



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

RESPONSES TO THE SUBSTANTIAL AND RELEVANT QUESTIONS RECEIVED FROM UNITHOLDERS AND SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

1. **Background.** The Board of Directors (the “**Board**”) of First REIT Management Limited, in its capacity as manager of First Real Estate Investment Trust (“**First REIT**”, and the manager of First REIT, the “**Manager**”), refers to:
 - (a) the annual report of First REIT for the financial year ended 31 December 2024 (“**FY2024**”); and
 - (b) the notice of annual general meeting (“**AGM**”) issued on 1 April 2025 informing the unitholders of First REIT (the “**Unitholders**”) that the Sixteenth AGM of First REIT will be convened and held at Hilton Singapore Orchard (333 Orchard Road, Singapore 238867), Grand Ballroom, Level 6, Orchard Wing on Tuesday, 29 April 2025 at 10.00 a.m.
2. **Response to questions from Unitholders and SIAS.** The Manager would like to thank Unitholders and the Securities Investors Association (Singapore) (“**SIAS**”) for submitting their questions in advance of First REIT’s AGM. The Manager would like to inform that the responses to all substantial and relevant questions which have been submitted by Unitholders and SIAS by the 5.00 p.m. on Monday, 14 April 2025 deadline shall be published in this announcement. Please refer to **Annex A** hereto for the list of substantial and relevant questions received from Unitholders and SIAS, and the Manager and the Board’s responses to these questions.
3. **Subsequent clarifications or substantial and relevant follow-up questions.** As stated in the notice of AGM issued on 1 April 2025, the Manager will respond to questions or follow-up questions submitted after the 5.00 p.m. on Monday, 14 April 2025 deadline either within a reasonable timeframe before the AGM, or at the AGM itself. Where substantially similar questions are received, the Manager will consolidate such questions and consequently not all questions may be individually addressed.

By Order of the Board

Tan Kok Mian Victor
Executive Director and Chief Executive Officer
First REIT Management Limited
(As Manager of First REIT)

23 April 2025

ANNEX A

RESPONSES TO THE SUBSTANTIAL AND RELEVANT QUESTIONS RECEIVED FROM UNITHOLDERS AND SIAS

Questions	Responses
1. Given that the Indonesian Rupiah has depreciated by more than 7%, which exceeds the 4.5% rental escalation rate, and considering the inflation rate of 1.03%, how does the management plan to address the shortfall in the current master lease? It seems that the rental escalation is not sufficient to cover the impact of currency depreciation and inflation. Can you elaborate on the measures being taken to protect the REIT's interests in this regard?	<p>As a healthcare REIT, we are focused on investing in diverse yield-accretive healthcare and healthcare related real estate assets. We have master leases in place for our healthcare assets to drive sustainable growth.</p> <p>Specifically in Indonesia, rental income grew 4.7% in local currency terms for FY2024, exceeding the 4.5% base rent escalation due to higher contributions from performance-based rent.</p> <p>The base rent escalation of 4.5% factored into the revised Master Lease Agreements (“MLA”) was intended to provide a buffer against potential year-on-year Rupiah depreciation.</p> <p>We maintain a hedging policy to effectively manage foreign currency risk and acknowledge the critical importance of foreign currency risk management. We will continue to closely monitor the situation, remaining committed to taking the necessary actions as required.</p>
2. What is the impact of the high Rupiah depreciation, averaging around 7% in the past two years, on First REIT? What is the management doing to address this or to mitigate the impact of the high Rupiah depreciation? Or is our strategy just to ignore it since we can't control the exchange rate? What is the management view on the trajectory of the Rupiah SGD rate going forward? Please detail, explain and elaborate clearly.	<p>We maintain a hedging policy to manage foreign currency risk exposure and when appropriate, use derivative financial instruments such as forward exchange contracts to hedge foreign currency exposure relating to monetary items.</p> <p>Once the Strategic Review is completed, we will re-evaluate our hedging policies to ensure they align with our long-term objectives and market conditions.</p>
3. Over the last five years, the Net Asset Value (“ NAV ”) and Distribution per unit (“ DPU ”) of the company have dropped quite significantly. DPU dropped from 8.6 cents in FY2019 to a mere 2.36 cents now. Will the DPU continue to decline going forward? When will the decline in the DPU reverse?	<p>The decline in NAV per unit over the years was mainly attributable to the following factors:</p>

Questions	Responses
	<p>Firstly, the Group recognised a net fair valuation loss of S\$401.1 million on its investment properties in FY2020, largely attributable to the decrease in valuation of its Indonesia properties in relation to the restructuring of the MLA.</p> <p>Secondly, the rights issue exercise in FY2021 and consideration units issued to OLH Healthcare Investments Pte. Ltd., an indirect wholly-owned subsidiary of OUE Healthcare Limited, for the acquisition of Japanese nursing homes in FY2022, while strengthening First REIT's capital position, resulted in an enlarged unit base.</p> <p>Thirdly, following the restructuring of MLA in FY2021 and the inclusion of Japanese nursing homes in First REIT's portfolio in FY2022, currency translation differences arising from foreign operations were recognised and accounted for within the foreign exchange reserve.</p> <p>The decline in DPU over the years was mainly attributable to the restructuring of the MLA in FY2021 as well as the enlarged unit base as mentioned above. Further, DPU decreased from 2.48 Singapore cents in FY2023 to 2.36 Singapore cents in FY2024. This decline is mainly due to the depreciation of the Japanese Yen and the Indonesian Rupiah against the Singapore Dollar and enlarged unit base resulting from the issuance of units for payment of management fee to the Manager.</p>
<p>4. I note that the Earnings per unit (“EPU”) of First REIT is 1.68 cents but the DPU of First REIT is 2.36 cents. In essence, the REIT is paying more than what it earns. Is it sustainable? Will DPU be cut further going forward? Please explain and elaborate.</p>	<p>In the context of REITs, it is typical for the DPU to exceed the EPU, as DPU encompasses not only recurring income but also non-income components such as capital distributions. These may include gains from asset disposals, distribution of capital reserves, or other adjustments not captured within accounting earnings. As a result, EPU which reflects net profit attributable to unitholders under accounting standards are usually lower than the DPU reported.</p>

Questions	Responses
	<p>The fall in DPU for FY2024 is mainly attributed to a depreciation of foreign currencies and in particular, the Indonesian Rupiah and Japanese Yen against the Singapore Dollar, which directly impacted the REIT's financial performance.</p> <p>The Board and management team consistently monitor the financial performance, market conditions, and potential risks to ensure that distributions remain aligned with the REIT's long-term sustainability.</p> <p>As of FY2024, we are one of the few REITs that provide quarterly distributions.</p>
<p>5. I note that the directors of First REIT are not subject to unitholder re-election. Would First REIT subject all directors to unitholder re-election going forward?</p>	<p>The Manager, through the Nominating and Remuneration Committee, has in place a process to review the appointment and re-appointment of directors, taking into account the performance and time commitments of the directors, and having regard to the need for succession planning and progressive renewal of the Board and ensuring that the Board is well balanced and diverse.</p> <p>For FY2024, more than half of the Manager's board comprises independent directors and as such, the Manager will not be voluntarily subjecting any appointment or re-appointment of directors to voting by unitholders.</p>
<p>6. The company mentioned previously it is looking to divest non-core assets like the hotel and golf course. What is the current progress of the divestment? How many prospective buyers have the REIT spoken to? How many prospective buyers have had a look at the REIT's properties? Why is the process taking so long? Please elaborate.</p>	<p>To clarify, the Imperial Aryaduta Hotel & Country Club (“IAHCC”) comprises of a 7-storey hotel building and 6 blocks of Cabana Houses with a 2-storey country club. IAHCC does not contain a golf course.</p>

Questions	Responses
	<p>In response to the non-binding letter of intent (“LOI”) received from PT Siloam International Hospitals Tbk to acquire First REIT’s portfolio of hospital assets in Indonesia, First REIT has appointed Citigroup Global Markets Singapore Private Limited to assist in conducting the Strategic Review as announced on SGXNET on 13 January 2025.</p> <p>We are unable to comment on the terms of the non-binding LOI received due to the ongoing Strategic Review.</p> <p>Our Strategic Review will consider all options relating to the business of First REIT, which may include but are not limited to, exploration of joint ventures, strategic partnerships, asset acquisitions and/or asset divestments.</p> <p>All unitholders can however be assured that the Board is committed to undertaking a rigorous process to consider all options relating to the business of First REIT with a view to delivering sustainable long-term value for all unitholders.</p> <p>We will update unitholders in compliance with the Manager’s obligations under the Listing Manual of Singapore Exchange Securities Trading Limited (the “SGX-ST”) should there be any material developments that arise.</p>
<p>7. President Prabowo became Indonesian President in Oct 2024. What is the impact of the new Indonesian President Prabowo on the company? What changes in economic or healthcare policies have he or will he make? Any change in corporate tax rate? Enhanced healthcare subsidies for Indonesian citizens? Please explain and elaborate.</p>	<p>Since taking office, President Prabowo has introduced measures aimed at accelerating Indonesia’s economic growth and improving healthcare access.</p> <p>From an economic standpoint, the new administration is targeting GDP growth of 8% by 2029, with a strong emphasis on industrial down-streaming, infrastructure development and fiscal reform. While this creates a more growth-oriented backdrop, the government has also proposed budget reallocations to fund social programmes.</p>

Questions	Responses
	<p>On the healthcare front, the government has launched a free annual national medical check-up programme with a budget allocation of IDR 3 trillion (S\$247 million)¹ to prevent early deaths, with plans to expand hospital infrastructure. This could increase demand for healthcare services and benefit healthcare operators.</p> <p>Regarding tax policy, there have been no changes to the corporate income tax rate to date. A proposed increase in VAT to 12% will reportedly apply only to selected luxury goods and services², and is not expected to impact our healthcare tenants meaningfully at this stage.</p> <p>We are closely and actively monitoring global policy risks, government regulations, interest rate risks, foreign exchange exposures, and other externalities beyond management's control to assess any of their implications on all options being considered as part of the Strategic Review. This approach also ensures that any outcome of the Strategic Review will be in the best interests of our unitholders in prevailing market conditions.</p>
<p>8. I note that in Jan 2025, First REIT says it has received a "preliminary non-binding letter of intent" from PT Siloam International Hospitals to acquire its portfolio of hospital assets in Indonesia. Could you provide more details about the LOI? What is the Long-stop date of this LOI? What is the indicative consideration? Please detail and elaborate.</p>	<p>We are unable to comment on the timeline and the terms of the non-binding LOI received due to the ongoing Strategic Review.</p> <p>Our Strategic Review will consider all options relating to the business of First REIT, which may include but are not limited to, exploration of joint ventures, strategic partnerships, asset acquisitions and/or asset divestments.</p> <p>We will keep unitholders informed and updated should there be any material developments that arise from the Strategic Review process.</p>

¹ Source: [Indonesia launches \\$247m free health screening to prevent early deaths | The Straits Times](#)

² Source: [Indonesia's president says VAT hike to apply only on luxury goods | Reuters](#)

Questions	Responses
<p>9. I note that First REIT has 56.9% of debt on fixed rates, with more than 43% unfixed. 10 years seems to have been moving down, and then it spiked up quite a fair bit in recent days... it seems that the interest rate would stay higher for longer (or not?). What is the management view of the trajectory of interest rate going forward? Please detail and elaborate.</p>	<p>With the expiry of our hedges in the last quarter of FY2024, the proportion of debt on fixed or hedged rates stands at 56.9% as compared to 87.2% in prior year. With the evolving interest rate environment, having a lower hedged position will provide greater flexibility in the Trust's hedging strategies going forward.</p> <p>In terms of a longer-term outlook, the higher-for-even-longer interest rates could further worsen fiscal, financial and external risks. As such, interest rate and foreign currency management will remain a key focus area for First REIT as we navigate an evolving market environment.</p>
<p>10. What do you envisage would be the impact of the new Trump tariffs announced in the past week on FIRST REIT? Please explain and elaborate.</p>	<p>First REIT's assets and operations are in Indonesia, Japan and Singapore and given that the nature of our business is not export-oriented in nature, we are not directly exposed to recent U.S. tariffs or policy shifts announced.</p> <p>The announced tariffs however may have further implications for the broader economy of which we are closely monitoring, including other externalities beyond management's control such as global policy risks, interest rate risks and foreign exchange exposures.</p>
<p>11. Precious Homes Bukit Merah lease expires in April 2027 and the remaining land title tenure is only 7.3 years. It was bought for 11.8million and now only worth 7.5million. What does First REIT intend to do about this property? Does it intend to let the lease and land tenure expire? Is it working to extend the lease and land tenure? Please detail clearly your strategy to handle the short lease and land tenure for Precious Homes Bukit Merah.</p>	<p>The selection of our properties was guided by strategic considerations, including demand for healthcare services, accessibility, and long-term growth potential in the respective markets. First REIT's focus remains on investing in high-quality assets that support stable income generation and sustainable returns for our unitholders.</p>

Questions	Responses
	<p>We acknowledge the importance of lease tenure in maintaining income stability. The current lease terms for our Singapore properties are structured based on prevailing market conditions and industry standards. As at 31 December 2024, the Singapore properties contribute approximately 4.1% or S\$4.2 million to First REIT's total Rental and Other Income.</p> <p>Due to the ongoing Strategic Review, we are unable to comment on any investment opportunities or timeline until the outcome of the Strategic Review.</p>
<p>12. Precious Homes Bukit Panjang lease expires in April 2027 and the remaining land title tenure is only 8.4 years. It was bought for 11.5million and now only worth 8.1million. What does First REIT intend to do about this property? Does it intend to let the lease and land tenure expire? Is it working to extend the lease and land tenure? Please detail clearly your strategy to handle the short lease and land tenure for Precious Homes Bukit Panjang.</p>	<p>The selection of our properties was guided by strategic considerations, including demand for healthcare services, accessibility, and long-term growth potential in the respective markets. First REIT's focus remains on investing in high-quality assets that support stable income generation and sustainable returns for our unitholders.</p> <p>We acknowledge the importance of lease tenure in maintaining income stability. The current lease terms for our Singapore properties are structured based on prevailing market conditions and industry standards. As at 31 December 2024, the Singapore properties contribute approximately 4.1% or S\$4.2 million to First REIT's total Rental and Other Income.</p> <p>Due to the ongoing Strategic Review, we are unable to comment on any investment opportunities or timeline until the outcome of the Strategic Review.</p>
<p>13. I would like to check on the status of the potential sale of the Indonesia hospitals, and to check if there is an estimated time on when the management will make a decision.</p>	<p>We are unable to comment on the timeline of the non-binding LOI received due to the ongoing Strategic Review.</p> <p>Our Strategic Review will consider all options relating to the business of First REIT, which may include but are not limited to, exploration of joint ventures, strategic partnerships, asset acquisitions and/or asset divestments.</p>

Questions	Responses
	We will keep unitholders informed and updated should there be any material developments that arise from the Strategic Review process.
<p>14. The Total Returns sub-section was first introduced in 2023, with the 3-year return being reported as 18.1%. In 2024, the 3-year total return was disclosed as 11.4%. Notably, the REIT underwent a major restructuring in 2021.</p> <p>Given that REIT investors are generally long-term investors, would it be more meaningful for the manager to report 5-year, 10-year, and 15-year total returns to provide a clearer picture of sustained performance?</p>	Our reported timeframes were aligned with SGX Chartbook for S-REITs & Property Trusts, which presents Total Returns over 1-year and 3-year periods. We recognise that REIT investors may have longer-term investment horizons and will consider including longer term metrics in our Annual Report.
15. Has the board formally benchmarked the REIT's performance against appropriate indices or peer healthcare REITs? Specifically, how does the REIT's total return, NAV growth, and distribution yield compare to Parkway Life REIT?	<p>Please refer to page 43 of the FY2024 Annual Report, where the Relative Total Returns performance for First REIT and the relevant indices were presented.</p> <p>There are fundamental differences between First REIT and Parkway Life REIT due to the difference in geographical locations of its portfolio assets. Approximately 75% of First REIT's properties are situated in Indonesia, an emerging market, of which has different capitalisation rates, interest rate, forex, risks, yield, among other considerations.</p>
16. Have the independent directors reviewed the REIT's performance track record and are they satisfied with the manager's ability to create long-term, sustainable value for unitholders?	The Independent Directors are committed to delivering long-term value creation for all unitholders. The Independent Directors are aware and have reviewed the REIT's performance track record. Post MLA restructuring since 2021, First REIT has consistently delivered positive total returns. As of 31 December 2024, the historical 3-year total return for First REIT stands at 11.4%, with distribution yield amounting to approximately 9%.

Questions	Responses
17. How have the group's dealings with Siloam evolved following PT Lippo Karawaci Tbk's divestment of its majority stake to CVC Capital Partners? Has the change in ownership altered the commercial relationship and ground-level dealings?	Since PT Lippo Karawaci divested its majority stake in Siloam to a fund managed by CVC Capital Partners in August 2024, First REIT's commercial relationship and ground-level dealings with Siloam has not changed. As part of our ongoing efforts to maximise portfolio performance, we continue to actively engage Siloam on their rental obligations and other operational matters, including the outstanding rentals from PT Metropolis Propertindo Utama with whom Siloam is a joint tenant for three Hospital MLAs.
18. What is the scope of the strategic review and what roles do the independent directors play? Have the independent directors engaged other potential buyers to ensure a competitive bidding process, maximising value for unitholders?	<p>The Strategic Review involves a rigorous process to explore and consider all available options relating to the business of First REIT. These include but are not limited to the exploration of joint ventures, strategic partnerships, asset acquisitions and/or divestments, with a view to deliver sustainable long-term value for First REIT's unitholders.</p> <p>We will update unitholders in accordance with SGX Listing Rules should there be any material developments that arise.</p>
19. What was the process and rationale behind selecting Citigroup Global Markets Singapore Private Limited as the adviser for the strategic review?	<p>Several factors were considered in appointing Citigroup Global Markets Singapore Private Limited to assist in conducting the Strategic Review. These include their cross-border industry and capital markets expertise, as well as track record in advising on similar mandates, which First REIT deems necessary to support First REIT's broader aim of delivering long-term value for unitholders. As part of the Strategic Review, the Board is leveraging their expertise to:</p> <ul style="list-style-type: none"> • Advise the Board in relation to the terms of the preliminary LOI; • Formulate and assess all options under the Strategic Review
20. What are the key deliverables, milestones, and expected timelines of the Strategic Review?	We are currently not in a position to comment on the timeline due to the complex and ongoing nature of the Strategic Review.

Questions	Responses
	All unitholders can however be assured that the Board is committed to undertaking a rigorous process to consider all options relating to the business of First REIT with a view to delivering sustainable long-term value for all unitholders.
21. When was the LOI first received and did the board comply with SGX's disclosure requirements?	First REIT received the preliminary non-binding LOI on 13 January 2025. In compliance with Listing rule 703 under SGX disclosure requirements, First REIT announced the receipt of the LOI on the same date.

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