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

MINUTES OF THE EXTRAORDINARY GENERAL MEETING HELD ON 19 JANUARY 2021

First REIT Management Limited, as manager of First Real Estate Investment Trust ("**First REIT**", and the manager of First REIT, the "**Manager**"), wishes to inform unitholders that in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 the minutes of the extraordinary general meeting ("**EGM**") of First REIT which was convened and held by way of electronic means on Tuesday, 19 January 2021 at 2:30 p.m. has been recorded and is attached hereto as **Appendix A**.

The Manager had on 13 January 2021 released on SGXNET its responses to substantial and relevant questions received from unitholders relating to the agenda of the EGM.

By Order of the Board

Tan Kok Mian Victor
Executive Director and Chief Executive Officer
First REIT Management Limited
(Company registration no. 200607070D)
As Manager of First Real Estate Investment Trust

18 February 2021

APPENDIX A

MINUTES OF EGM

FIRST REAL ESTATE INVESTMENT TRUST
(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 19 October 2006)

MINUTES OF EXTRAORDINARY GENERAL MEETING

HELD AT	ON	TIME
Held via electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meeting for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020	19 January 2021	2:30 p.m.

PRESENT	Chan Pengee Adrian	Lead Independent Director and Chairman of the Nominating and Remuneration Committee
	Victor Tan Kok Mian	Executive Director and Chief Executive Officer
	As per attendance record maintained by the Manager	Unitholder and Invitee attending via electronic means
IN ATTENDANCE VIA ELECTRONIC MEANS	Christopher James Williams	Chairman of the Board, Non-Independent Non-Executive Director
	Ferris Charles Bye	Independent Director and Chairman of the Audit and Risk Committee
	Tan Chuan Lye	Independent Director
	Martin Lechner	Independent Director
	Minny Riady	Non-Independent Non-Executive Director
	Sin Li Choo	Representative from the Trustee, Perpetual (Asia) Limited
CHAIRMAN OF THE MEETING	Chan Pengee Adrian	Chairman of the Meeting/Proxy for Unitholders (As per record maintained by the Manager)

WELCOME ADDRESS

1.1 On behalf of First REIT Management Limited, the manager of First Real Estate Investment Trust ("**First REIT**", and the manager of First REIT, the "**Manager**"), Mr Chan Pengee Adrian, the Lead Independent Director and Chairman of the Nominating and Remuneration Committee, welcomed the unitholders of First REIT (the

"**Unitholders**") present at the Extraordinary General Meeting of First REIT (the "**Meeting**") via electronic means. Mr Chan Pengee Adrian informed Unitholders that he would chair the Meeting on behalf of the Board Chairman as the agenda of the Meeting relates to interested person transactions.

1.2 The Chairman introduced the panel to the Unitholders and informed the Unitholders that he had been nominated by Perpetual (Asia) Limited, the trustee of First REIT, in accordance with the trust deed constituting First REIT to preside as the Chairman of the Meeting (the "**Chairman**").

1.3 Thereafter, Mr Tan Kok Mian Victor ("**Mr Tan**"), the Executive Director and Chief Executive Officer of the Manager, gave a short presentation. After the presentation, Mr Tan handed the proceedings of the Meeting to the Chairman.

1.4 A copy of the presentation, which was posted via SGXNet and First REIT's website on 19 January 2021, is annexed to this Minutes as "Annex A".

QUORUM

2.1 As there were sufficient Unitholders to form a quorum, the Chairman called the Meeting to order and went through the items on the Agenda.

NOTICE OF MEETING

3.1 The notice of the Meeting dated 28 December 2020 (the "**Notice**") was taken as read.

3.2 The Chairman informed the Unitholders that responses to substantial and relevant questions submitted by Unitholders prior to the Meeting had been published via SGXNET and also posted on First REIT's website on 13 January 2021. The responses to substantial and relevant questions received from the Unitholders are annexed to this Minutes as "Annex B".

3.3 The Chairman informed the Unitholders that in accordance with COVID-19 (Temporary Measures) Act 2020 and the related order on the conduct of general meetings, all votes on the resolutions tabled at the Meeting will be by proxy and only the Chairman of the Meeting may be appointed as a proxy. He informed the Unitholders that he had been appointed as proxy by a number of Unitholders on all the resolutions set out in the Notice, and would vote according to their respective instructions.

3.4 The Chairman informed the Unitholders that all resolutions tabled at the Meeting were voted by poll based on the proxy forms that were submitted to the Manager at least 72 hours before the Meeting.

3.5 The Chairman informed the Unitholders that DrewCorp Services Pte Ltd had been appointed as Scrutineers to conduct the poll.

RESOLUTION 1: THE PROPOSED LPKR MLA RESTRUCTURING

4.1 The Chairman informed the Unitholders that Rule 919 of the Listing Manual prohibits interested persons and their associates from voting on a resolution in relation to a matter in respect of which such persons are interested. Dr Stephen Riady and Mr James Tjahaja Riady, are each regarded as the controlling unitholders of First REIT and controlling shareholders of the Manager under both the Listing Manual and the Property Funds Appendix.

4.2 Further, given that PT Lippo Karawaci Tbk, a company in which Dr Stephen Riady and Mr James Tjahaja Riady each has an interest of 30% or more, would enter into the supplemental master lease agreements under the Proposed LPKR MLA Restructuring, Dr Stephen Riady and Mr James Tjahaja Riady and their associates which include OUE Limited, OUE Lippo Healthcare Limited and the Manager, would abstain from voting on Resolution 1, and would not accept appointments as proxies in relation to Resolution 1 unless specific instructions as to voting have been given.

4.3 The Chairman also informed the Unitholders that for purposes of good corporate governance, the non-independent Directors, Mr Christopher James Williams, the Chairman and Non-Independent Non-Executive Director of the Manager, Mr Tan Kok Mian Victor, the Executive Director and Chief Executive Officer of the Manager, and Ms Minny Riady, a Non-Independent Non-Executive Director of the Manager, would abstain from voting on Resolution 1, and would not accept

appointments as proxies in relation to Resolution 1 unless specific instructions as to voting have been given.

4.4 The motion to approve the Proposed LPKR MLA Restructuring being an interested person transaction was duly proposed.

RESULTS OF THE POLL ON RESOLUTION 1

5.1 The results of the poll on Resolution 1 were as follows:

Total number of Units represented by votes for and against the resolution	For		Against	
	No. of Units	%	No. of Units	%
100,082,755	91,325,590	91.25	8,757,165	8.75

By a majority of votes received in favour of Resolution 1, the Chairman declared Resolution 1 carried.

RESOLUTION 2: PROPOSED WHITEWASH RESOLUTION

6.1 The Chairman informed the Unitholders that pursuant to the waiver from the Securities Industry Council in relation to the Proposed Whitewash Resolution, Clifford Development Pte. Ltd., a wholly owned subsidiary of OUE Limited, and its concert parties as well as parties not independent of them would abstain from voting on Resolution 2.

6.2 The motion in respect of Resolution 2 was duly proposed.

RESULTS OF THE POLL ON RESOLUTION 2

7.1 The results of the poll on Resolution 2 were as follows:

Total number of Units represented by votes for and against the resolution	For		Against	
	No. of Units	%	No. of Units	%
99,393,331	90,004,697	90.55	9,388,634	9.45

By a majority of votes received in favour of Resolution 2, the Chairman declared Resolution 2 carried.

CONCLUSION OF THE MEETING

8.1 The Chairman thanked the Unitholders for their attendance and support, and declared the Meeting closed at 3:05 p.m..

Confirmed as true record of proceedings held

Chairman
Chan Pengee Adrian

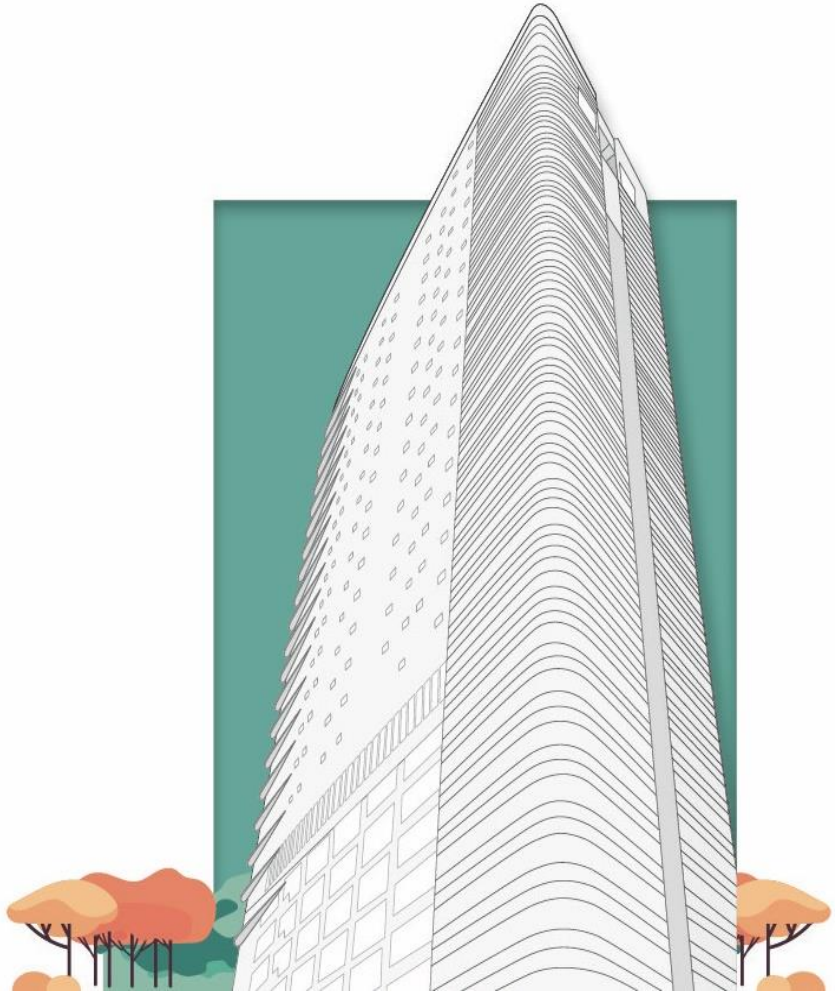
Annex A

FIRST REIT
FIRST REAL ESTATE INVESTMENT TRUST

PROPOSED RESTRUCTURING, RECAPITALISATION AND REPOSITIONING OF FIRST REIT

19 JANUARY 2021

DISCLAIMER



This presentation has been prepared by First REIT Management Limited (formerly known as Bowsprit Capital Corporation Limited), in its capacity as the manager of First Real Estate Investment Trust ("**First REIT**" and as manager of First REIT, the "**Manager**") for information purposes only and should not be used for any other purposes. The content of this presentation has not been reviewed by any regulatory authority. The information and opinions in this presentation provided as at the date of this presentation (unless stated otherwise) are subject to change without notice. The accuracy of such information and opinions are not guaranteed and this presentation may not contain all material information concerning First REIT. None of the Manager, First REIT nor any of their respective affiliates, advisors and representatives or any of their respective holding companies, subsidiaries, affiliates, associated undertakings or controlling persons, or any of their respective directors, officers, partners, employees, agents, representatives, advisers (including any global co-ordinator and bookrunner in respect of any equity fund raising that may be undertaken by the Manager) or legal advisers make any representation or warranty, express or implied and whether as to the past or the future regarding, and none of them assumes any responsibility or liability whatsoever (in negligence or otherwise) for, the fairness, accuracy, completeness or correctness of, or any errors or omissions in, any information contained herein or as to the reasonableness of any assumption contained herein or therein, or for any loss howsoever arising whether directly or indirectly from any use, reliance or distribution of these materials or its contents or otherwise arising in connection with this presentation. Further, nothing in this presentation should be construed as constituting legal, business, tax or financial advice. None of PT. Lippo Karawaci Tbk ("**LPKR**"), First REIT, the Manager, Perpetual (Asia) Limited (as the trustee of First REIT), or any of their respective subsidiaries, affiliates, advisors agents or representatives have independently verified, approved or endorsed the material herein.

Investors have no right to request the Manager to redeem their units in First REIT ("**Units**") while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

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The securities referred to herein have not been and will not be registered under the Securities Act, and may not be offered or sold in the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. Any public offering of securities to be made in the United States would be made by means of a prospectus that may be obtained from an issuer and would contain detailed information about such issuer and the management, as well as financial statements.

There will be no public offering of the securities referred to herein in the United States.

This presentation may contain forward-looking statements that involve assumptions, risks and uncertainties based on the Manager's current view of future events. Such forward-looking statements are based on certain assumptions and expectations of future events regarding First REIT's present and future business strategies and the environment in which First REIT will operate, and must be read together with those assumptions. The Manager does not guarantee that these assumptions and expectations are accurate or will be realised. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of risks, uncertainties and assumptions. Although the Manager believes that such forward-looking statements are based on reasonable assumptions, it gives no assurance that such expectations will be met. Representative examples of these risks, uncertainties and assumptions include, without limitation, general economic and industry conditions, interest rate trends, cost of capital, capital availability, competition from similar developments, shifts in expected levels of property rental income, change in operating expenses including employee wages, benefits and training, property expenses and government and public policy changes and continued availability of financing in the amounts and the terms necessary to support future business. The forecast financial performance of First REIT (if any) is not guaranteed. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events. No assurance can be given that the future events will occur or that projections will be achieved. The Manager does not assume any responsibility to amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events, or otherwise. You should conduct your own independent analysis of LPKR, the Manager and First REIT, including consulting your own independent legal, business, tax and financial advisers and other advisers in order to make an independent determination of the suitability, merits and consequences of investment in First REIT.

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.

This advertisement has not been reviewed by the Monetary Authority of Singapore.

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

1 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

2 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

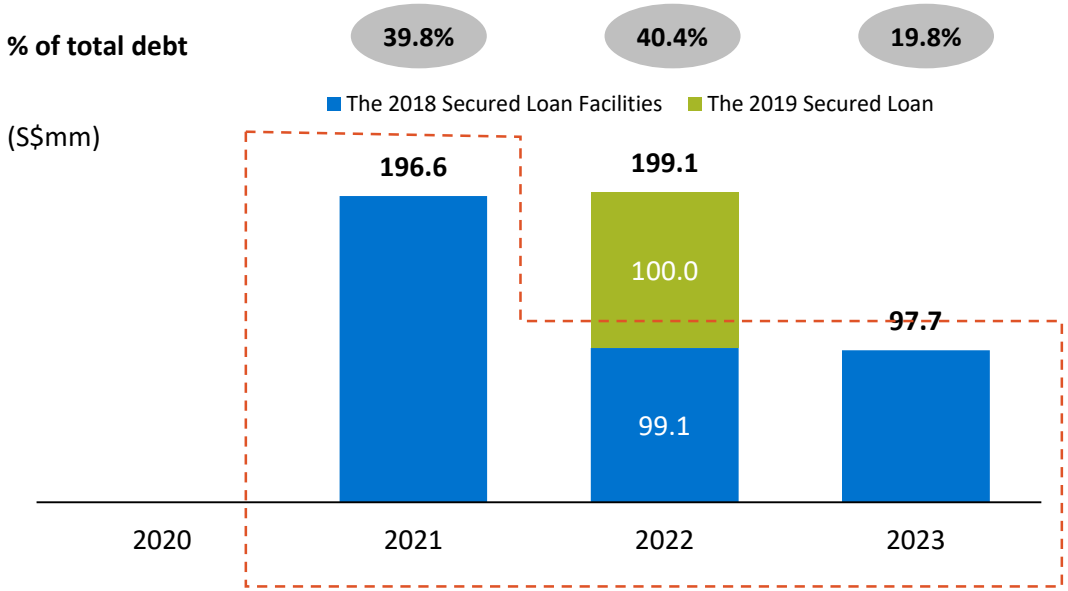
(1) With reference to First REIT's rental income currently attributable to the LPKR Hospitals as a proportion to the total rental and other income of First REIT for FY2019.

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

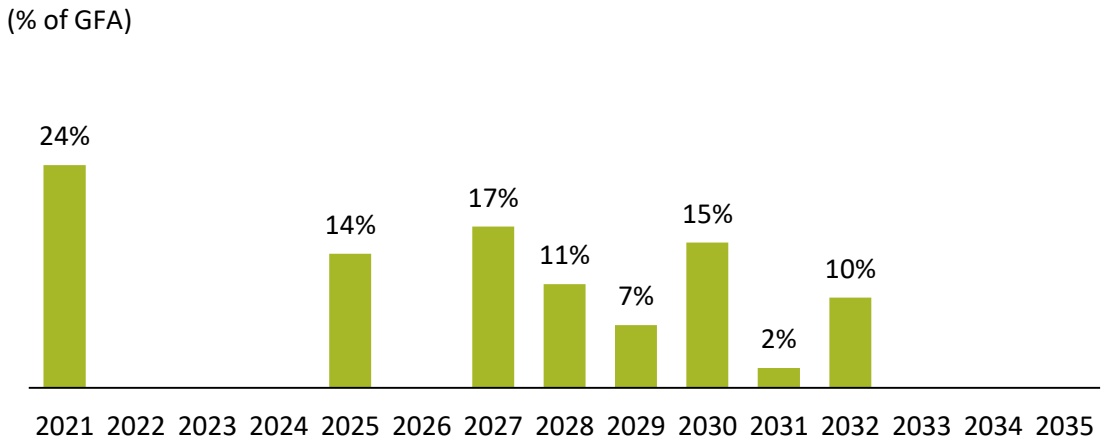
First REIT's Impending Debt Maturity and Lease Expiry

- ***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)



3 Why is FIRST REIT undertaking the Proposed Transactions?

Restructuring, Recapitalising and Repositioning First REIT for the Future

Rationale for the Proposed LPKR MLA Restructuring

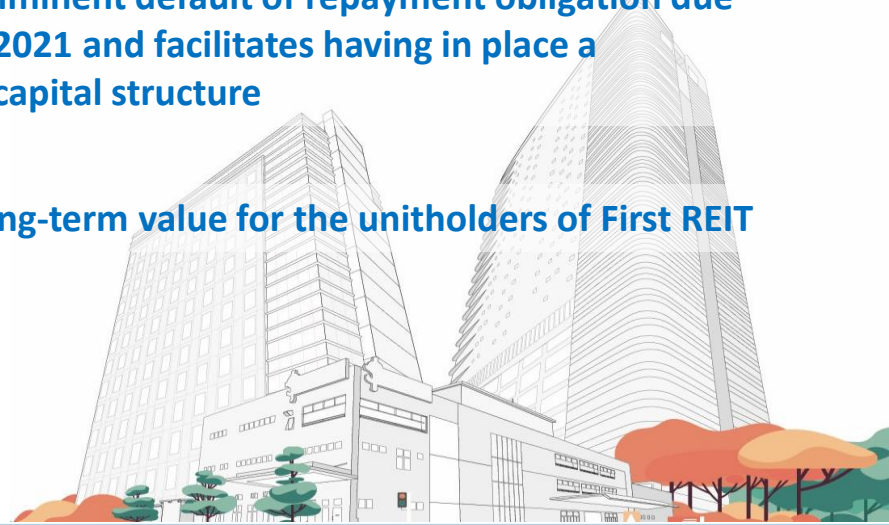
1. Avoids the adverse consequences of a default by LPKR under the existing LPKR MLAs and resulting termination of the existing LPKR MLAs
2. Avoids the time, costs and complications of enforcing legal rights in Indonesia
3. Provides clarity on asset valuations and cash flows
4. Facilitates debt financing 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.*

4 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

Rights Issue Proceeds
S$158.2 million

Repay part of the 2018 Secured Loan Facilities	Estimated Professional and Other Fees	Master Lease Restructuring Costs	Working Capital
approximately S$140.0 million	approximately S$5.5 million	approximately S$3.4 million	approximately S$9.3 million

*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*

5 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.

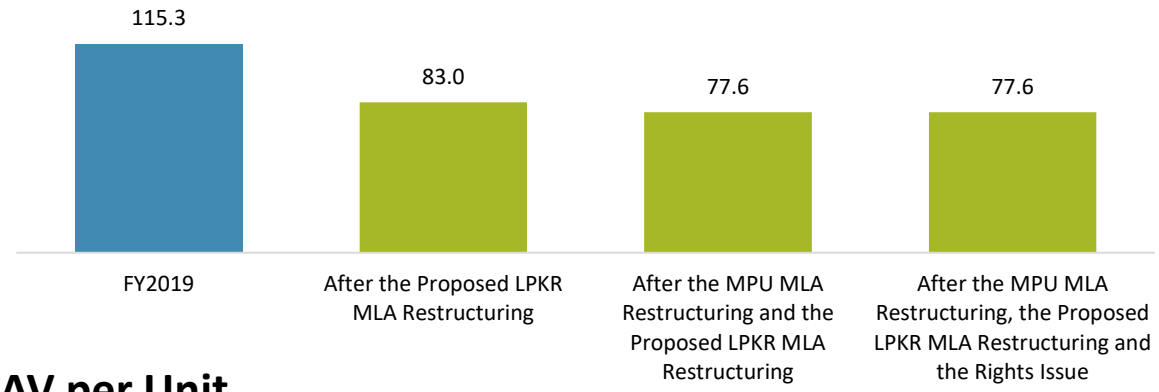
(3) On 1 January 2021, the Singapore Dollar denominated rents for each hospital will be converted to Indonesian Rupiah at an exchange rate of S$1.00 to Rp.10,830.

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

Illustrative Financial Impact (FY19)

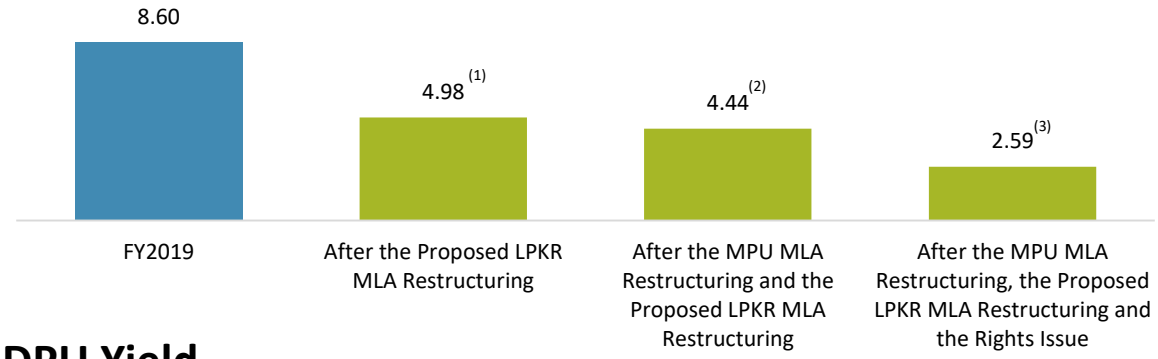
Rental and Other Income

(S$mm)



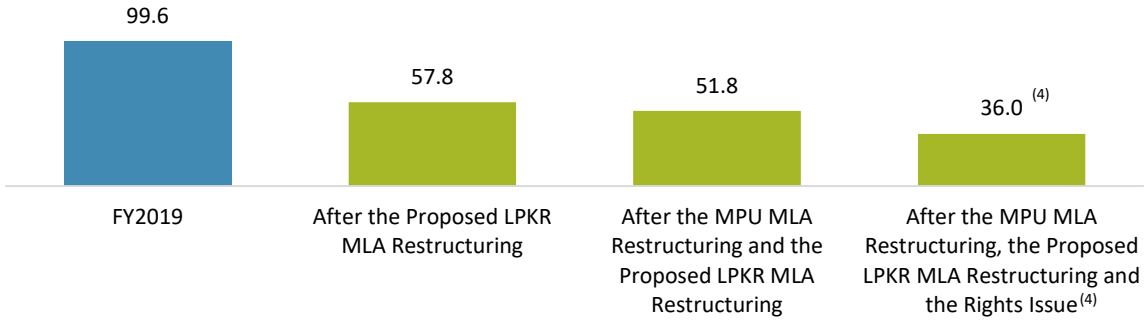
DPU

(Cents)



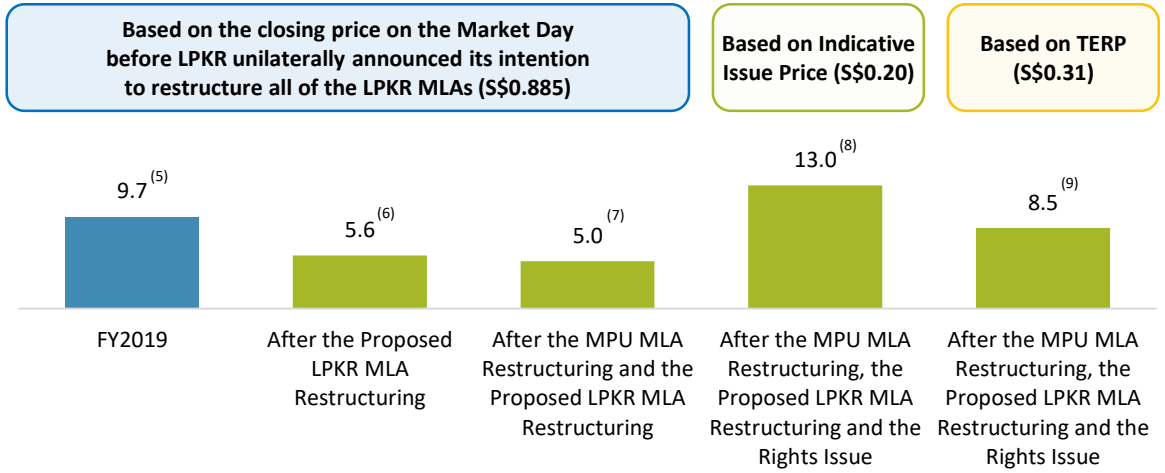
NAV per Unit

(cents)



DPU Yield

(%)



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.

(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%.

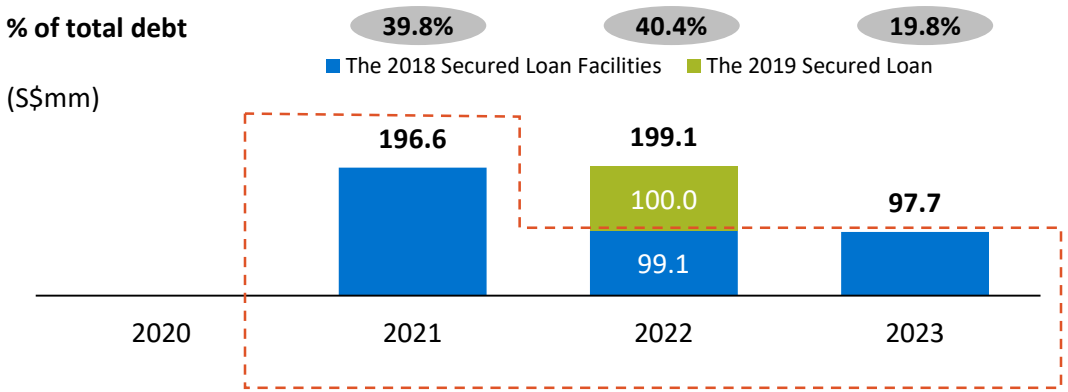
(8) Based on the indicative Issue Price of S$0.20 per Unit. Excluding the one-off master lease restructuring costs of S$3.4 million, the DPU yield will be 14.1%.

(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%.

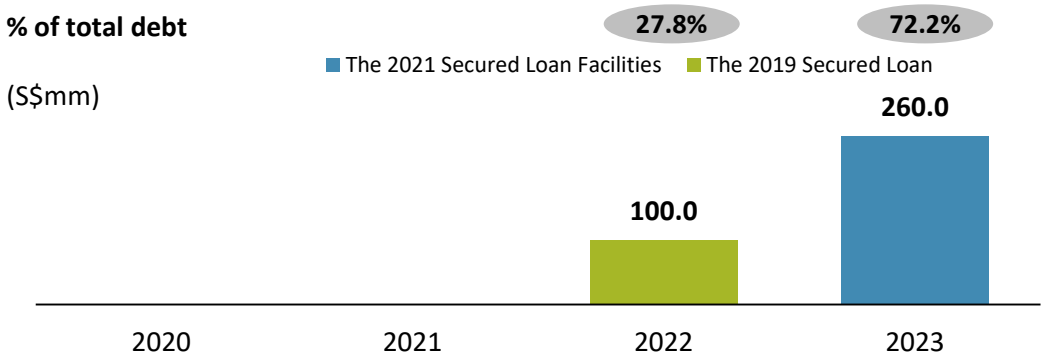
5 Financial Effects of the Proposed Transactions (Cont'd)

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)

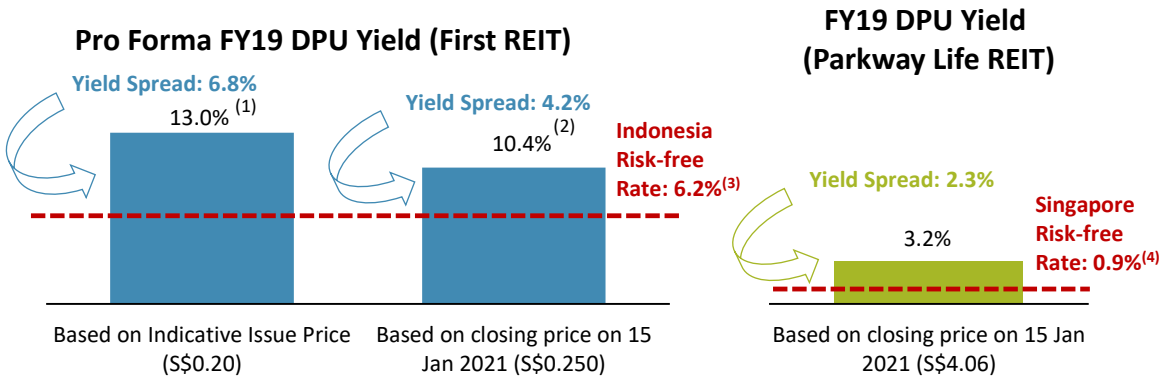
	Actual[2]	As adjusted for the Proposed LPKR MLA Restructuring	As adjusted for the MPU MLA Restructuring and the Proposed LPKR MLA Restructuring	After the MPU MLA Restructuring, the Proposed LPKR MLA Restructuring and the Rights Issue[3]
Short-term debt:				
Unsecured	-	-	-	-
Secured	-	-	-	-
Total short-term 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.

6 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**

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

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.

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

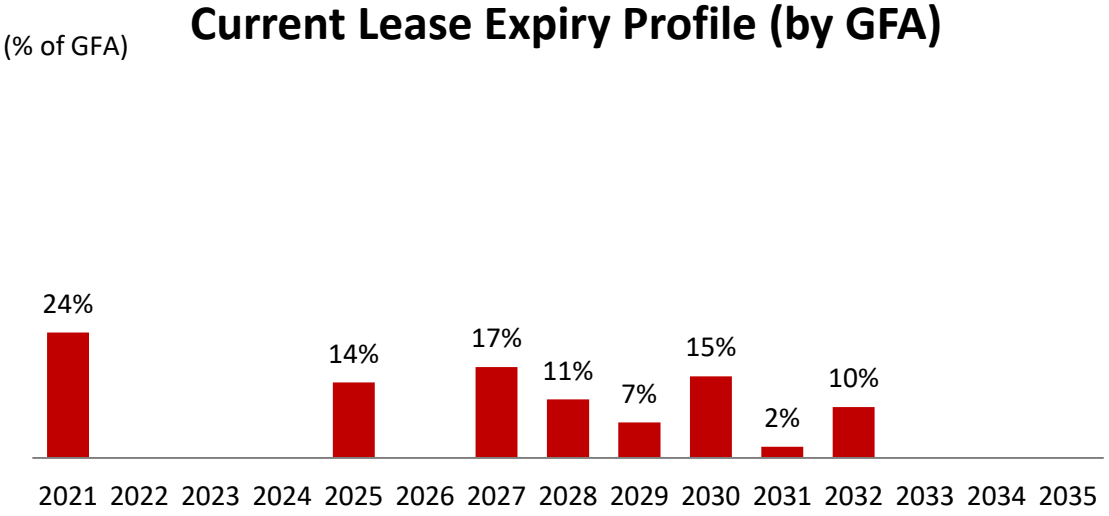
Sustainable 15 Year Master Lease Structure

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

Current Lease Expiry Profile (by GFA)

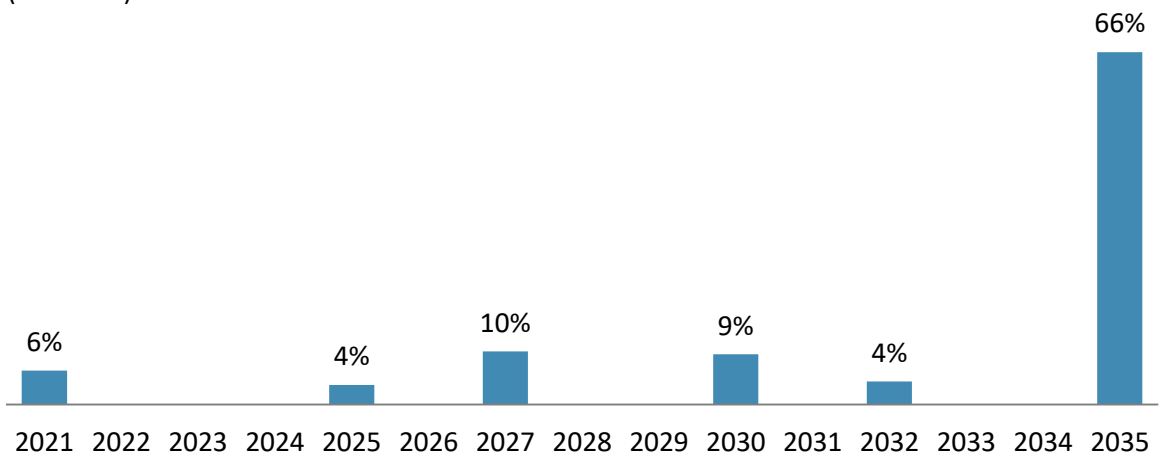


- ✗ **Unsustainable with high risk of master lease default**
- ✗ **Approximately 38% of leases expiring in the next 5 years**

Post MLA Restructuring

WALE[1] = 12.6 years[2]

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

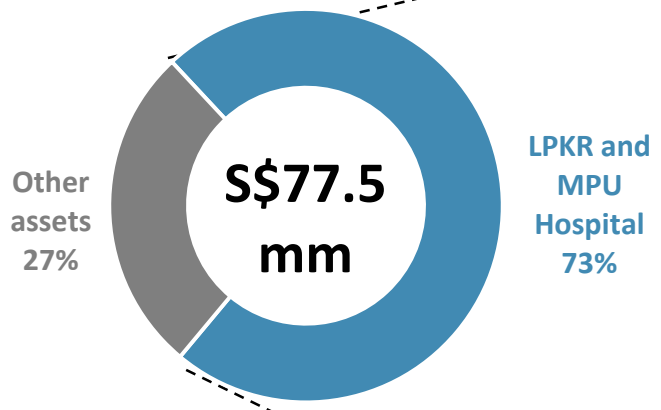
Note: Assume IDR / SGD = 10,830
(1) Weighted by GFA as at 31 December 2019.
(2) Assumes both the Proposed LPKR MLA Restructuring and the MPU MLA Restructuring are completed.

6 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

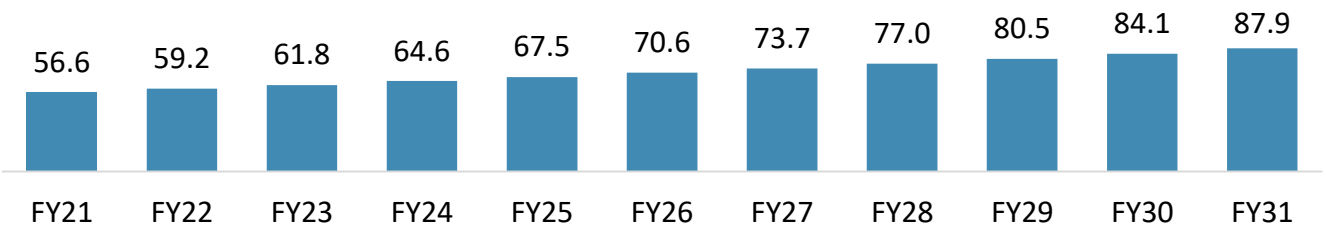


A **Improved Base Rent Structure:** Rental escalation **of 4.5% per annum for base rent** allows First REIT to enjoy 1.6x of its FY21 commencement base rent (S$56.6mm) by FY31

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**

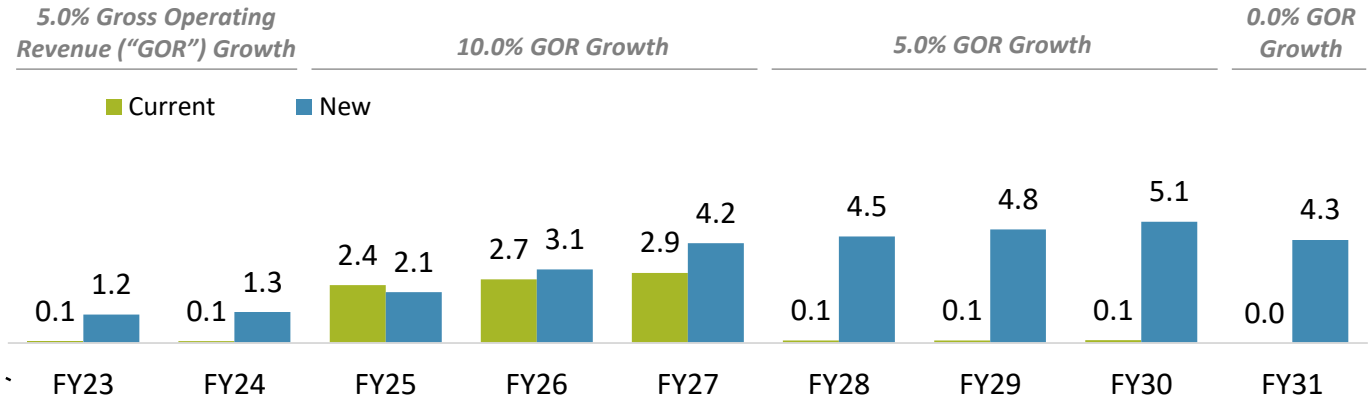
A Guaranteed 4.5% Rental Escalation Per Annum

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



B Improved Upside Sharing

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



Note: Assume IDR / SGD = 10,830

(1) Assume FY21 GOR for LPKR Hospitals and MPU Hospitals to be S$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.

6 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

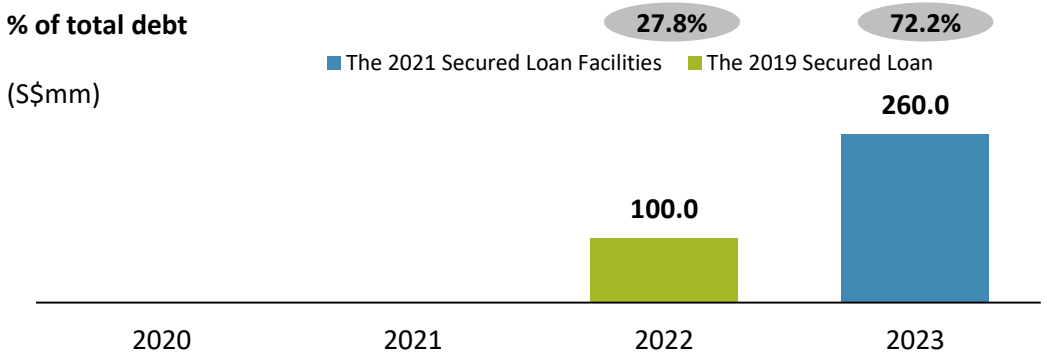
OCBC Bank | CIMB

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.*

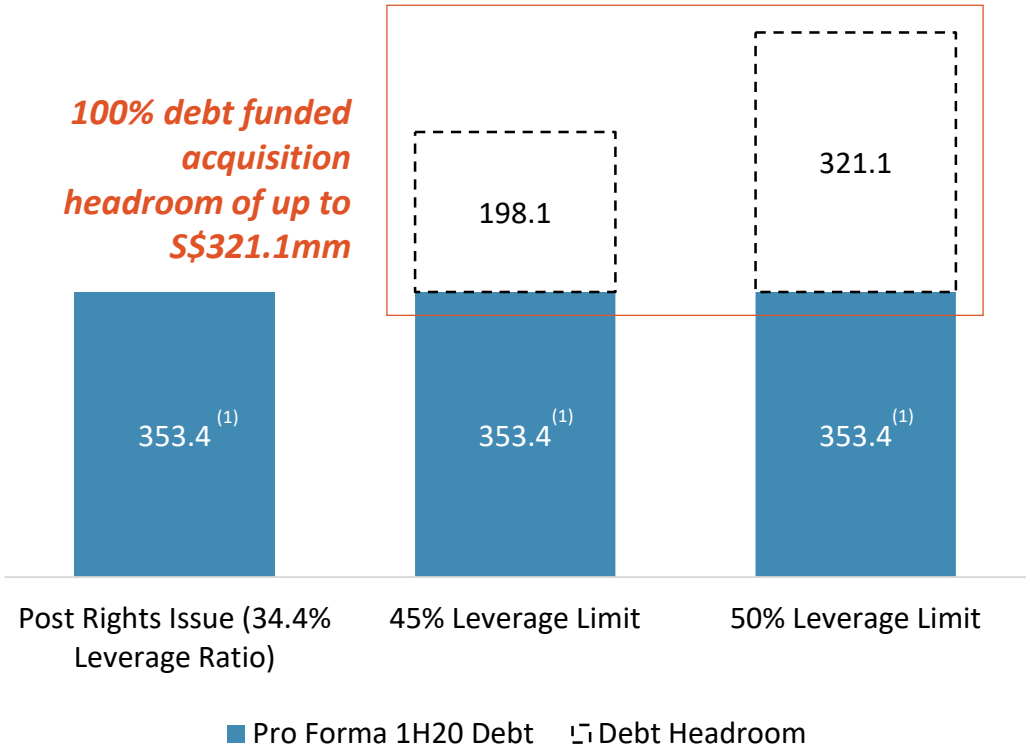
6 What is the Outlook for the Restructured, Recapitalised and Repositioned First REIT?

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$mm)



Source: OUELH 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

Sponsor Healthcare Network Provides Access to Key Focus Markets

Developed Markets (Ageing and Fragmented)

Sponsor Pipeline

Income Producing Japan Nursing Homes

Coverage	No. of Homes
4 Cities	12
No. of Units	**Portfolio Value[2]**
1,451	S$300m

Other Focus Market

Europe

United Kingdom

Australia

Emerging Markets (Ageing and Emerging)

China Hospitals

Presence in

3 Cities

50:50 Joint Venture

CMLHM

WITH CHINA MERCHANTS SHEKOU INDUSTRIAL ZONE HOLDINGS CO., LTD

Myanmar Hospitals

Myanmar Medical Facilities	Total Bed Capacity
6	370

6 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.

Technology and Healthcare Infrastructure Driving Growth Across the Indonesian Healthcare Market

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.

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.

7 Summary of the EGM

EGM Resolutions

	Resolutions	Voting Threshold %[1]
1	▪ The Proposed LPKR MLA Restructuring	> 50
2	▪ 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 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.*

7 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."

SAC CAPITAL

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."

SAC CAPITAL

Independent Financial Advisor

7 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.

FIRST REIT
FIRST REAL ESTATE INVESTMENT TRUST

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.

FIRST REIT
FIRST REAL ESTATE INVESTMENT TRUST

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	Legal Counsel
BofA SECURITIES	ALLEN & GLEDHILL
Independent Financial Advisor (IFA)	**Reporting Accountant**
SAC CAPITAL	RSM
Independent Market Consultant	**Independent Valuers**
FROST & SULLIVAN	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

FIRST REIT

FIRST REAL ESTATE INVESTMENT TRUST

Appendix

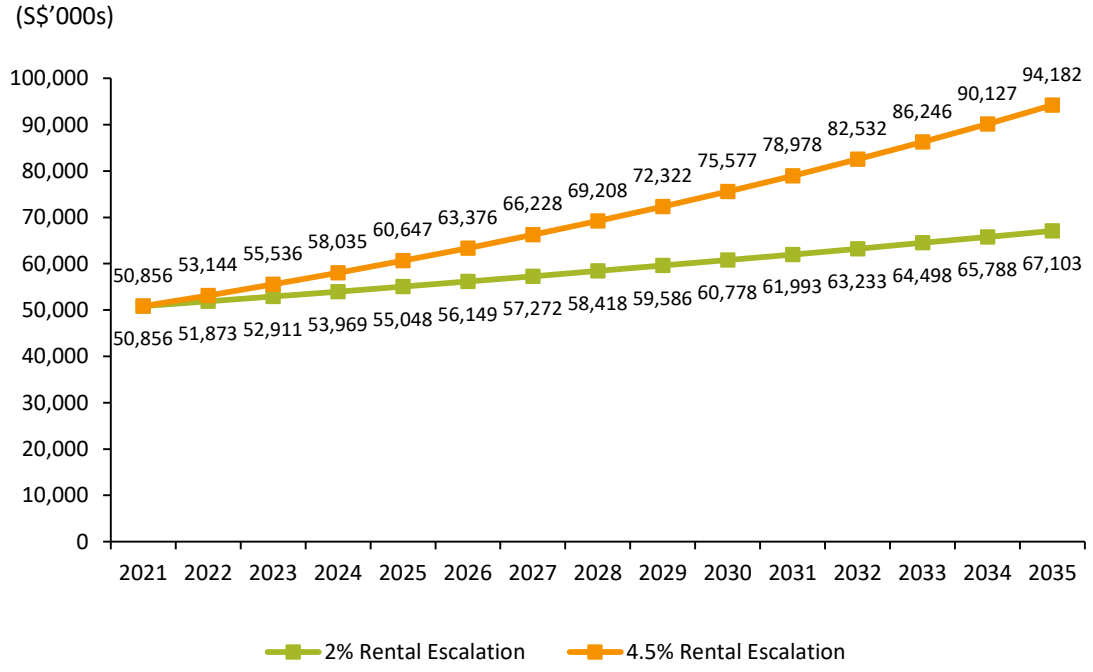
Siloam Hospitals Lippo Village

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

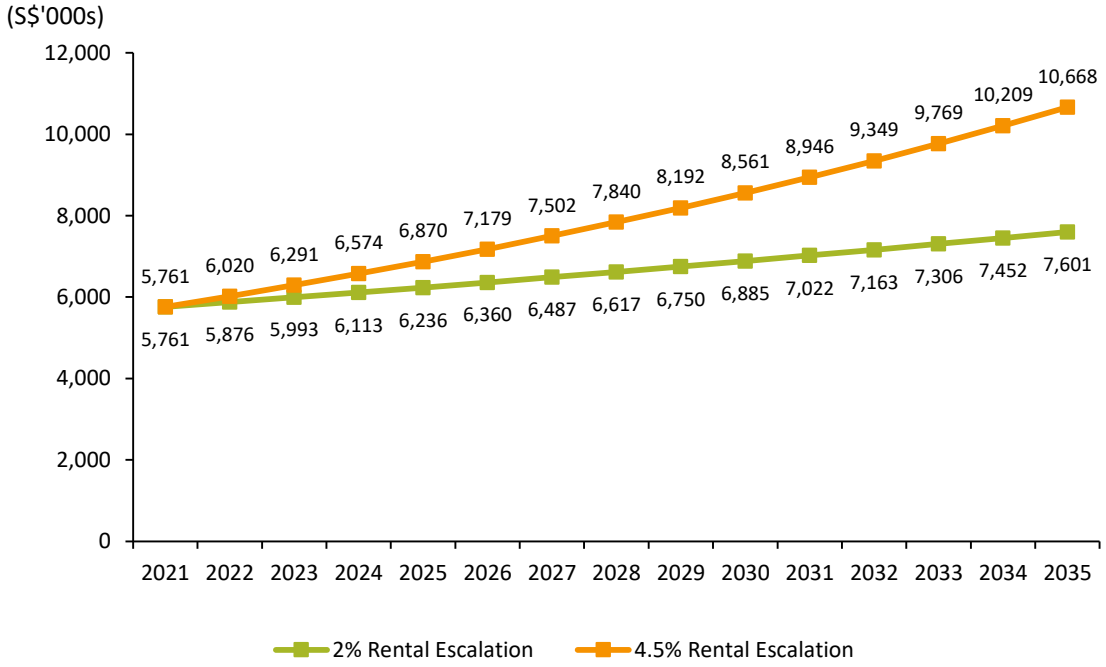
Illustrative Base Rent Over Time

- **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



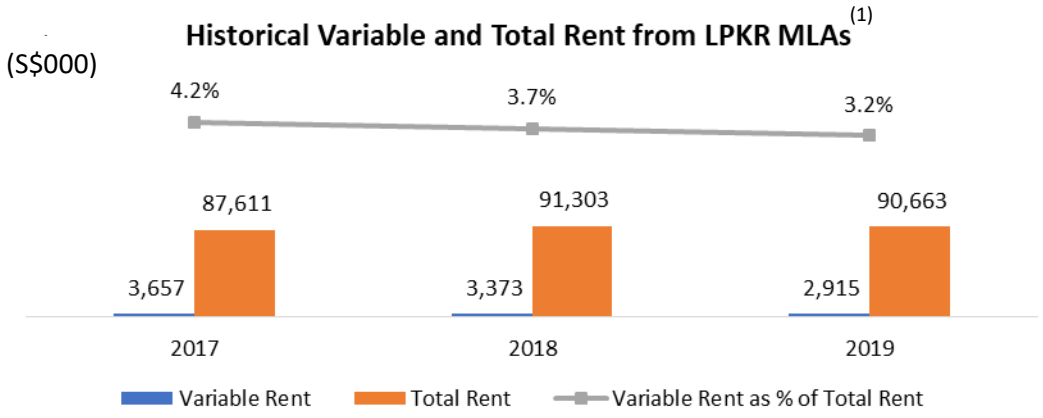
Note: Presented based on a fixed Singapore Dollar to Indonesian Rupiah exchange rate of S$1.00 to Rp.10,830 for illustrative purposes only

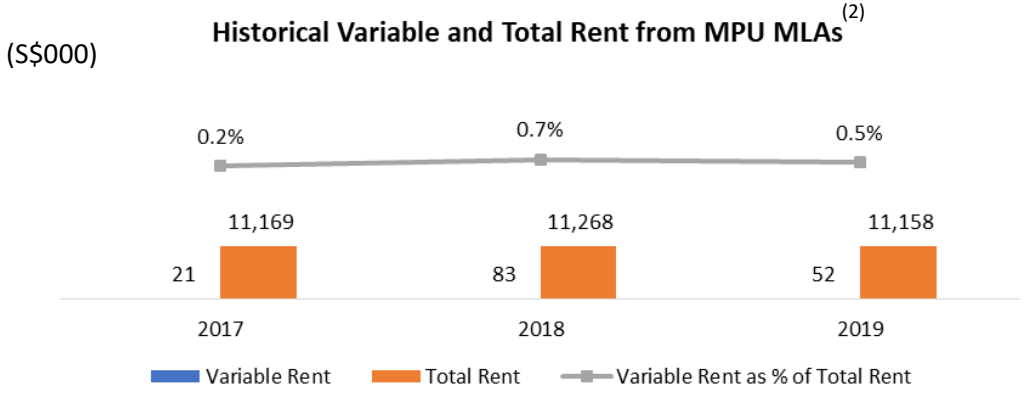
What are the Terms of the Proposed LPKR MLA Restructuring? (Cont'd)

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)	• Generally, where the audited Gross Operating Revenue ("GOR") for the preceding financial year exceeds the audited GOR for the further preceding financial year by – 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	• **8.0%** of the GOR for the preceding financial year
Remaining 10 LPKR and MPU Hospital Assets	• Generally, where the audited GOR for the preceding financial year exceeds the audited GOR for the further preceding financial year by – 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)

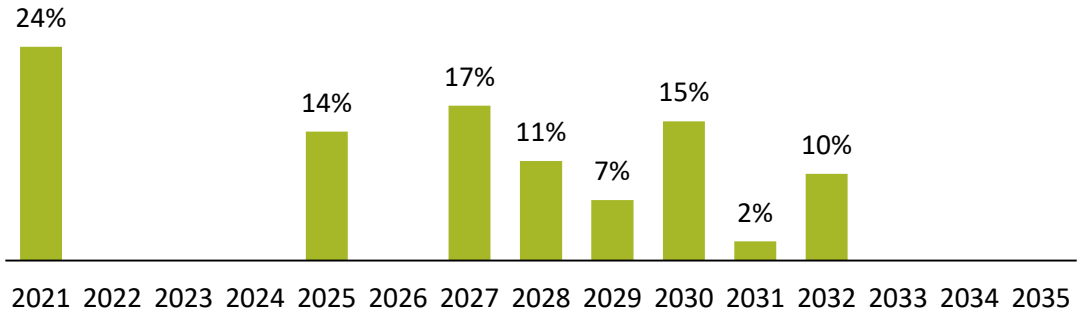
Increased WALE Post Completion of the Proposed LPKR and MPU MLA Restructuring

- **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)

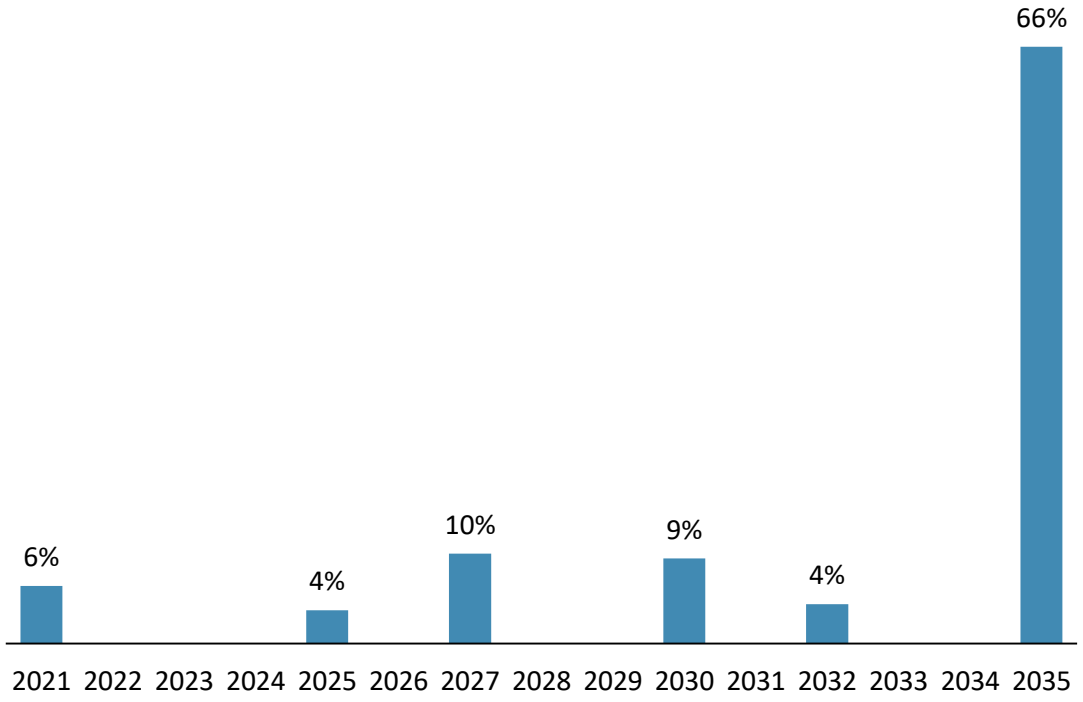
(% of GFA)



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**")

(S$mm unless otherwise noted)	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
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 (S$0.41)	–	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 (S$0.885)	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 S$0.41 per Unit) (S$0.31)[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 S$0.41 per Unit. Excluding the one-off master lease restructuring costs of S$3.4 million, the DPU yield will be 13.2%.
(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 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 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 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 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%.
(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 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 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

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**")

(S$mm unless otherwise noted)	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
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%.

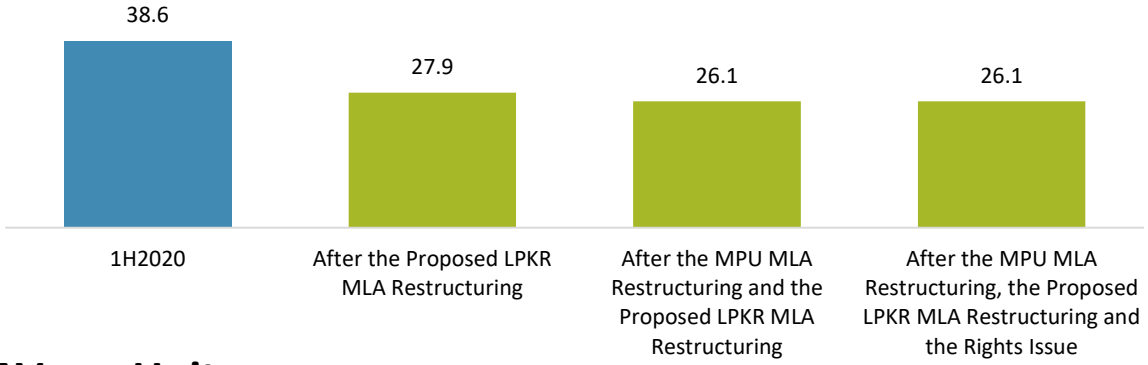
(8) Based on theoretical ex-rights price calculated based on the closing price on the Latest Practicable Date (being S$0.41 per Unit) of S$0.31 per Unit. Excluding the one-off master lease restructuring costs of S$3.4 million, the annualised DPU yield will be 5.0%.

Financial Effects of the Proposed Transactions (Cont'd)

Illustrative Financial Impact (1H20)

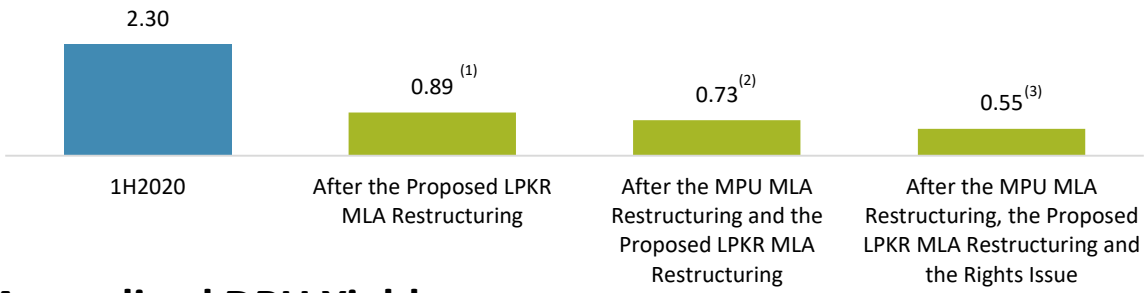
Rental and Other Income

(S$mm)



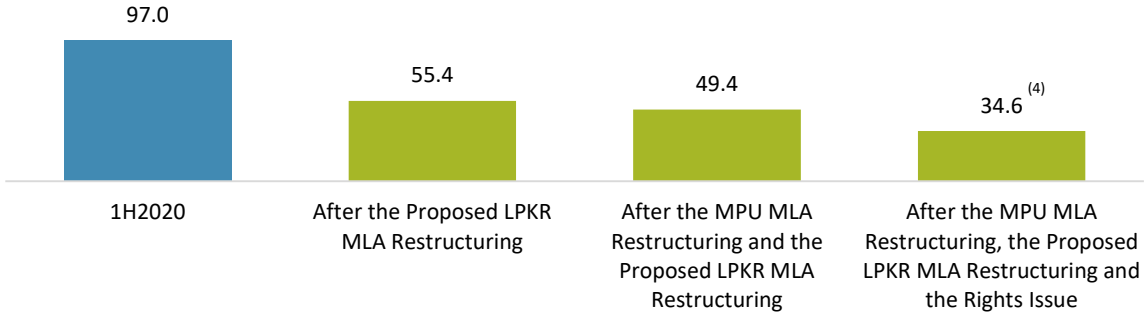
DPU

(Cents)



NAV per Unit

(Cents)



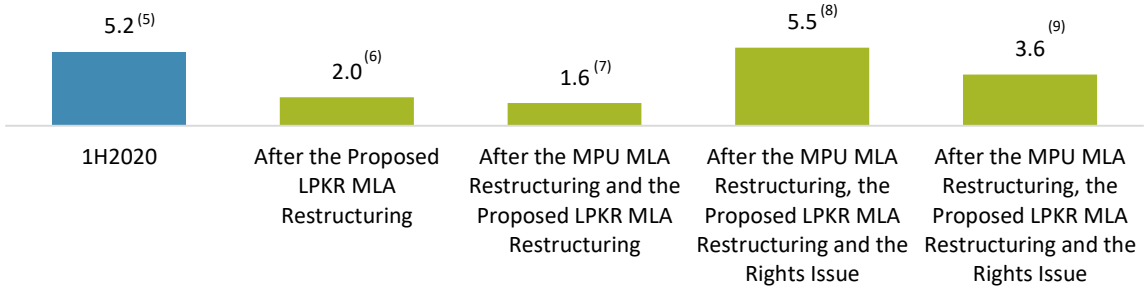
Annualised DPU Yield

(%)

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)

Based on Indicative Issue Price (S$0.20)

Based on TERP (S$0.31)



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.

(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 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%.

RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM UNITHOLDERS

For full details of the Proposed Transactions by First REIT, please refer to the Circular to Unitholders dated 28 December 2020 in relation to, among others, the proposed restructuring of certain master leases of First REIT (the "Circular"). Capitalised terms used herein, unless otherwise defined, shall have the meanings ascribed to them in the Circular.

Questions	Responses
Alignment of the Manager and Stakeholders	
1. Can the Manager list out all the sacrifices they have made individually and also collectively (as the Manager) in this crisis? 2. What assurances can First REIT's management provide so that there is no further share price dilution after issuing the rights entitlements?	Since the listing of First REIT, the Manager has been committed to enhancing Unitholder value and delivering stable dividends and returns for Unitholders. However, First REIT is now facing a confluence of challenges which require an immediate and resolute response. **Commitment from Sponsor Group** The Sponsor Group[1] has been supporting First REIT in the Proposed Recapitalisation Exercise (as defined herein) including in its discussion with the lending banks for the S$260 million Refinancing Facility. The Sponsor Group has additionally committed to provide up to approximately S$158.2 million of additional equity injection into First REIT via an irrevocable undertaking ("**Sponsor Irrevocable Undertaking**") to subscribe for its *pro rata* entitlement under the Rights Issue and also to take up any Units which are not subscribed for under the Rights Issue without any underwriting fee. The Sponsor Irrevocable Undertaking is a critical component of the Proposed Recapitalisation Exercise as it underpins the Rights Issue which is a condition of the S$260 million Refinancing Facility. Without it, First REIT will not be able to meet its up and coming S$196.6 million repayment obligation due on 1 March 2021. **Commitment from the Manager** Additionally, the Manager has provided an irrevocable undertaking to subscribe for its *pro rata* share of the proposed Rights Issue, amounting to a commitment of approximately S$17.8 million. Beyond the Manager's fiduciary duties to Unitholders, the Manager's economic interest are also aligned with Unitholders. The Manager currently holds approximately 9.36% of First REIT Units[2], and has consistently elected to receive a majority of its management fees in units (approximately 85.5% for the financial year ended 2019 ("**FY2019**")) since OUE and OUELH acquired the Manager in 2018. The Manager's fee structure (the "**Manager Fee Structure**") of (i) a base fee of 0.4% per annum of First REIT's assets; and (ii) a performance fee of 5.0% per annum of First REIT's net property income, was designed to ensure alignment of interest and is expected to decline as a result of the

[1] "Sponsor Group" means OUE Limited ("**OUE**"), OUE Lippo Healthcare Limited ("**OUELH**"), the Manager and their respective affiliates, and any reference to the Sponsor Group includes each of them.

[2] As at 31 December 2020.

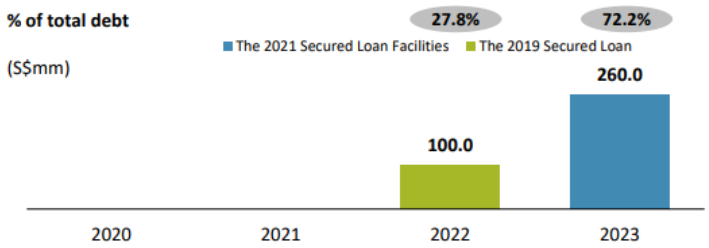
Questions	Responses
	Proposed Transactions. There will be an impact to the Manager's fee, based on the existing Manager Fee Structure. The Sponsor Group and the Manager remain fully committed to First REIT and believe in the strong fundamentals of First REIT. Further, First REIT remains an integral element of OUE's strategy to grow its healthcare platform.
Proposed LPKR Restructuring Terms and Rationale	
3. How would we know that LPKR and Siloam would honour the restructuring agreement going forward and not ask for another restructuring? 4. The two resolutions are aimed to stabilise First REIT for now. How long can this plan be sustained? 5. The concern is how confident are the Board and Management that the operation of LPKR will turn positive in the near future, after the restructuring? 6. Is the Manager convinced that without the restructuring, LPKR will go bankrupt or are they just trying to get a better deal? Any analysis? 7. The proposed restructuring rental amount is kind of too low. What methodology did the Management use to estimate the reasonable rental amount to be? 8. Why is First REIT conceding to LPKR under threat of default when LPKR is painting such a rosy and positive picture of their financial position to their own shareholders? Has management considered that any inefficiencies due to poor management and operating cost blowouts on their side should not be passed to First REIT Unitholders, but instead, LPKR should come up with their own way of reducing costs or improving revenue? 9. What other options have been considered, whether viable or not,	PT Lippo Karawaci Tbk ("**LPKR**") is facing significant liquidity pressure and this is confirmed by the three rating agencies in their most recent reports; the Covid-19 pandemic also played a significant role in worsening their financial condition. This is covered extensively in paragraph 5 of the Circular. If the terms of the existing LPKR master lease agreements ("**LPKR MLAs**") are enforced, there is a real risk and high probability that LPKR will default and there are severe consequences in such a scenario; these are listed as follows: • First REIT will be faced with a loss of approximately 72.1% of rental income represented by the LPKR MLAs that are within the scope of the Proposed LPKR MLA Restructuring; • There will be lengthy, costly and cumbersome legal disputes, during which, First REIT will be incurring operating and capital expenditures with limited visibility on the rental income stemming from the LPKR MLAs; • Consequently, friction costs will be incurred to identify a new tenant for a large proportion of the Indonesian portfolio. At the end of 2019, the Manager conducted a similar process on a smaller scale without success. This is a highly complex process as there are attributes unique to the healthcare asset class, one of which being the licensing and regulatory requirements of operating a hospital in Indonesia. This will therefore be a difficult, uncertain and lengthy leasing exercise to secure an alternative tenant-cum-operator, that will be doubly challenging to administer during the current Covid-19 pandemic; and • First REIT will breach its existing debt covenants. The Board together with the Management took a proactive approach as it was critical to move resolutely to renegotiate a new plan to restructure all the MLAs with LPKR following LPKR's unilateral announcement in June 2020. Given that the Proposed LPKR MLA Restructuring constitutes an interested party transaction, an independent board committee (the "**Independent Committee**") comprising the Independent Directors of the Board was set up and together with our appointed advisors, negotiated and evaluated the proposals from LPKR rigorously, with the intention of protecting Unitholder interest.

Questions	Responses
besides the restructuring of the LPKR MLAs? Was First REIT in a position to counter propose? If so, what was/were proposed? If not, what's the worst that can happen? 10. Why not get LPKR to do their own rights issue or other fundraising so as to meet their rent obligations? Why is this problem instead being passed down to the Unitholders? 11. The Proposed LPKR MLA Restructuring will have 66% expiry in 2035, which will give LPKR great bargaining power. How does First REIT intend to ensure that LPKR will continue to renew the rental without negotiating down the rental price? 12. What are the options to replace LPKR as middleman between First REIT and Siloam?	Given the numerous meetings and length of time in which the Independent Committee had worked to deliver a viable restructured plan, the Independent Committee is confident that LPKR has been sincere and professional in the negotiation process and that this new plan is sustainable for LPKR and in turn, for First REIT. Finally, it is important to note that in terms of hospital operators in Indonesia, Siloam stands out as it is the largest hospital operator in Indonesia and has an extensive hospital and healthcare network and it would be beneficial for First REIT to continue a long-term partnership with such a professional operator. The entry of its major shareholder CVC Capital Partners, has also further professionalised its business.
13. What would be the FY2019 pro forma rent payable by LPKR and MPU based on the proposed "Base Rent Escalation 4.5% annually" if the rent is calculated backdated from the initial public offering ("**IPO**") until today.	This scenario analysis involves backdating the proposed rentals and rental structure as contained within the Proposed Transactions which will apply for the period of 1 January 2021 to 31 December 2035, to the date of First REIT's IPO, being 11 December 2006. This is a hypothetical scenario that is not based on any legal agreement(s), be it existing or proposed, and the Manager is of the opinion that there is no merit in conducting such an academic exercise.
14. What would be the FY2019 pro forma rent payable by LPKR and MPU based on the proposed "8% of GOR performance-based rent"?	Under the restructured LPKR MLAs, if given Unitholder approval, the first year will commence on 1 October 2021 and end on 30 September 2022, and the adopted annual rent shall be the higher of: (i) 8.0% of the gross operating revenue ("**GOR**") for each respective hospital for the preceding financial year (from 1 January to 31 December); or (ii) the Commencement Base Rent X (1 + S) = Second Lease Year Base Rent, where "S" is the escalation amounting to 4.5%. For the avoidance of doubt, (1 + S) will equal 1.045. Point (i) refers to the performance-based rent which will apply from the second year and onwards, and will kick in when the 8% of the GOR for each of the respective hospitals exceeds the computation that is defined in (ii).

Questions	Responses
	When recovery sets in and the performance of the LPKR Hospitals improve, the proposed restructured plan will allow for the rent to be calculated based on the higher of either the base rent or the performance-based rent and it will be possible for further upside sharing in the future.
15. Can Management please list down the salient differences between the current MLA and the Proposed LPKR MLA Restructuring. and highlight the impact of these on First REIT's DPU and the dilutive nature of this entire exercise for Unitholders? 16. How does this restructuring affect future DPU going forward? 17. If both resolutions are passed, what is the forecast distribution per unit for 2021 and 2022?	A comparison of the key terms of the existing MLAs and restructured LPKR MLAs can be found on page 4 of the Circular, and paragraph 4.2 of the Circular provides further detail on the key terms of the restructured LPKR MLAs. Additionally, the impact of the Proposed Transactions is highlighted on the cover page of the Circular.
18. What are some of the new assurances in the proposed new MLAs that First REIT has over LPKR to buffer any fallout from their future default on rental if it happens? Any (additional) rental deposits, corporate and personal undertakings, charge over assets of LPKR?	First REIT as lessor will obtain security deposits amounting to eight months of annual rent in the form of irrevocable bankers' guarantees, up from the six months of annual rent that is mandated under the existing LPKR MLAs. Additionally, LPKR has provided a written undertaking, that: (i) LPKR will immediately inform the Manager of any matter (including any deterioration in LPKR's creditworthiness) that has a material and adverse impact on its ability to fulfil its obligations to make payments under the restructured LPKR MLAs; and (ii) LPKR will not unilaterally novate or assign the restructured LPKR MLAs to other parties (other than a subsidiary of LPKR in accordance with the terms of the restructured LPKR MLAs), and will inform the Manager of any changes to the lease arrangements set out in the restructured LPKR MLAs (including any novation or assignment of the restructured LPKR MLAs in accordance with the terms of the restructured LPKR MLAs).
19. What is the approach if Covid-19 continues to have a negative impact on First REIT? Will there be more resolutions needed and rights issuances? 20. Does the company expect to conduct further rights issuances in the near future to manage the debt?	The Manager believes that the Proposed Transactions will ensure that First REIT is well-positioned for the challenges ahead. With a renewed capital structure, First REIT will look to diversifying its funding sources and this will not be limited to equity fund raisings.

Questions	Responses
21. Assuming the proposed Rights Issue proceeds, how likely is First REIT to require another round of recapitalisation within the next 5 years?	
22. Please provide more details and assurance that after the proposed recapitalisation, First REIT will be able to remain sustainable. How will the distributions to Unitholders be affected? Will First REIT's rental income be hedged to SGD/USD?	The proposed Rights Issue is part of a holistic recapitalisation exercise ("**Proposed Recapitalisation Exercise**") of First REIT. It will allow First REIT to meet its immediate debt repayment obligations on 1 March 2021 and also deleverage its balance sheet, extend First REIT's weighted average debt maturity by 11 months and path a way for further diversification of funding sources as part of the plan to further optimise First REIT's balance sheet. Following the completion of the recapitalisation exercise, First REIT's debt headroom will be approximately S$321.1 million (based on an assumed 50% gearing threshold). This, along with the completion of the Proposed LPKR MLA Restructuring, will stabilise First REIT and reposition it for further growth. On distributions, the Manager will continue with its commitment of dividend payments. For changes to DPU, please refer to page 72 of the Circular. The Manager is aware of the foreign exchange risk associated with receiving its rentals in Indonesia Rupiah for the LPKR and MPU MLAs and is reviewing its options with regard to potential hedging strategies; Unitholders will be updated as and when there are material developments in this regard.
23. Currently LPKR is subsidising a large portion of the rental. Under the new lease structure, is LPKR still subsidising the rent? Or is Siloam paying the rent in full?	LPKR remains the master tenant of the LPKR Hospitals, with Siloam remaining as the sub-lessee for 11 of the 14 affected LPKR Hospitals. For Siloam Hospitals Labuan Bajo, Siloam Hospitals Buton and Siloam Hospitals Yogyakarta, Siloam through its subsidiary is a tenant together with LPKR. Factors such as the free cash flow and rent over EBITDAR was taken into consideration when determining the base rent. Given the absence of direct comparable evidence within the direct Indonesia market, the broader ASEAN and North America regions healthcare REITs lease structures such as Parkway Life REIT, Northwest Healthcare Properties, Medical Properties Trust and RHT Health Trust have been utilised as comparables. The ASEAN markets have been selected due to its close proximity to Indonesia and the North American market for its maturity and availability of information. Trade related properties such as hospitals and hotels are bought and sold on the basis of their trading potential. The calculation of the proposed contract rental has been assessed via a ratio of the Rental / EBITDAR, which is typical and reflective of the asset as a trade related property. Based on publicly available information, the adopted rental structure is broadly in line with the Rent / EBITDAR ratio of these healthcare REITs which ranges from 40-45%, which we believe to be broadly reasonable.

Questions	Responses
Alternatives to Raising Capital	
24. Wouldn't a sale of all existing properties and liquidation of First REIT generate a better value for the Unitholders rather than this current restructuring and rights issue exercise? 25. Why can't the Manager deal directly with the respective hospital tenants instead of the Lippo Group. Is it possible to bypass LPKR or sell part of the assets?	The Manager has explored other funding sources including potential asset divestments. However, the Manager believes that the proposed Rights Issue is the only viable alternative at this stage. In particular, the Manager believes that an asset divestment is not a viable alternative at the moment having considered the below: The practical difficulty of conducting a sale process amidst the well-publicised financial difficulty of First REIT, which will likely result in a suboptimal price discovery process for First REIT's assets, particularly during a pandemic season where only opportunistic buyers may be present; The ongoing Proposed LPKR MLA Restructuring and MPU MLA Restructuring will limit any potential asset divestments to First REIT's Singapore and Korean assets only. As at 31 December 2019, the aggregate value of the Singapore and Korean assets held by First REIT was valued at approximately S$42.6 million which is significantly lower than the S$140.0 million repayment requirement imposed by the lending banks; and The long-term goal of First REIT to preserve unitholder value and diversify from LPKR and MPU related master leases. Further, there are challenges for First REIT to sell hospital assets (land and buildings only) to third- party operators as the underlying hospitals are already master-leased to LPKR. Hospitals are special properties that require very strict local licensing procedures and regulations and even if there are third- party buyers who are keen to purchase First REIT's hospitals to operate, replacing the operator and reapplying for new licensing requirements are just some of the friction costs associated with a sale of any assets. Any due diligence which may be conducted by potential buyers of First REIT's assets may also require some time to be completed. As such, First REIT would only be able to realise cash from potential hospital property sales after a period of time, which may not be timely for First REIT to meet its repayment obligations due on 1 March 2021.
26. Why can't OUE or LPKR or the Sponsor extend a shareholder's loan to First REIT to get over the loan covenant breach instead of doing a rights issues? OUE/ Lippo/ Sponsor can charge a higher interest rate to offset the rental they are paying without restructuring the leases so drastically. 27. Why the company did not take up another loan to finance the debt in the current low interest	The Manager had been in discussions with LPKR on these MLAs since 2019. However, following the unilateral announcement made by LPKR on 1 June 2020, the announcement of their intention to restructure all the LPKR MLAs triggered a sequence of events that was not within the control of the Manager or the Board. Further, the Rights Issue is a condition for the S$260 million Refinancing Facility announced on 24 December 2020. Without the Rights Issue, the Refinancing Facility will not be implemented. Without both the Rights Issue and the Refinancing Facility, First REIT is faced with the possibility of an imminent default as it has a significant financing hurdle with approximately 80.2% of debt due in the next 18 months and 39.8% coming due on 1 March 2021. The rights ratio, Issue Price and discount to TERP were determined after considering precedent transactions as well as the transaction size. The

Questions	Responses
environment, instead of issuing rights entitlements which would lead to reduced Unit values? Could the Management not have released all of these news pertaining to the proposed restructuring and the proposed Rights Issue together, and issued the rights at a much higher price? 28. What about using your cash reserves instead of undertaking a rights issuance?	indicative issue price is at a discount of approximately 33.3% to the TERP which is in line with recent successful rights issue exercises in the market. Given the fixed funding requirement, the pro rata funding requirement required from existing unitholders to subscribe for their entitlement will be fixed regardless of the rights issue price and discount. The Rights Issue will be offered on a pro rata basis to allow all existing Unitholders to participate and to maintain their pro rata unitholdings and avoid dilution. It is hoped that Unitholders will be supportive of the Rights Issue. However, as the Rights Issue is renounceable, Eligible Unitholders may accept (partially or fully), decline, renounce or trade on the SGX-ST (during the Rights trading period prescribed by the SGX-ST) their rights entitlements. First REIT's lenders have expressed concerns over the sustainability of First REIT's capital structure without the infusion of additional equity into First REIT post the MLA restructuring. Additional debt/financing facilities from OUE would further increase aggregate leverage/gearing of First REIT and not address capital structure sustainability concerns from the lenders.
Proposed Rights Issue	
29. May I know how First REIT is going to pay the remaining loan of S$100 million and S$260 million due in the year 2022 and 2023 respectively? Are you going to undertake another rights issue exercise in due course? 30. How long is the tenure of the refinance loan and the recourse on the breach of the MLAs. 31. Will there be any more rights issuances in the future? Will further rights issues be also similarly dilutive?	At the Manager's initiative, talks are ongoing to refinance the remaining S$100 million loan facility due in 2022. First REIT's debt maturity profile will be as follows: **Pro Forma Debt Maturity Profile(1) after Refinancing and Partial Repayment of Loans after the Rights Issue**  (1) Debt figures are calculated before transaction costs Based on the economic climate and market conditions at that time, the Manager will assess and identify the most suitable refinancing options available. The Manager will also look at how it may tap on more unsecured financing avenues such as the bond market. First REIT's gearing will be approximately 33.9% on a pro forma basis as at FY 2019, after the MPU MLA Restructuring, the Proposed LPKR MLA Restructuring and the proposed Rights Issue. This is inclusive of its existing debt obligations and is well below the leverage limit of 50.0%.

Questions	Responses
32. After the proposed Rights Issue, are you able to continue paying dividends to Unitholders?	It is important to note that Unitholder support is required to approve the resolutions at the upcoming EGM. Should Unitholders demonstrate their support, First REIT will be able to restructure and recapitalise. With stable cash flows and valuations, as well as certainty of funding requirements, it is expected that the Manager will continue with its commitment of dividend payments.
33. What if the response of subscription from the retail investors is poor, who will undertake to take up the unsubscribed rights entitlements?	In support of First REIT and the Rights Issue, the Sponsor Group, specifically FRML, OUE and OUELH have each provided irrevocable undertakings as specified in paragraphs 9.7, 9.8 and 9.9 of the Circular. Specifically, FRML will, and OUELH will procure OHI to, accept, subscribe and pay in full for its respective total provisional allotments of the Rights Units. In addition, OUE has provided an irrevocable undertaking that, among others, OUE will either (in the event that the Rights Issue is not underwritten) procure that CDPL applies, subscribes and pays in full for 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 for, the Rights Units to the extent that they are not successfully subscribed for under the Rights Issue. However, for the proposed Rights Issue to proceed, Unitholder approval is required for the Proposed Whitewash Resolution which involves the waiver by Unitholders other than CDPL, which is a direct wholly-owned subsidiary of OUE, and its concert parties of their rights to receive a general offer for their Units from CDPL pursuant to Rule 14 of the Takeover Code. Additionally, 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 such, it would be necessary for Unitholders to approve both resolutions tabled at the upcoming EGM. Further details on the Proposed Whitewash Resolution can be found in paragraph 10 of the Circular.
34. Why is the proposed Rights Issue being done at a 50% discount to the traded price of S$0.40 per Unit on 24 December 2020? 35. Why is the proposed Rights Issue not priced at a 25% or 30% discount instead to the last 45 days trading average and why did the sponsor and Manager take such a drastic haircut of 50% for additional rights issue?	The Rights Issue size of S$158.2 million was determined based primarily on the S$140.0 million repayment requirement of the 2018 Secured Loan Facilities following its refinancing through the S$260 million Refinancing Facility announced on 24 December 2020 which was required in order to meet the S$196.6 million repayment obligation on 1 March 2021 and avoid a default. The rights ratio, Issue Price and discount to TERP were determined after considering precedent transactions as well as the transaction size. The indicative issue price is at a discount of approximately 33.3% to the TERP which is in line with recent successful rights issue exercises in the market. Given the fixed funding requirement, the pro rata funding requirement required from existing unitholders to subscribe for their entitlement will be fixed regardless of the rights issue price and discount.

Questions	Responses
36. Why are the rights priced at S$0.20 per unit and not priced higher but with less units?	The Rights Issue will be offered on a pro rata basis to allow all existing Unitholders to participate and to maintain their pro rata unitholdings and avoid dilution. It is hoped that Unitholders will be supportive of the Rights Issue. However, as the Rights Issue is renounceable, Eligible Unitholders may accept (partially or fully), decline, renounce or trade on the SGX-ST (during the Rights trading period prescribed by the SGX-ST) their rights entitlements. Importantly, the Sponsor group has agreed to provide their irrevocable undertakings to backstop the proposed Rights Issue to provide certainty of funding. Therefore, in order to proceed with the Rights Issue, Unitholders' approval is required for the Proposed Whitewash Resolution which involves the waiver by Unitholders other than CDPL, which is a direct wholly-owned subsidiary of OUE, and its concert parties of their rights to receive a general offer for their Units from CDPL pursuant to Rule 14 of the Takeover Code.
37. Can the Manager share its future plans should the resolutions fail to be approved? 38. What is the back-up plan to raise funds, if the majority of Unitholders vote against the proposed Rights Issue? 39. Could you clarify what are the implications for Unitholders if resolution 2 is passed?	Given the numerous meetings and length of time in which the Independent Committee had worked to deliver a viable restructured plan, the Independent Committee is confident that this new plan is sustainable for LPKR and in turn, for First REIT. The Proposed LPKR MLA Restructuring is the best plan that the Independent Committee and Management have negotiated with LPKR. There is no alternative plan at this stage. First REIT faces a significant refinancing wall and the proposed Rights Issue, together with the S$260 million refinancing facility which was announced on 24 December 2020 is the most viable solution to meet upcoming repayment obligations, in particular, S$196.6 million of debt which is coming due in 1 March 2021. It is important to note that Unitholder support is required to approve the resolutions at the upcoming EGM. Should Unitholders demonstrate their support, First REIT will be able to restructure and recapitalise. Only if the resolutions are not approved, will First REIT face a real risk and high probability that LPKR defaults on its MLAs which represents 72.1% of First REIT's rental income and there will be an urgent need for First REIT to re-evaluate alternative funding sources or face financing default. Unitholders are not voting for or against the proposed Rights Issue. Instead, Unitholders are voting for or against the Proposed Whitewash Resolution, i.e. Resolution 2. Without the approval on Resolution 2, the Manager will not be able to proceed with the Rights Issue unless it is able to arrange for the Rights Issue to be underwritten. The S$260 million Refinancing Facility will also be at risk, since implementing the Rights Issue is a condition of this facility. Under these circumstances, First REIT will face an urgent need to re-evaluate alternative funding sources or face financial default.

Questions	Responses
40. Kindly provide a detailed breakdown of the use of funds of the proposed Rights Issue. 41. I have bought my Units under the SRS account, may I know the payment mode if the proposed Rights Issue is approved? Do I need to Top-up my SRS account or just pay cash?	Please note that the proposed Rights Issue has not been launched, and for the proposed Rights Issue to proceed, Unitholder approval is required for the Proposed Whitewash Resolution. Should First REIT proceed with the Rights Issue, there will be additional information provided to Unitholders on the procedures, application and payment of the Rights Issue.
Growth Prospects and Future	
42. How is First REIT going to grow its DPU after this restructuring given that it is extremely disadvantageous to Unitholders and favours the tenants only? Who is fighting for retail investors? 43. What is the outlook on First REIT after the EGM? 44. What is your strategy to improve the net profit margin? 45. What's your outlook and steps taken outside of pegging rent to rupiah and restructuring leases on the hospitality sector pertaining to First REIT leases in the next 5 years so that your company can protect, maintain and maximise unitholder value? 46. How does First REIT plan to increase value for Unitholders post-restructuring? Will there be continuous dividend payments to Unitholders? 47. What is the benefit to the minority Unitholders?	The Manager believes that the underlying healthcare sector remains attractive and that the Proposed Recapitalisation Exercise along with the Proposed LPKR MLA Restructuring provides the most optimal option for First REIT to tide through the short-term volatility, preserve value for Unitholders and position First REIT for future growth. In particular, the Manager will like to highlight the following: • **High Visible Contracted Cash Flows**: The new 15-year sustainable LPKR MLAs and MPU MLAs extends First REIT's weighted average lease expiry from 7.4 years as at 31 December 2019 to 12.6 years (assuming that both the Proposed LPKR MLA Restructuring and the MPU MLA Restructuring are completed) providing Unitholders a highly visible stream of locked-in cash flows and a more certain and stable lease profile to reposition First REIT for future growth; • **Clarity on Asset Valuations**: The Proposed LPKR MLA Restructuring provides Unitholders with certainty regarding the valuation of First REIT's Indonesian hospital assets master leased to LPKR, which currently comprise approximately 72.1% of First REIT's rental income and other income in FY2019, and remove any overhang on unit price caused by the existing unsustainable master lease structures; • **Embedded and Contracted Organic Growth**: Following the completion of the Proposed LPKR MLA Restructuring and the MPU MLA Restructuring, approximately 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 performance based rent structure, where the actual rent paid is the higher of the applicable base fee and 8.0% of the hospital's gross operating revenue, which provides the opportunity to enjoy greater upside when underlying hospital assets record better financial performance. This provides our Unitholders visibility over the minimum income growth of the REIT whilst retaining exposure for further upside sharing; • **Sponsor-backed Recapitalisation Resets Capital Structure to a Sustainable Basis**: The sponsor-backed Proposed Recapitalisation Exercise which comprises the 100% sponsor-backstopped S$158.2 million rights issue and the S$260 million Refinancing Facility will (i) bring First REIT's gearing down to approximately 34.4%, (ii) extend its weighted average term to maturity to 1.94 years with zero

Questions	Responses
	refinancing due in the next 16 months; and (iii) provides a path for further funding source diversification and optimisation; • **Preserve the current ecosystem with LPKR and Siloam as the operators of the Hospitals**: Siloam is the largest hospital operator in Indonesia, and given its extensive hospital and healthcare network, as well as a legacy of having operated all of the First REIT hospitals in Indonesia, Siloam is the natural operator for these assets given their extensive experience with these assets • **Debt Headroom and Sponsor Healthcare Network Supports Future Growth and Diversification**: On a pro forma basis, First REIT will have a debt head room of up to approximately S$321.1 million. This provides First REIT significant firepower to undertake acquisitions for growth and drive diversification efforts. This is further complemented by the Sponsor's network of income producing and development assets across developed markets (such as Japan) and growth markets (such as China); and • **Robust Long-term Outlook for the Healthcare Sector**: 1) There is a rising adoption of technology enabled healthcare services in Indonesia. In Indonesia, there is only 0.4 doctors per 1,000 patients. The introduction of telemedicine makes healthcare accessible to the further regions and decreases pressure on the existing healthcare infrastructure. 2) The Indonesian government is improving the country's healthcare infrastructure to encourage local patients to seek medical treatment domestically. Indonesia's healthcare infrastructure will likely improve under the government's initiative. 3) Demand for healthcare in the country will remain high due to the universal insurance BPJS Kesehatan. First REIT is underpinned by a robust long-term outlook for the healthcare sector and will have sufficient debt headroom after the Proposed Recapitalisation Exercise and the Proposed LPKR MLA Restructuring, to pursue yield accretive acquisitions outside of Indonesia, with no refinancing requirements up to 2022.
48. Most of First REIT's assets are located in Indonesia, how will First REIT divest to minimise concentration risk? 49. What is your strategy for the short and medium term? 50. Is there any plan to divest some of the hospital assets to reduce gearing and improve cash flow?	We are cognizant of the concentration of our assets in Indonesia. Our current priority is to focus on stabilising First REIT with the Proposed LPKR MLA Restructuring and the Proposed Recapitalisation Exercise. With these, First REIT will be in a stronger position with certainty of cash flows and valuations and will also have additional debt headroom to embark on and execute our diversification strategy. Our Sponsor has a strong pipeline of assets across Asia and we will be able to consider expanding our portfolio and identifying yield accretive assets in markets including Japan, China, Myanmar, Australia and even Europe and the United Kingdom, in due course. Broadly, the Manager holds a view to divest its non-core assets in favour of its core healthcare assets.
51. What is the likelihood of rental income returning to pre-Covid 19 levels?	Given the permanent upside sharing mechanism that is built into the Proposed LPKR MLA Restructuring, it is expected that over time, the rental income under the new restructuring plan could exceed the current rental received. However, the actual realisation of this is dependent on

Questions	Responses
	the performance of LPKR Hospitals post the Covid-19 pandemic and taking into consideration a number of years required for the recovery of the LPKR Hospitals.
Legal Considerations	
52. Can the Manager take legal action against Lippo Karawaci? 53. The hospital properties were sold to First REIT with certain rental guarantees. Were there any efforts by First REIT to try to claw back some of the purchase price paid to the sellers of the properties. If not, why? 54. What guarantees are there to prevent LPKR from defaulting on the proposed rental structure in the future? Why no penalty imposed on LPKR in the form of a one-time cash payment or in kind (assets) in the restructuring proposal? 55. Why is there no upfront penalty payment from LPKR in cash or in kind (assets) for changing the rental structure? 56. Lippo was a sponsor of First REIT and now threatens to default on the rental, how can we trust that the contracts can be enforced? if First REIT cannot enforce it now?	First REIT reserves its rights on decisions it may take on legal action for breaches in agreements. However, in the case of LPKR, the Manager needs to focus on what is in the best interest of Unitholders. LPKR is facing significant liquidity pressure and this is confirmed by the three rating agencies in their most recent reports; the Covid-19 pandemic also played a significant role in worsening their financial condition. Therefore, if the Manager tries to enforce the current LPKR MLAs, there is a real risk and high probability that LPKR will default. First REIT will then be faced with an immediate loss of approximately 72.1% of rental income represented by the LPKR hospital leases that are within the scope of the restructuring. Any legal action taken will lengthy, costly and cumbersome. In the meantime, First REIT will be incurring operating and capital expenditures and will also be faced with friction costs to identify a new tenant, which in the healthcare industry, is not as simple given licensing and regulatory issues. At the end of 2019, the Manager conducted a process to consider a new tenant, without success. Therefore, restructuring the current MLAs with LPKR is the best option. Given the numerous meetings and length of time in which the Manager has worked with LPKR to deliver a viable restructured plan, the Board and management of the Manager are confident that this new plan is sustainable for LPKR and in turn, for First REIT.
LPKR Announcement and Financial Results	
57. Please explain the differences in how LPKR's financial position has been disclosed in First REIT's Circular and LPKR's press release of 2 November 2020. Does LPKR have liquidity problems as of their latest reported financials? 58. Lippo has announced 304% year-on-year strong rebound of business on 20 Nov 2020. As such, why did they threaten to default on rental payments to First REIT and demand Unitholders to take a drastic cut in DPU?	The Manager, during its process of conducting diligence on LPKR, had accounted for LPKR's press release of 2 November 2020 while making its assessment on the liquidity outlook and financial health of LPKR. In particular, the Manager would like to highlight the investor presentation which was released in conjunction with the press release on 2 November 2020 on the LPKR website at the following link: https://www.lippokarawaci.co.id/uploads/file/LPKR%20Presentation%203Q20.final(3).pdf. Key themes identified from the investor presentation are itemised below as follows: **a. Weak Cash Flow Profile in 9M2020** (please refer to pg. 17 of the investor presentation for further reference):

Questions	Responses

59. Per LPKR's press release on 2 November 2020, in the first nine months of 2020, "Siloam booked EBITDA of Rp744 billion compared with Rp624 billion in 9M19, an increase of 19.1%. Following very weak EBITDA contraction in 2Q20 of 54.8% year on year, in 3Q20, Siloam booked EBITDA growth of Rp359 billion compared with Rp251 billion in 3Q19, an increase of 43.0%. In 3Q20, Siloam booked a Net Profit After Tax of Rp86 billion."
 	
As Siloam's hospital business has rebounded, why did First REIT give rental relief to them in October and November 2020?
	• LPKR recognised negative cash flow from business operations of (IDR 1,717bn) in 9M2020
	• Pressure on LPKR cash flows based on capex and investing requirements of (IDR 1,816bn) in 9M2020
	• Further pressure on LPKR cash balance upon exclusion of one-time cash inflows including call option unwinding (IDR 860bn), cash proceeds from asset disposal (IDR 484bn), net cash flow from financing (IDR 1,001bn), and forex impacts (IDR 229bn) in 9M2020
	  ○ Excluding the above one-off items, LPKR's cash balance would have decreased to IDR 1,143bn as opposed to its 9M2020 cash balance of IDR 3,717bn, implying a 9M2020 cash burn of IDR 3,542bn
	
	b. Limited Income from Real Estate Operations to Support Large Capex in 9M2020 (please refer to pg. 16 of the investor presentation for further reference)
	• Limited LPKR real estate and development EBITDA of IDR 314bn and negative net income of (IDR 2,499bn) in 9M2020
	• Of the additional IDR 1,241bn Real Estate Management & Services EBITDA in 9M2020, IDR 744bn is from Siloam (an entity LPKR only has 51.05% control over). For financial purposes, Siloam's financials are consolidated within LPKR's financials (please refer to page 4 of 9M2020 Siloam Hospitals' investor presentation available at https://www.siloamhospitals.com/en/Contents/Investor-Relations/Publication/Company-Presentations)
	  ○ Real estate and development EBITDA and real estate management and services EBITDA (excl. Siloam) for 9M2020 is a total of IDR 811bn
	  ○ By contrast, capital expenditure requirements for LPKR at the LPKR entity level were IDR 1,082bn in 9M2020
	
	c. Limited Income to Support Rental Payments and Interest Expense in 9M2020 (please refer to pages 9 and 20 of the investor presentation for further reference)
	
	<u>Rental Payments under existing lease arrangements</u> (First REIT SGD rental payments converted at IDR/SGD = 10,830)
	• First REIT Rental Payments due from LPKR under existing rental structure for 9M2020 would have been IDR 795bn
	• LPKR was provided 3 months of rental relief during 9M2020 (IDR 265bn) due to LPKR business disruptions from Covid-19. LPKR EBITDA without such rental relief would have been IDR 1,319bn (vs. Reported EBITDA of IDR 1,584bn)
	
	<u>Interest Expense given high leverage</u>
	• Total interest expense for LPKR in 9M2020 was IDR 811bn given high leverage

Questions	Responses
	• This total interest expense compares to LPKR's 9M2020 EBITDA of IDR 1,319 bn based on existing rental arrangements with no rental relief. The EBITDA does not account for additional capex requirements as mentioned above, which adds further pressure on LPKR cash flows Given the above, the Manager has assessed that the challenges that LPKR faces have not abated.
Financing	
60. Given that repayment of First REIT's debt is due on 31 March 2021 (less than 3 months from now), why did the management wait till now to seek financing options? 61. Does the management actually have a finance team overlooking First REIT's debt schedule? 62. How sure are you that this debt issue will not happen again?	The Manager actively manages First REIT's capital structure. Additionally, the Board and Management have been cognizant of the imminent expiry of certain MLAs by December 2021. The Manager had been in discussions with LPKR on these MLAs since 2019. However, following the unilateral announcement made by LPKR on 1 June 2020, the announcement of their intention to restructure all the LPKR MLAs triggered a sequence of events that was not within the control of the Manager or the Board. Stemming from this, the lenders expressed significant concerns over the sustainability of First REIT's capital structure as a result of this. Negotiations with First REIT's lenders subsequently concluded with First REIT signing S$260 million Refinancing Facility, as announced on 24 December 2020. Based on the 2018 Secured Loan Facilities of S$400 million, and the S$260 million Refinancing Facilities that were secured, there was a shortfall of S$140 million. First REIT is currently in a unique situation, given the confluence of challenges. After considering various options, the proposed Rights Issue was identified to make up for the shortfall and to also meet the condition precedent as set out by the lenders under the Refinancing Facilities.
63. Once the funds are acquired for First REIT to meet its repayment obligation of S$140 million, will the S$260 million loan be secured by First REIT? How much cash flow will there be and how long is the cash flow estimated to last once this exercise is done?	Entry into the S$260 million Refinancing Facility was announced on 24 December 2020, where Perpetual (Asia) Limited, in its capacity as trustee of First REIT, entered into a facility agreement with Oversea-Chinese Banking Corporation Limited and CIMB Bank Berhad, Singapore Branch 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 increase in commitments. Following the proposed Rights Issue, First REIT will have sufficient working capital to fulfil its duties, and the Manager does not foresee any adverse impact on its cashflows subsequently.
Miscellaneous	
64. Why was the potential breach of bank covenants not previously highlighted prominently in the proposed rental restructuring agreement with Lippo Karawaci	In the period when the Proposed LPKR MLA Restructuring was announced, discussions with lenders were still ongoing. Subsequently, on 24 December 2020, the Manager had announced that the Trustee of First REIT had entered into the S$260 million Refinancing Facility. A condition of the Refinancing Facility is the requirement to launch the proposed Rights Issue to make up the difference between the S$400 million 2018

Questions	Responses
that was announced on 29 Nov 2020?	Secured Loan Facilities and the maximum amount under the Refinancing Facility. The requirements needed to meet the outstanding refinancing requirements, including the repayment obligation of S$196.6 million due on 1 March 2021, became clear on 24 December 2020.
65. First REIT used to be a very strong counter, please explain the depreciation in the value of the Units?	Since the listing of First REIT, the Manager has been committed to enhancing Unitholder value and generating stable dividends and returns for Unitholders. Unfortunately, First REIT is currently in a unique situation as it is facing a confluence of challenges as follows, which require an immediate and resolute response: - the financial stress facing LPKR and its ability to honour its obligations under the MLAs with First REIT in view of the significant changes in the Indonesian economic and operating environment; - imminent refinancing pressure, with approximately S$196.6 million of debt due on 1 March 2021, representing approximately 39.8% of the total debt of First REIT; and - the initial term of the MLAs in respect of Siloam Hospitals Surabaya, Siloam Hospitals Kebon Jeruk and Siloam Hospitals Lippo Village will expire in December 2021. Given these challenges, First REIT urgently needs to (i) restructure the MLAs for all of the hospitals which First REIT had leased to either LPKR or LPKR and certain subsidiaries of Siloam to ensure their long-term sustainability, (ii) recapitalise with a rights issue to strengthen its financial position, and (iii) refinance its bank loans to avoid defaulting on its debt repayment due on 1 March 2021. The Manager shares the frustration faced by existing Unitholders but seeks their understanding that these are the realities facing first REIT today. The Manager has worked tirelessly to protect the interest of Unitholders and the Proposed LPKR MLA Restructuring and proposed Rights Issue are the most viable option to overcome the current challenges and stabilise the REIT. The Manager seeks Unitholder support to approve the resolutions at the upcoming EGM and to ensure that First REIT restructures, recapitalises and repositions itself for a sustainable future.
66. Will there be a possibility of liquidation? 67. What will be the residual value per share in the event of winding up? 68. Could you explain what will happen to Unitholders in the event that both resolutions are not passed and there is a default?	A more pressing priority to consider is not the possibility of a liquidation but of the upcoming resolutions. Should the resolutions not be passed at the EGM, there is a real risk and high probability that LPKR will default on the current MLAs and this will have serious consequences for First REIT. Without the Rights Issue and further funding, First REIT will face an urgent need to re-evaluate alternative funding sources or face financing default. We would like to appeal to Unitholders to consider these circumstances and vote in favour of both resolutions at the upcoming EGM.
69. Why wasn't the prerequisite for new capital raising through rights	Given discussions with multiple stakeholders, it was necessary to ensure that all factors were considered before making any appropriate

Questions	Responses
issuance announced together with the rest of the prerequisites after the new loan was secured?	announcements. The Manager made the announcement at the earliest practicable date, being 28 December 2020.
70. In August 2020, the Board responded to a query from SGX that "The Board of Directors are of the view that there is no material change to the carrying amounts of First REIT's investment properties for 1H2020 necessary at this stage". Did the Board or Manager know about the distress faced by its major tenant during 3Q 2020?	The SGX query and our corresponding announcement was released on 11 August 2020. The Manager explained the rationale at that point in time, and also assessed that potential adjustments to the valuation of First REIT's properties may arise from restructuring of the master leases. While the Manager had on 1 June 2020 announced that LPKR wished to initiate a rental restructuring process, no agreement had been reached following their unilateral announcement and as such the existing terms continued to apply between the parties. The Manager explained further that, until parties could agree on new definitive terms, there was no basis for the Manager to reassess the valuation of the properties at that stage. The Manager subsequently announced the receipt of a non-binding proposal from LPKR on 20 September 2020.
71. How is LPKR resolving its debt obligations?	This is a question for LPKR and First REIT is unable to comment on their behalf.
72. Pertaining to the restructuring plan as set out in Resolution 1, which are the certain subsidiaries of Siloam as mentioned?	For Siloam Hospitals Labuan Bajo, Siloam Hospitals Buton and Siloam Hospitals Yogyakarta, these three hospitals are leased to LPKR and subsidiaries of Siloam (being PT Lintas Buana Jaya, PT. Bina Bahtera Sejati and PT. Taruna Perkasa Megah) as the respective master lessees of these three hospitals.
73. What is the worst case scenario if: a) the Proposed LPKR MLA Restructuring takes place; or b) the Proposed LPKR MLA Restructuring does not take place, in terms of the cash flow of First REIT?	Under scenario (a), the rental and other income of First REIT declines by S$32.9mm for the FY2019 Pro Forma financials. Under scenario (b), there is a real risk and high probability that First REIT will face financial default.
74. Does the Manager plan to redeem the FIRTSP 5.680% PERPETUAL CORP (SGD) Bond on the reset date on 8 July 2021?	The Manager will make an announcement on this at the appropriate time.