Leverage ratio (%)	34.9%	46.1%	48.6%	34.4%
Annualised DPU Yield (%) based on the closing price on the Latest Practicable Date (S\$0.41)	–	4.3% ⁽²⁾	3.6% ⁽³⁾	–
DPU Yield (%) based on the closing price on the Market Day before LPKR unilaterally announced its intention to restructure all of the LPKR MLAs (S\$0.885)	5.2% ⁽⁴⁾	2.0% ⁽⁵⁾	1.6% ⁽⁶⁾	–
Annualised DPU Yield (%) based on indicative Issue Price ⁽⁷⁾	–	–	–	5.5%
Annualised DPU Yield (%) based on theoretical ex-rights price calculated based on the closing price on the Latest Practicable Date (being S\$0.41 per Unit) (S\$0.31) ⁽⁸⁾	–	–	–	3.6%

Note: Assume IDR / SGD = 10,830

(1) Based on the 1H2020 Unaudited Consolidated Financial Statements, which includes the two-month rental relief of S\$19.6 million extended to all tenants for the months of May and June 2020.

(2) Based on the closing price on the Latest Practicable Date of S\$0.41 per Unit. Excluding the one-off master lease restructuring costs of S\$3.4 million, the annualised DPU yield will be 6.4%.

(3) Based on the closing price on the Latest Practicable Date of S\$0.41 per Unit. Excluding the one-off master lease restructuring costs of S\$3.4 million, the annualised DPU yield will be 5.6%.

(4) Based on the closing price on the Market Day before LPKR unilaterally announced its intention to restructure all of the LPKR MLAs (being 29 May 2020) of S\$0.885 per Unit.

(5) Based on the closing price on the Market Day before LPKR unilaterally announced its intention to restructure all of the LPKR MLAs (being 29 May 2020) of S\$0.885 per Unit. Excluding the one-off master lease restructuring costs of S\$3.4 million, the annualised DPU yield will be 3.0%.

(6) Based on the closing price on the Market Day before LPKR unilaterally announced its intention to restructure all of the LPKR MLAs (being 29 May 2020) of S\$0.885 per Unit. Excluding the one-off master lease restructuring costs of S\$3.4 million, the annualised DPU yield will be 2.6%.

(7) Based on the indicative Issue Price of S\$0.20 per Unit. Excluding the one-off master lease restructuring costs of S\$3.4 million, the annualised DPU yield will be 7.6%.

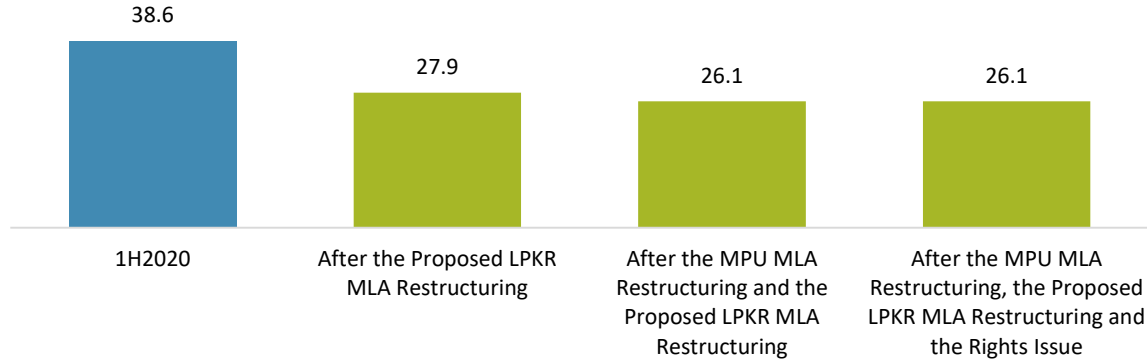
(8) Based on theoretical ex-rights price calculated based on the closing price on the Latest Practicable Date (being S\$0.41 per Unit) of S\$0.31 per Unit. Excluding the one-off master lease restructuring costs of S\$3.4 million, the annualised DPU yield will be 5.0%.

Financial Effects of the Proposed Transactions (Cont'd)

Illustrative Financial Impact (1H20)

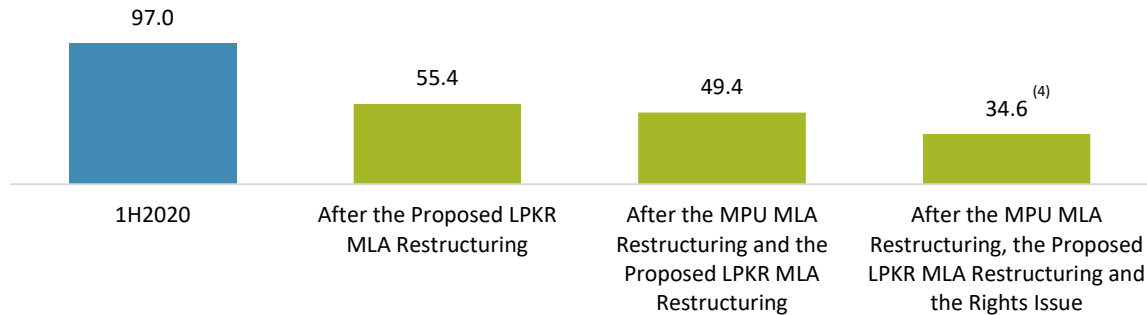
Rental and Other Income

(\$\$mm)



NAV per Unit

(Cents)

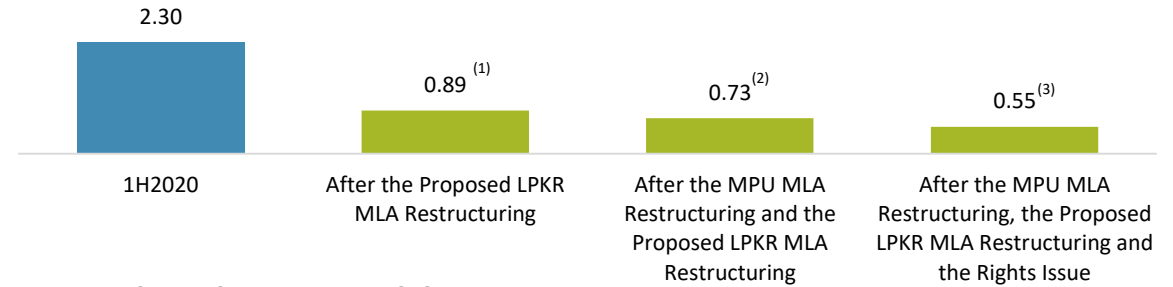


Note: Assume IDR / SGD = 10,830

- (1) Excluding the one-off master lease restructuring costs of S\$3.4 million, the DPU will be 1.31 cents.
- (2) Excluding the one-off master lease restructuring costs of S\$3.4 million, the DPU will be 1.15 cents.
- (3) Taking into account the issue of 791,063,000 Rights Units. Excluding the one-off master lease restructuring costs of S\$3.4 million, the DPU will be 0.76 cents.
- (4) Taking into account the issue of 791,063,000 Rights Units.
- (5) Based on the closing price on the Market Day before LPKR unilaterally announced its intention to restructure all of the LPKR MLAs (being 29 May 2020) of S\$0.885 per Unit.

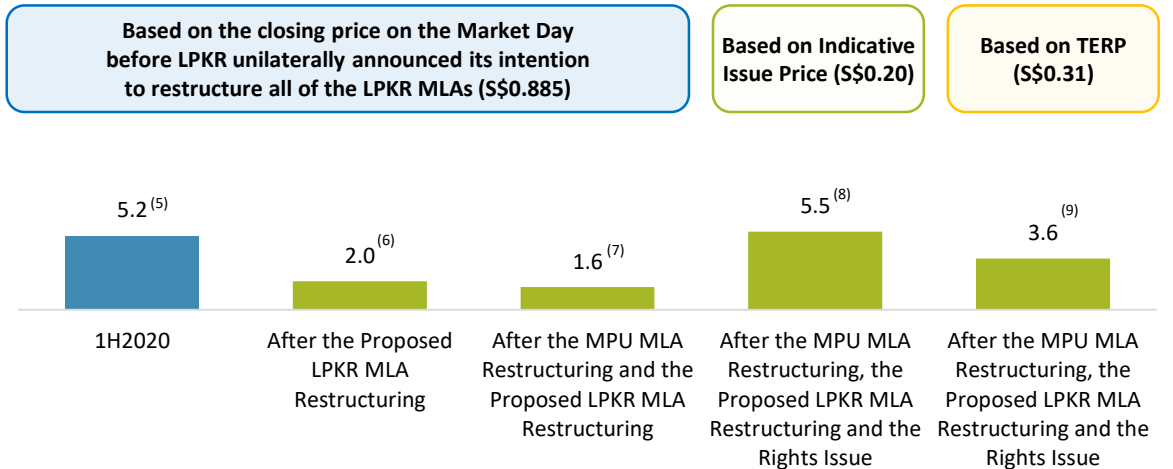
DPU

(Cents)



Annualised DPU Yield

(%)



- (6) Based on the closing price on the Market Day before LPKR unilaterally announced its intention to restructure all of the LPKR MLAs (being 29 May 2020) of S\$0.885 per Unit. Excluding the one-off master lease restructuring costs of S\$3.4 million, the annualised DPU yield will be 3.0%.
- (7) Based on the closing price on the Market Day before LPKR unilaterally announced its intention to restructure all of the LPKR MLAs (being 29 May 2020) of S\$0.885 per Unit. Excluding the one-off master lease restructuring costs of S\$3.4 million, the annualised DPU yield will be 2.6%.
- (8) Based on the indicative Issue Price of S\$0.20 per Unit. Excluding the one-off master lease restructuring costs of S\$3.4 million, the annualised DPU yield will be 7.6%.
- (9) Based on the theoretical ex-rights price calculated based on the closing price on the Latest Practicable Date (being S\$0.41 per Unit) of S\$0.31 per Unit. Excluding the one-off master lease restructuring costs of S\$3.4 million, the annualised DPU yield will be 5.0%.