

FOR IMMEDIATE RELEASE

First REIT Independent Directors, Audit & Risk Committee recommend Unitholders vote in favour of Japan nursing homes acquisition at EGM

- **EGM to be held on 28 January 2022, Friday** to seek approval from Unitholders for, among others, the Proposed Acquisition of 12 Japan Nursing Homes and the Proposed Settlement
- Independent Directors and Audit and Risk Committee **recommend that Unitholders vote in favour of each of the resolutions; recommendations follow IFA opinion on each of the resolutions**¹
- Management and Board of the Manager to **engage with Unitholders in a Virtual Information Session on 20 January 2022, Thursday**

SINGAPORE – 6 January 2022 – First REIT Management Limited, as manager of First Real Estate Investment Trust (“**First REIT**” or the “**Trust**”, and as manager of First REIT, the “**Manager**”), today issued notice of the Extraordinary General Meeting (“**EGM**”) to be held on 28 January 2022 at 11:00 a.m.. The Manager is seeking the approval of independent First REIT Unitholders for two transactions that are the major first steps to execute its [First REIT 2.0 Growth Strategy](#) unveiled in December 2021. They are:

1. the proposed acquisition of 12 nursing homes located in Japan (the “**Japan Nursing Homes**”)² from OUE Lippo Healthcare Limited (“**OUELH**”); and
2. the proposed settlement in respect of the terminated development works³ adjacent to Siloam Hospital Surabaya, the aggregate value of which is approximately S\$30.6 million (the “**Proposed Settlement**”).

Proposed Acquisition – Three Resolutions to be Voted on at the EGM

1	The proposed acquisition of 12 nursing homes located in Japan, as an interested person transaction	The proposed acquisition from OUELH of 100.0% of the issued and paid-up share capital of each of (i) OUELH Japan Medical Facilities Pte. Ltd. (the “ JMF Sale Shares ”), which owns a 100.0% interest in the Japan Nursing Homes, for an aggregate purchase consideration of approximately S\$163.2 million (subject to post-completion adjustments) (the “ Proposed JMF Acquisition ”) and (ii) OUELH Japan Medical Assets Pte. Ltd. for a purchase consideration of approximately S\$0.3 million (subject to post-completion adjustments) (together with the Proposed JMF Acquisition, the “ Proposed Acquisition ”).
2	The proposed issue of 431,147,541 new Units as partial consideration for the Proposed JMF Acquisition	The proposed issue of 431,147,541 new Units as partial consideration for the Proposed JMF Acquisition (the “ Consideration Units ”) to OLH Healthcare Investments Pte. Ltd. (“ OHI ”) (being a wholly-owned subsidiary of OUELH), which has been nominated by OUELH as the vendor of the JMF Sale Shares to receive the Consideration Units.
3	The proposed Whitewash Resolution	The proposed whitewash resolution to be approved by the Unitholders other than OHI and parties acting in concert with OHI by way of a poll to waive their rights to receive a general offer from OHI (the “ Whitewash Resolution ”).

¹ A copy of the letter from Stirling Coleman Capital Limited, the Independent Financial Adviser (the “**IFA**”), to the independent directors of the Manager (the “**Independent Directors**”), the audit and risk committee of the Manager (the “**Audit and Risk Committee**”) and Perpetual (Asia) Limited, as trustee of First REIT (the “**Trustee**”), containing its advice in full (the “**IFA Letter**”) is set out in the circular to Unitholders dated 6 January 2022 (the “**Circular**”) and Unitholders are advised to read the IFA Letter carefully.

² The agreed purchase price for the Japan Nursing Homes, which was negotiated on a willing-buyer and willing-seller basis with reference to the independent valuations by Cushman & Wakefield K.K. and CBRE K.K. is JPY24.2 billion.

³ As announced by First REIT on 29 June 2020.

Proposed Settlement – One Resolution to be Voted on at the EGM

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| <p>4 The proposed settlement in respect of the terminated development works adjacent to Siloam Hospitals Surabaya, as an interested person transaction</p> | <p>The aggregate value of the Proposed Settlement is approximately S\$30.6 million.</p> |
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Important Notes on the Resolutions

Resolution 1 and Resolution 2 are conditional upon each other and upon Resolution 3. In the event that any of Resolution 1, Resolution 2 or Resolution 3 is not approved, none of Resolution 1 or Resolution 2 will be carried. Resolution 4 is not conditional upon any of Resolution 1, Resolution 2 or Resolution 3, and *vice versa*.

Unitholders should refer to the announcement by First REIT dated 6 January 2022 which has been uploaded with the Circular on SGXNET for further information, including the steps to be taken to participate in the EGM. A set of frequently asked questions relating to the transactions and the related resolutions to be tabled at the EGM has also been uploaded to SGXNET.

Independent Directors and Audit and Risk Committee Recommend that Unitholders Vote in Favour of Each of the Resolutions

The IFA has opined that each of the Proposed Acquisition, the proposed issue of the Consideration Units as partial consideration for the Proposed JMF Acquisition and the Proposed Settlement is **based on normal commercial terms** and is **not prejudicial** to the interests of First REIT and its minority Unitholders, and that the terms of the proposed issue of the Consideration Units as partial consideration for the Proposed JMF Acquisition, which is the subject of the proposed Whitewash Resolution, are **fair and reasonable** and the proposed Whitewash Resolution is **fair and reasonable**.

Accordingly, the IFA has advised the Independent Directors and the Audit and Risk Committee to **recommend that Unitholders vote in favour of each of the four resolutions to be tabled for approval at the EGM**.

A copy of the IFA Letter is set out in the Circular and Unitholders are advised to read the IFA Letter carefully.

Mr Adrian Chan, Lead Independent Director of the Board of the Manager, said, *“Based on the opinion of the IFA and the respective rationales for each of the proposed transactions, the Independent Directors and the Audit and Risk Committee of the Manager recommend that Unitholders **vote in favour of each of the resolutions** to be tabled for approval at the EGM.”*

Unitholders Should Make their Choice: Interested Parties will Abstain Accordingly

Rule 919 of the listing manual of Singapore Exchange Securities Trading Limited (the “SGX-ST”, and the listing manual of the SGX-ST, the “Listing Manual”) prohibits interested persons and their associates (as defined in the Listing Manual) from voting, or accepting appointments as proxies, on a resolution in relation to a matter in respect of which such persons are interested in the EGM, unless specific instructions as to voting are given. Accordingly:

- **OUELH and its associates will abstain from voting** on Resolution 1 (the Proposed Acquisition) and Resolution 2 (the proposed issue of Consideration Units);
- **OUE Limited (“OUE”) and its associates will abstain from voting** on Resolution 1 (the Proposed Acquisition) and Resolution 2 (the proposed issue of Consideration Units);
- pursuant to the SIC Waiver granted in relation to Resolution 3 (the proposed Whitewash Resolution), **OHI and its Concert Parties are required to abstain from voting** on Resolution 3; and
- given that PT SK, a company in which Dr Stephen Riady and Mr James Tjahaja Riady each has an interest of 30% or more, will enter into each of the Settlement Agreements under the Proposed Settlement, **each of Dr Stephen Riady and Mr James Tjahaja Riady and their associates (including OUE, OUELH and the Manager) will abstain from voting** on Resolution 4 (the Proposed Settlement).

For the purpose of good corporate governance, as Mr Christopher Williams, Chairman and Non-Independent Non-Executive Director, Mr Victor Tan, Executive Director and Chief Executive Officer of the Manager, and Ms Minny Riady, Non-Independent Non-Executive Director, are non-independent Directors, they will each abstain from voting on each of Resolution 1, Resolution 2, and Resolution 4 in respect of Units (if any) held by them.

Mr Victor Tan, Chief Executive Officer of the Manager, said, “*We have presented Unitholders with what we believe is a compelling choice to take us forward decisively on our 2.0 Growth Strategy. Our hope is to receive the same strong mandate as we did in early 2021 that had allowed us to stabilise First REIT and set firm foundations for our pivot now to growing the Trust. Their support will allow us to focus on delivering growth to all stakeholders and create long-term, sustainable growth.*”

Unitholders have to submit their proxy forms with their votes⁴ by 11:00 a.m. (Singapore Time) on Tuesday, 25 January 2022. Please refer to the Circular on SGXNet for more information.

Unitholders Also Invited to Participate in Virtual Information Session with First REIT

Separately, an invitation has been extended on 6 January 2022 to Unitholders to attend a Virtual Information Session, to be moderated by the Securities Investors Association (Singapore), on Thursday, 20 January 2022. Details on the invitation and the Virtual Information Session can be found at First REIT’s website at the URL

⁴ If submitted electronically, to be submitted via email to First REIT’s Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at firstreitegm2022@boardroomlimited.com. If in hard copy submitted by post, to be lodged at First REIT’s Unit Registrar’s office at Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623.

https://www.first-reit.com/ir_egm.html and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>, or at http://sias.org.sg/firstreit_VIS.

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About First REIT

First REIT is Singapore's first healthcare real estate investment trust, and one of Asia's largest healthcare-focused REITs by total assets managed. It is focused on investing in diverse yield-accretive healthcare and healthcare-related real estate assets throughout Asia.

As at 30 June 2021, the Trust has a portfolio of 20 properties⁵ across Asia, including hospitals, nursing homes and elderly care facilities, with a total asset value of S\$939.7 million. In Indonesia, its healthcare properties are operated by PT Siloam International Hospitals Tbk ("**Siloam**"), a subsidiary of PT Lippo Karawaci Tbk ("**Lippo Karawaci**"). 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.

Important Notice

The value of Units and the income derived from them may fall as well as rise. The 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. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders of First REIT 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 document is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of First REIT is not necessarily indicative of the future performance of First REIT. This document 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.

⁵ As announced by the Manager on 19 July 2021, First REIT's wholly-owned subsidiaries had entered into conditional sale and purchase agreements in relation to the sale by First REIT's indirect wholly-owned subsidiary, Kalmore (Korea) Limited ("**Kalmore Korea**"), of the property known as "Sarang Hospital" and the sale by First REIT's direct wholly-owned subsidiary, Kalmore Investments Pte. Ltd., of all of the shares of Kalmore Korea (the "**Sarang Hospital Divestment**"). As announced by the Manager on 31 August 2021, the Sarang Hospital Divestment had been completed on 31 August 2021.