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Proposed Divestment of Siloam Hospitals Surabaya

Virtual Information Session
13 July 2022



DISCLOSURE

This presentation has been prepared by 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").

Investors have no right to request the Manager to redeem their units in First REIT (the "Units") while the Units are listed. It is intended that holders of Units ("Unitholders") may only deal in their Units through trading on the 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 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.

This presentation may contain forward-looking statements that involve assumptions, risks and uncertainties based on the Manager's current view of future events. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of risks, uncertainties and assumptions – representative examples include, without limitation, general economic and industry conditions, interest rate trends, cost of capital, capital availability, shifts in expected levels of property rental income, change in operating expenses, property expenses and government and public policy changes and continued availability of financing in the amounts and the terms necessary to support future business. 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.

The past performance of First REIT is not necessarily indicative of the future performance of First REIT.

This presentation is qualified in its entirety by, and should be read in conjunction with, the full text of the circular to Unitholders dated 30 June 2022 (the "Circular"). Capitalised terms used herein, unless otherwise defined, shall have the meanings ascribed to them in the Circular.

YOUR SPEAKERS TODAY



Mr Victor Tan
Executive Director and
Chief Executive Officer



Mr Tan Chuan Lye
Independent Director

AGENDA

1 About Siloam Hospitals Surabaya

2 Transaction Overview

3 Rationale and Financial Effects

4 Next Steps

5 Q&A



1. About Siloam Hospitals Surabaya



ABOUT SILOAM HOSPITALS SURABAYA

Siloam Hospitals Surabaya

Jalan Raya Gubeng No. 70, Sub-District of Gubeng,
District of Gubeng, City of Surabaya, Province of East
Java, Indonesia



Year of Building
Completion

1977

Area⁽¹⁾

4,306sq m⁽²⁾
Land Area

9,065sq m⁽³⁾
Gross Floor Area

Features⁽¹⁾

Comprises **5** integrated purpose-built
hospital buildings

Ranging from **2** to **5** storeys

162 beds

Notes:

(1) As at 27 June 2022.

(2) When Siloam Hospitals Surabaya was acquired by First REIT on 11 December 2006 for S\$16.8 million, Siloam Hospitals Surabaya comprised a larger land area of 6,862 sq m. On 11 March 2016, First REIT sold 2,556 sq m to PT Saputra Karya ("PT SK"), an indirect wholly-owned subsidiary of PT. Lippo Karawaci Tbk ("LPKR"), for a purchase consideration of S\$8.2 million.

(3) When Siloam Hospitals Surabaya was acquired by First REIT on 11 December 2006, the GFA of Siloam Hospitals Surabaya was 9,042 sq m. Since 11 December 2006, minor asset enhancement initiatives have been completed at Siloam Hospitals Surabaya, resulting in a minor increase in the GFA to 9,065 sq m.

DEVELOPMENT RISK, FINALISING SETTLEMENT



Development Risk

2015: Entered into joint arrangement and asset swap with LPKR

2018: A Road Subsidence took place in close proximity to Siloam Hospitals Surabaya

2020: Development Works no longer progressing

Finalising Settlement

Jun 2020 – Dec 2021: PT TPI served a termination notice to PT SK to terminate the Development Works Agreement; the Manager in active discussions with all stakeholders to reach a settlement

Jan 2022: Unitholders approved the Proposed Settlement in respect of the terminated development works adjacent to Siloam Hospitals Surabaya, as defined and described in the circular to Unitholders dated 6 January 2022, at EGM, the aggregate value of which was approximately S\$30.6 million

As at 30 Jun 2022: Settlement amount had been received in full⁽¹⁾

Note:

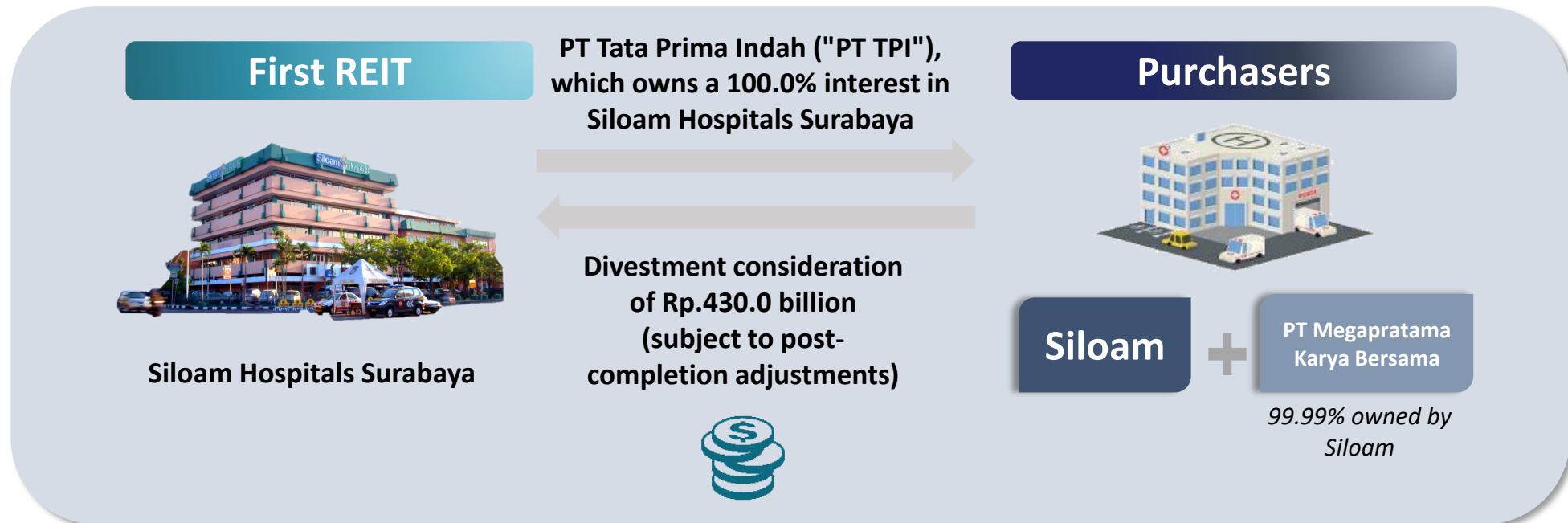
(1) For more information, please see SGX Announcement on 30 June 2022, '[Proposed Settlement In Respect Of The Terminated Development Works Adjacent To Siloam Hospitals Surabaya](#)'.

2. Transaction Overview



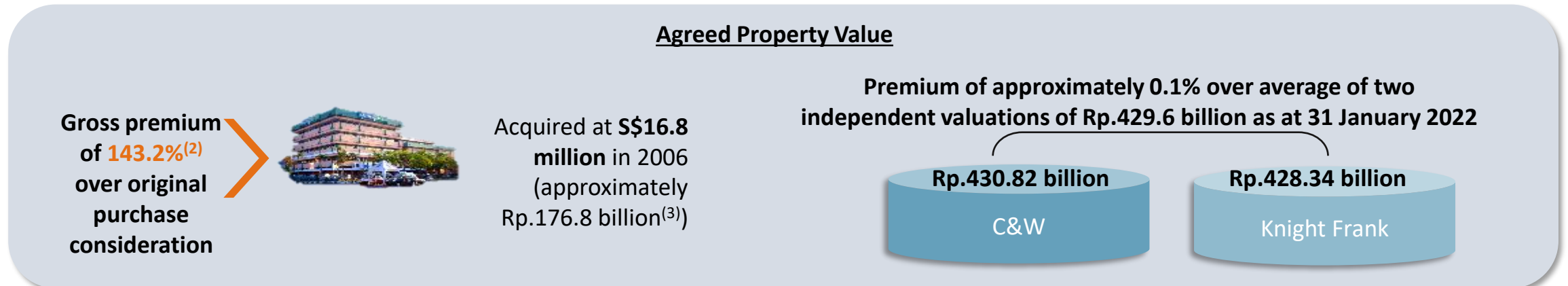
TRANSACTION OVERVIEW

- **First REIT has entered into a conditional sale and purchase agreement in relation to the Proposed Divestment of Siloam Hospitals Surabaya** through the divestment of a property holding company to PT Siloam International Hospitals Tbk (“Siloam”) and its subsidiary on 18 May 2022
- **Proposed Divestment follows the settlement in respect of the terminated development works adjacent to Siloam Hospitals Surabaya**, which was approved by Unitholders at the EGM on 28 January 2022



TRANSACTION OVERVIEW

- Agreed Property Value of Rp.430.0 billion (approximately S\$40.9 million⁽¹⁾) represents a 143.2%⁽²⁾ gross premium over First REIT's original purchase consideration of S\$16.8 million and a slight premium to the average of the two independent valuations of Siloam Hospitals Surabaya of Rp.429,577,500,000 (approximately S\$40.8 million) as at 31 January 2022:



- Weighted average age of property by GFA for 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 Homes
- Opportunity to recycle a mature asset** instead of taking on excessive development risk, and a holistic approach to resolve downstream complications

Notes:

(1) For illustrative purposes, unless otherwise indicated, certain Indonesia rupiah amounts have been translated into Singapore dollars based on the illustrative exchange rate of S\$1.00 = Rp.10,526.
 (2) The gross premium of 143.2% does not take into account the divestment by First REIT of 2,556 sq m for a consideration of S\$8.2 million on 11 March 2016. Taking into account such divestment of 2,556 sq m for a consideration of S\$8.2 million, the gross premium would be 192.0%.
 (3) Based on an illustrative exchange rate of S\$1.00 = Rp.10,526.

3. Rationale and Financial Effects



FIRST REIT 2.0 GROWTH JOURNEY

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2.0 GROWTH STRATEGY



Diversify into
Developed
Markets



Reshape Portfolio For
Capital Efficient
Growth



Strengthen Capital
Structure to Remain
Resilient



Continue to Pivot to
Ride Megatrends

MILESTONES

- Acquisition of 12 Japan Nursing Homes
 - Developed market portfolio assets increased to 24.7% of its total portfolio value as at 31 March 2022

- Entered into settlement agreements to strengthen capital structure and allow capital recycling towards higher-growth areas
- **Proposed Divestment of Siloam Hospitals Surabaya is an opportunity to recycle a mature asset, reap capital gains and recycle capital**

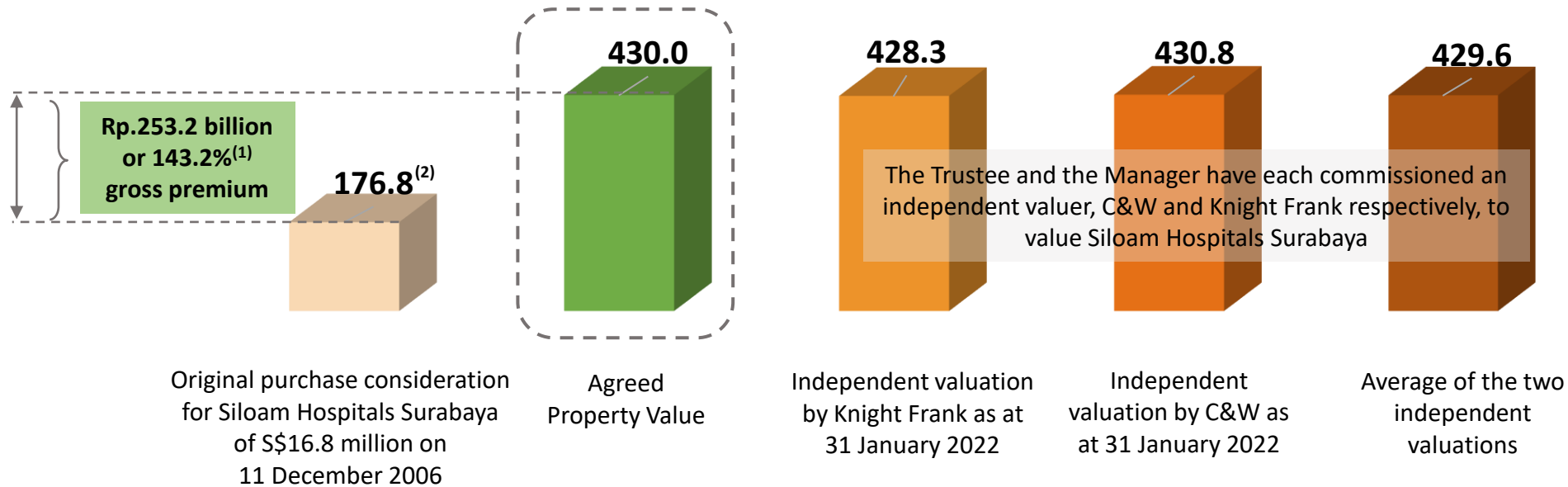
- Successfully priced Singapore's first CGIF-guaranteed healthcare Social Bond
 - First of its kind capital markets issuance
 - First time CGIF provided a credit guarantee to a social bond issued within the Singapore REIT market and the Singapore debt market in general
 - Contributes towards supporting better healthcare provision in Indonesia



REAPS CAPITAL GAINS AND RECYCLES CAPITAL

- The Proposed Divestment is in alignment with First REIT’s capital recycling initiative under its 2.0 Growth Strategy
- An opportunity to recycle a mature asset that has been held within First REIT’s portfolio since First REIT’s initial public offering

Comparison of Independent Valuations Against Agreed Property Value (Rp’billion)



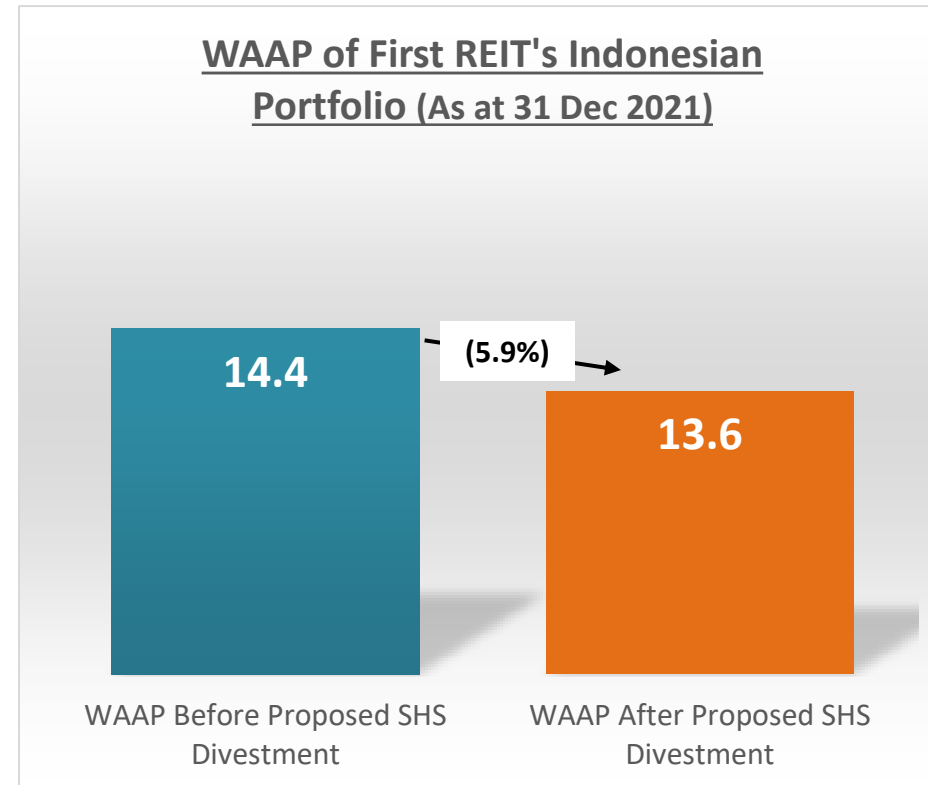
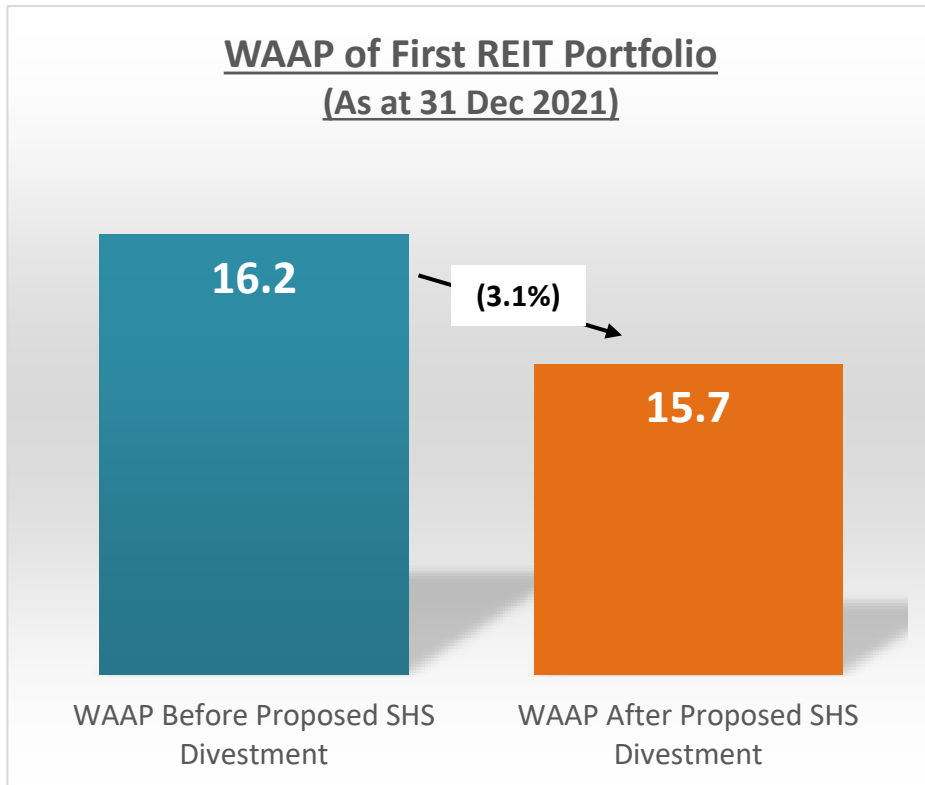
Notes:

(1) The gross premium of 143.2% does not take into account the divestment by First REIT of 2,556 sq m for a consideration of S\$8.2 million on 11 March 2016. Taking into account such divestment of 2,556 sq m for a consideration of S\$8.2 million, the gross premium would be 192.0%.

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

IMPROVEMENT IN WEIGHTED AVERAGE AGE OF PROPERTY

- Following the Proposed Divestment, the weighted average age of property (“**WAAP**”) by GFA for 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 Homes





DEVELOPMENT RISKS TO RESTART DEVELOPMENT WORKS

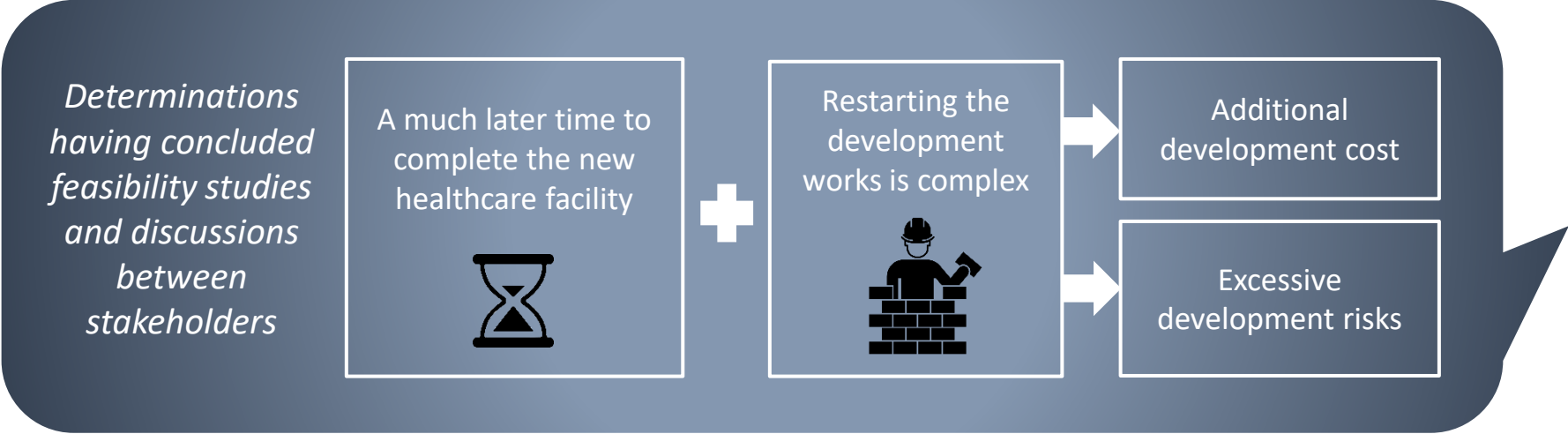
2020

- The Manager commissioned various consultants to carry out feasibility studies to determine possibility of conducting future construction works



2022

- The Manager determined restarting development works is a complex matter and First REIT would incur additional development cost and take on excessive development risk



A HOLISTIC APPROACH THAT RESOLVES DOWNSTREAM COMPLICATIONS

Tenants of the existing Siloam Hospitals Surabaya likely to switch to the new facility



A The Manager understands that either LPKR or Siloam intend to continue the development works on the Development Works Site (Plot A and Plot B) independently (the "New Development Works")

B Assuming the completion of the New Development Works, Siloam will likely commence operations within the new healthcare facility, adjacent to the existing Siloam Hospitals Surabaya

C The existing Siloam Hospitals Surabaya will therefore likely be vacated by the tenants, in favour of the new healthcare facility

Proposed Divestment is a prudent exit strategy and presents a holistic approach that resolves downstream complications

PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED DIVESTMENT

Strictly for illustrative purposes only.

	<i>Pro forma</i> effects of the Proposed Divestment for FY2021		
	DPU	DPU Yield ⁽²⁾	NAV per Unit ⁽³⁾
FY2021 Audited Consolidated Financial Statements⁽¹⁾	2.61 cents	8.6%	36.65 cents
After the Proposed Divestment	2.28 cents	7.5%	36.48 cents

For the *pro forma* financial effects of the Proposed Divestment, please refer to paragraph 5 of the Letter to Unitholders in the Circular to Unitholders dated 30 June 2022.

Notes:

- (1) Based on the FY2021 Audited Consolidated Financial Statements
- (2) Based on Unit price of S\$0.305 as at 31 December 2021
- (3) As at 31 December 2021

KEY TAKEAWAYS OF THE PROPOSED DIVESTMENT

**Reaps capital gains and opportunity
to recycle a mature asset**

**Opportunity to recycle a mature asset instead of taking
on excessive development risk**

**Prudent exit strategy and presents a holistic approach
that resolves downstream complications**

Improvement in WAAP for First REIT

**Aligns with
First REIT 2.0 Growth Strategy to
Reshape Portfolio for
Capital Efficient Growth**

Net proceeds 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**

4. Next Steps



ADVICE OF THE IFA AND RECOMMENDATIONS

ADVICE OF THE IFA

Having considered the factors and the assumptions set out in the IFA Letter⁽¹⁾, and subject to the qualifications set out therein, the IFA is of the opinion that the Proposed Divestment is based on normal commercial terms and is not prejudicial to the interests of First REIT and its minority Unitholders.

RECOMMENDATIONS

The Independent Directors and the Audit and Risk Committee recommend that Unitholders vote at the EGM in favour of the resolution relating to the Proposed Divestment.

We look forward to your support. Thank You.

Note:

(1) A copy of the letter from the IFA to the Independent Directors, the Audit and Risk Committee and the Trustee containing its advice in full (the “IFA Letter”) is set out in Appendix B of the Circular and Unitholders are advised to read the IFA Letter carefully.

YOUR VOTE MATTERS



As the Proposed Divestment constitutes an Interested Person Transaction under Chapter 9 of the Listing Manual, as well as an Interested Party Transaction under the Property Funds Appendix, the Proposed Divestment will be subject to the specific approval of independent Unitholders.

For the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, each of the Purchasers (being a company in which a Controlling Unitholder of First REIT has an interest of 30% or more and being a company in which a Controlling Shareholder of the Manager has an interest of 30% or more) is an Interested Person (for the purposes of the Listing Manual) and an Interested Party (for the purposes of the Property Funds Appendix) of First REIT.

Key Dates

**Friday,
22 July,
2:30 p.m.
(SGT)**

- **Last date and time for pre-registration for EGM**

Please pre-register at

https://www.first-reit.com/ir_egm.html

- **Last date and time for lodgement of Proxy Forms**

**Monday,
25 July,
2:30 p.m.
(SGT)**

- **Date and time of EGM convened and held by way of electronic means**

The Circular and the Notice of EGM have been sent to Unitholders by electronic means via publication on First REIT's website and have also been made available on the website of the SGX-ST.

YOUR VOTE MATTERS

- In keeping with our tradition of showing appreciation for our Unitholders' participation at the physical meetings, we will be sending a ***S\$15 NTUC FairPrice voucher*** to all Unitholders who:
 - Hold Units through their securities accounts with The Central Depository (Pte) Limited (excluding securities sub-accounts), and
 - Participate in this virtual EGM by validly submitting their votes
- Please note that your completed Proxy Form must reach the Unit Registrar by **2:30 p.m. (SGT) on Friday, 22 July 2022** in order for your participation to be counted as valid

5. Q&As



Appendix



YOUR VOTE MATTERS: HOW CAN I VOTE?

STEP #1

LOCATE THE PROXY FORM

STEP #2

COMPLETE THE PROXY FORM

- The proxy form can be found at the end of the Circular and is also available via the following links at https://www.first-reit.com/ir_egm.html and <https://www.sgx.com/securities/company-announcements>.

A Fill in your name and particulars.

B Indicate your vote in the box labelled FOR, AGAINST OR ABSTAIN.

C Please indicate the number of Units held.

D Please sign. If you are an individual, you or your attorney MUST SIGN and indicate the date. If you are a corporation, you must include your common seal and your authorised officer or attorney MUST SIGN.

FIRST REAL ESTATE INVESTMENT TRUST
(Constituted in the Republic of Singapore pursuant to a trust deed dated 19 October 2006 (as amended))
Managed by First REIT Management Limited (as manager of First Real Estate Investment Trust) (Company Registration No. 2006070720)

IMPORTANT:
1. This Proxy Form may be obtained at First Real Estate Investment Trust's ("First REIT") website at <https://www.first-reit.com> and any other links from <https://www.first-reit.com> or <https://www.sgx.com>.
2. THIS PROXY FORM is not valid for use by OFF RECEIVERS and shall be void if it is received and completed in accordance with the instructions.
3. PLEASE READ THE NOTES TO THE PROXY FORM.

PROXY FORM
EXTRAORDINARY GENERAL MEETING

Personal data privacy
By submitting an appointment appointing a proxy/ies and/or representative/ies, the unitholder accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 22 June 2022.

IMPORTANT:
1. The Extraordinary General Meeting ("EGM") is being convened and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Database Trustees) Order 2020 (as amended). In order to attend via the Notice of Extraordinary General Meeting dated 22 June 2022 which will be sent to unitholders, the Notice of Extraordinary General Meeting will also be available through electronic means via publication on First REIT's website at the URL: https://www.first-reit.com/ir_egm.html and will also be made available on the website of the SGX-ST at the URL: <https://www.sgx.com/securities/company-announcements>.
2. UNITHOLDERS are invited to attend the EGM via electronic means (including arrangements by which the meeting can be electronically conducted) as the main mode of interaction for conducting general business of the EGM in reliance on, or "for" or "in" the EGM, addressing of substantial and relevant questions and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out in the accompanying Proxy Form instructions dated 20 June 2022. This announcement sets the appointment of First REIT's website at the URL: https://www.first-reit.com/ir_egm.html and also on the website of the SGX-ST at the URL: <https://www.sgx.com/securities/company-announcements>.
3. UNITHOLDERS are invited to attend the EGM via electronic means (including arrangements by which the meeting can be electronically conducted) as the main mode of interaction for conducting general business of the EGM in reliance on, or "for" or "in" the EGM, addressing of substantial and relevant questions and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out in the accompanying Proxy Form instructions dated 20 June 2022. This announcement sets the appointment of First REIT's website at the URL: https://www.first-reit.com/ir_egm.html and also on the website of the SGX-ST at the URL: <https://www.sgx.com/securities/company-announcements>.
4. UNITHOLDERS who hold their Units through nominee intermediaries or indirect in favour of the Companies Act 1967 and who wish to exercise their votes by appointing the Chairman of the EGM as proxy should approach their respective nominee intermediaries as soon as possible to submit their voting instructions. CPF and STRS investors who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF Agent Banks. Details will set out in the Notice of Extraordinary General Meeting dated 22 June 2022.
5. Please read the notes enclosed which contain instructions on, inter alia, the appointment of the Chairman of the EGM as a Unitholder's proxy to attend, vote and vote on behalf of the EGM.

A I/We _____ (Name(s)) _____ (NRIC No./Passport No./Company Registration No.) of _____ (Address) being a unitholder/unitholders of First REIT, hereby appoint the Chairman of the EGM as my/our proxy to attend, speak and vote for me/us on my/our behalf at the EGM of First REIT to be convened and held by way of electronic means on Monday, 25 July 2022 at 2:30 p.m. and at any adjournment thereof.

I/We direct the Chairman of the EGM as my/our proxy to vote for or against, or to abstain from voting on, the resolution to be proposed at the EGM as indicated hereunder.

Resolution	No. of Votes For*	No. of Votes Against*	Abstain
ORDINARY RESOLUTION			
1 To approve the Proposed Divestment, as an Interested Person Transaction			

* Voting will be conducted by poll. If you wish the Chairman of the EGM as your proxy to cast all your votes "For" or "Against" the resolution, please indicate with a "✓" in the space provided under "For" or "Against". If you wish the Chairman of the EGM as your proxy to abstain from voting on the resolution, please indicate with a "✓" in the space provided under "Abstain". Alternatively, please indicate the number of units that the Chairman of the EGM as your proxy is directed to vote "For" or "Against" or to abstain from voting. In the absence of specific directions in respect of the resolution, the appointment of the Chairman of the EGM as your proxy for the resolution will be treated as invalid.

In keeping with our tradition of showing appreciation for our Unitholder's participation at our physical meetings, we will be sending a S\$15 NTUC FairPrice voucher to each Unitholder who holds Units through their securities accounts with The Central Depository (Pte) Limited ("CDP") (excluding securities sub-accounts) and participates in this virtual EGM by validly submitting their votes. Your completed Proxy Form must reach the Unit Registrar by 2:30 p.m. (Singapore time) on Friday, 22 July 2022 in order for your participation to be counted as valid (please see Note 3 for further details).

D Total No. of Units held _____

Signature(s) of unitholder(s)/ Common Seal of Corporate Unitholder _____

IMPORTANT: Please read notes on the reverse side

YOUR VOTE MATTERS: HOW CAN I VOTE?

STEP #3

SUBMIT THE COMPLETED PROXY FORM

The proxy form can be submitted in hard copy form or by email:

- If in hard copy, sent by post to the office of First REIT's Unit Registrar at:
Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue, #14-07
Keppel Bay Tower, Singapore 098632
- If by email, the proxy form must be received by the Unit Registrar at
FREGM2022@boardroomlimited.com

In either case, by 2:30 p.m. (Singapore Time) on Friday, 22 July 2022

