

FOR IMMEDIATE RELEASE

First REIT completes strategic initiatives to restructure, recapitalise and reposition for sustainable future growth

- *Restructured master lease agreements effective from 1 January 2021 provide for a sustainable and stable long-term master lease structure*
- *Successful fundraising exercises through rights issue and bank loan facilities to support refinancing needs*
- *Well-positioned to pursue future growth opportunities and improve returns*

SINGAPORE – 18 May 2021 – First REIT Management Limited, as manager of First Real Estate Investment Trust (“**First REIT**”, and the manager of First REIT, the “**Manager**”), today announced the successful completion of its strategic initiatives to restructure its business, recapitalise its balance sheet and reposition for sustainable future growth.

Restructuring of Master Lease Agreements

The restructuring of the master lease agreements (“**MLAs**”) for 11 hospitals which First REIT had leased to either PT. Lippo Karawaci Tbk (“**LPKR**”) or LPKR and certain subsidiaries of PT Siloam International Hospitals Tbk (the “**LPKR Hospitals**”, and the MLAs for the LPKR Hospitals, the “**LPKR MLAs**”) and three hospitals which First REIT had leased to PT. Metropolis Propertindo Utama (“**MPU**”, and the three hospitals which First REIT had leased to MPU, the “**MPU Hospitals**, and the MLAs for the MPU Hospitals, the “**MPU MLAs**”) was first announced on 29 November 2020 (the “**MLA Restructuring Announcement**”). Perpetual (Asia) Limited, as trustee of First REIT, had on 28 November 2020 entered into memorandums of understanding with LPKR and MPU in respect of, among other things, a restructuring of the LPKR MLAs and the MPU MLAs respectively.

The restructured LPKR MLAs and the restructured MPU MLAs, effective from 1 January 2021, have extended the lease term for the LPKR Hospitals and the MPU Hospitals to (and including) 31 December 2035, with an option for a further 15-year renewal term with the mutual agreement of both the relevant master lessors and the relevant master lessees. It also extended First REIT’s weighted average lease expiry for its entire portfolio from 6.4 years to 12.3 years as at 31 December 2020, thereby stabilising First REIT’s future income streams.

Additionally, as contemplated in the MLA Restructuring Announcement, Siloam has been added as a party to each of the LPKR MLAs and a subsidiary of Siloam has been added as a party to each of the MPU MLAs, to establish the direct payment of part of the rental amounts payable in respect of each of the LPKR Hospitals and each of the MPU Hospitals by Siloam (in the case of the LPKR MLAs) or by the relevant subsidiary of Siloam (in the case of the MPU MLAs) to the relevant master lessor for each of the LPKR Hospitals and for each of the MPU Hospitals.

Refinancing and Recapitalising of Balance Sheet

First REIT was able to recapitalise and strengthen its balance sheet with the continued trust and support from its bankers and investors. It secured 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 from Oversea-Chinese Banking Corporation Limited and CIMB Bank Berhad, Singapore Branch, in December 2020. With this, First REIT has no refinancing requirements until 2022.

In addition, through the completion of the renounceable and non-underwritten rights issue (the “**Rights Issue**”) in February 2021, First REIT successfully raised approximately S\$158.2 million, of which approximately S\$140.1 million was used to repay part of the 2018 Secured Loan Facilities (as defined in the offer information statement dated 27 January 2021 issued in connection with the Rights Issue). This has reduced First REIT’s leverage ratio as at 31 December 2020 on a *pro forma* basis from 49.0% to 34.6%. The weighted average debt maturity has also been extended to 1.78 years as at 1 March 2021, as compared to 1.22 years as at 31 December 2020, paving the way for further diversification of First REIT’s funding sources as part of its roadmap to strengthen First REIT’s balance sheet.

“Taking into consideration the ongoing Covid-19 pandemic, and current Indonesia economic and operating environment that has adversely impacted our tenants, we are heartened to see that Unitholders recognised the necessity and supported our strategic move to restructure the affected master leases, which will provide for a sustainable rental structure in the long run. The successful recapitalisation of our balance sheet and refinancing of our debt obligations through the loan facility of up to S\$260 million has additionally improved our financial flexibility. With these strategic pillars in place, the Manager can embark on repositioning First REIT for future growth,” said Mr Victor Tan, Chief Executive Officer of the Manager.

Following the completion of the Rights Issue and as at 18 May 2021, through its interest in Clifford Development Pte. Ltd., OUE Lippo Healthcare Limited (“OUELH”) and First REIT Management Limited, OUE Limited has a deemed interest of 28.53% or approximately 458.3 million units in First REIT.

Outstanding Receivables Due from LPKR to be Paid in Tranches

As at 18 May 2021, the outstanding receivables due from LPKR amounts to approximately S\$5.5 million. LPKR has committed to a payment plan and will address the outstanding receivables in three equal tranches within the third quarter of FY2021. First REIT has received from LPKR the required security deposits in the form of bank guarantees amounting to eight months of the total monthly rent for each of the LPKR Hospitals, in accordance with the terms of the restructured LPKR MLAs.

Stabilise and Reposition for Sustainable Future Growth

Against the backdrop of the ongoing Covid-19 pandemic and with the completion of the restructuring exercise for the LPKR Hospitals and the MPU Hospitals, the Manager will continue to evaluate the existing assets of First REIT, with a view to strengthen the current position of First REIT. This includes, amongst others, reaching a resolution for the two master leases which are due for renewal in 2021, being Sarang Hospital due in August 2021 and Imperial Aryaduta Hotel & Country Club due in December 2021.

With all its strategic pillars in place and having achieved stability in its income streams and capital structure, First REIT is well-positioned to pursue accretive growth, as well as explore opportunities to diversify its portfolio and income streams geographically. From a position of stability, First REIT will additionally be looking at the strong network of healthcare assets from its sponsor group, comprising OUE Limited and OUELH, and also assets from third parties within and outside Asia to boost future growth and improve returns for Unitholders.

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About First REIT

First Real Estate Investment Trust (“**First REIT**”) is a real estate investment trust constituted by the Trust Deed entered into on 19 October 2006 between First REIT Management Limited (formerly Bowsprit Capital Corporation Limited) as the Manager and HSBC Institutional Trust Services (Singapore) Limited as the Trustee. First REIT was listed on the Singapore Exchange Securities Trading Limited on 11 December 2006. On 1 March 2018, HSBC Institutional Trust Services (Singapore) Limited retired as the Trustee of First REIT in favour of Perpetual (Asia) Limited.

First REIT is Singapore’s first healthcare real estate investment trust that aims to invest in a diversified portfolio of income-producing real estate and / or real estate-related assets in Asia that are primarily used for healthcare and / or healthcare-related purposes.

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

Its hospital assets in Indonesia are operated by PT Siloam International Hospitals Tbk, a subsidiary of PT Lippo Karawaci Tbk, a strong brand name in the Indonesian healthcare industry supported by a team of international healthcare professionals whereas The Imperial Aryaduta Hotel & Country Club and Hotel Aryaduta Manado are operated by The Aryaduta Hotel and Resort Group. The Lippo Plaza Kupang and Lippo Plaza Buton are managed by PT Lippo Malls Indonesia. In Singapore, the nursing homes at Bukit Merah and Bukit Panjang are operated by Pacific Healthcare Nursing Home Pte. Ltd. and Pacific Eldercare and Nursing Pte. Ltd., respectively. The Lentor Residence is operated by The Lentor Residence Pte. Ltd. In South Korea, the Sarang Hospital is operated by a private doctor.

Through First REIT, investors can participate in an asset class that has a focus towards Asia’s growing healthcare sector, which is boosted by an increase in life expectancy in Indonesia and the rest of Southeast Asia.

Important Notice

This press release is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in First REIT (“**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. The past performance of First REIT is not necessarily indicative of the future performance of First REIT.

Investors have no right to request the Manager to redeem their 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.

This press release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s view of future events.

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