

FOR IMMEDIATE RELEASE

First REIT to Divest Siloam Hospitals Surabaya for S\$40.9 Million

- Proposed Divestment is a strategic step towards strengthening First REIT's financial position and consistent with "First REIT 2.0 Growth Strategy"
- Agreed Property Value of Rp.430.0 billion will translate to a capital gain of 143.2%
- Improves First REIT portfolio's weighted average age of property on a gross floor area ("**GFA**") basis from 16.2 years to 15.7 years as at 31 December 2021 and on a *pro forma* basis, including the Japan Nursing Homes

SINGAPORE – 18 May 2022 – First REIT Management Limited, as manager (the "**Manager**") of First Real Estate Investment Trust ("**First REIT**" or the "**Trust**"), today announced that Primerich Investments Pte. Ltd. and Surabaya Hospitals Investment Pte. Ltd., each of which is a direct wholly-owned subsidiary of Perpetual (Asia) Limited, as trustee of First REIT (the "**Trustee**"), have entered into a conditional sale and purchase agreement with PT Siloam International Hospitals Tbk ("**Siloam**") and PT Megapratama Karya Bersama (which is a company in which Siloam directly holds a 99.99% interest and PT. Lippo Karawaci Tbk ("**LPKR**") indirectly holds a 0.01% interest) for the proposed divestment of 100.0% of the issued and paid-up share capital of PT Tata Prima Indah ("**PT TPI**") for a divestment consideration of Rp.430.0 billion (approximately S\$40.9 million ¹) (subject to post-completion adjustments) (the "**Divestment Consideration**") (the "**Proposed Divestment**"). PT TPI owns a 100.0% interest in Siloam Hospitals Surabaya ("**SHS**").

This Proposed Divestment follows shortly after the Manager announced in December 2021² the entry into two settlement agreements with PT Saputra Karya ("**PT SK**"), an indirect wholly-owned subsidiary of LPKR, in connection with a proposed settlement in respect of the terminated development works adjacent to SHS. The Proposed Divestment provides First REIT with the opportunity to optimise its capital structure and is in alignment with the "First REIT 2.0 Growth Strategy" to reshape the portfolio of First REIT for capital efficient growth.

¹ Based on an illustrative exchange rate of S\$1.00 = Rp.10,526.

² Please refer to the announcement of First REIT dated 8 December 2021 titled "Proposed Acquisition of 12 Nursing Homes Located in Japan and the Proposed Settlement in Respect of the Terminated Development Works Adjacent to Siloam Hospitals Surabaya" for further details.

SHS was part of First REIT's initial portfolio, acquired at a purchase price of S\$16.8 million (approximately Rp.176.8 billion¹)³ on 11 December 2006. Based on the agreed property value for SHS of Rp.430.0 billion (the "**Agreed Property Value**"), this translates to a capital gain of 143.2%. The Agreed Property Value represents a slight premium to the average of the two independent valuations⁴ of SHS of approximately Rp.429.6 billion.

"The Proposed Divestment is a strategic and timely opportunity to realise capital appreciation of SHS. Moreover, it aligns with First REIT 2.0 Growth Strategy and the Trust will be well-placed to ride on its growth trajectory," said Mr Victor Tan, Executive Director and Chief Executive Officer of the Manager.

Following the Proposed Divestment, the weighted average age of property computed on a GFA basis for the portfolio of First REIT will improve from 16.2 years to 15.7 years as at 31 December 2021 and on a *pro forma* basis, including the Japan Nursing Homes⁵.

The net proceeds from the Proposed Divestment may be used to repay debt, finance any capital expenditure and asset enhancement works and/or general corporate and working requirements, and to distribute as capital gains.

Extraordinary General Meeting

An extraordinary general meeting ("**EGM**") will be convened for the purpose of seeking Unitholders' approval for the Proposed Divestment. The Manager has appointed Stirling Coleman Capital Limited as the Independent Financial Adviser to advise the independent directors of the Manager, the audit and risk committee of the Manager and the Trustee as to whether the Proposed Divestment is based on normal commercial terms and is not prejudicial to the interests of First REIT and its minority Unitholders. A notice of EGM and a circular will be issued in due course.

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³ When SHS was acquired by First REIT on 11 December 2006 for S\$16.8 million, SHS comprised a larger land area of 6,862 square metres ("**sq m**"). On 11 March 2016, First REIT sold 2,556 sq m to PT SK for a purchase consideration of S\$8.2 million.

⁴ Having relied on the discounted cash flow method of valuation, the independent valuation as at 31 January 2022 by Cushman & Wakefield VHS Pte. Ltd., in conjunction with KJPP Firman Suryantoro Sugeng Suzy Hartomo & Rekan was approximately Rp.430.8 billion and the independent valuation as at 31 January 2022 by KJPP Willson & Rekan in association with Knight Frank was approximately Rp.428.3 billion.

⁵ On 1 March 2022, the Manager announced the completion of the acquisition from OUE Lippo Healthcare Limited of a 100.0% interest in 12 quality nursing homes located in Japan (the "**Japan Nursing Homes**"), resulting in an enlarged portfolio of 31 properties, with a combined GFA of 444,558 sq m.

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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 has a portfolio of 31 properties with 12 hospitals, two integrated hospital & malls, one integrated hospital & hotel and one hotel & country club, located in Indonesia, three nursing homes in Singapore and 12 nursing homes in Japan.

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 Japan, seven nursing homes are operated by Hikari Heights Varus Co., Ltd, two nursing homes are operated by Safety Life Co., Ltd and four nursing homes are operated by Orchard Care Co., Ltd.

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, Japan, Singapore and the rest of Southeast Asia.

IMPORTANT NOTICE

The value of units in First REIT ("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 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 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.