



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

UPDATE ON SILOAM HOSPITALS SURABAYA – ROAD SUBSIDENCE ON JALAN GUBENG, SURABAYA, INDONESIA

First REIT Management Limited, in its capacity as manager of First Real Estate Investment Trust (“**First REIT**”, and as manager of First REIT, the “**Manager**”), refers to its earlier announcements dated 29 November 2020, 31 August 2020, 29 June 2020, 18 May 2020, 10 January 2020 and 21 December 2018 in respect of the road subsidence that took place on 18 December 2018 along Jalan Gubeng, Surabaya, which is in close proximity to Siloam Hospitals Surabaya.

As announced previously, under the memorandum of understanding entered into between Perpetual (Asia) Limited, in its capacity as trustee of First REIT (the “**Trustee**”), and PT. Lippo Karawaci Tbk (“**LPKR**”) on 28 November 2020 (the “**LPKR MOU**”), the Trustee and LPKR had acknowledged and agreed that, in respect of the development works agreement entered into between PT Saputra Karya (“**PT SK**”) and PT Tata Prima Indah (“**PT TPI**”) dated 20 October 2015 (the “**Development Works Agreement**”):

- (i) the Development Works Agreement had been terminated by PT TPI under the terms of the Development Works Agreement;
- (ii) as at the date of the LPKR MOU, a sum of S\$28.0 million was due and owing by PT SK to PT TPI under the Development Works Agreement, the repayment of which shall be subject to negotiations in accordance with paragraph (iv) below;
- (iii) LPKR had indicated that as there were still ongoing investigations into the road subsidence incident, possible and ongoing legal action, and the pending outcome of an insurance claim, it may have been difficult in the immediate term to arrive at a complete settlement in respect of the claims of PT TPI against PT SK under the Development Works Agreement;
- (iv) by 30 June 2021 (or by such other date as the Trustee and LPKR may agree), LPKR would propose to the Trustee a plan for the full and final settlement of all outstanding obligations between PT SK and PT TPI in connection with the Development Works Agreement. The Trustee and LPKR would use their best endeavours to negotiate and reach an agreement on this plan;
- (v) LPKR intended to propose a joint venture with a party in respect of the development of the new Siloam Hospitals Surabaya in due course; and
- (vi) for the avoidance of doubt, all of the rights of each of PT TPI and PT SK under the Development Works Agreement remained fully reserved and nothing in the LPKR MOU shall be construed as a waiver of any of the rights of any of PT TPI and PT SK under the Development Works Agreement.

The Manager wishes to announce that LPKR has indicated that it will require more time to propose to the Trustee a plan for the full and final settlement of all outstanding obligations between PT SK and PT TPI in connection with the Development Works Agreement from 30 June 2021 to 31 August 2021.

The Manager remains in active discussions with all stakeholders to reach a settlement on this matter. The Manager will provide an update as and when there are any material developments in accordance with the listing manual of Singapore Exchange Securities Trading Limited.

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

15 July 2021

Important Notice

This Announcement 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 the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This Announcement 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.