



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

MANAGER'S RESPONSE TO FREQUENTLY ASKED QUESTIONS IN RESPECT OF THE PROPOSED TRANSACTIONS

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 as manager of First REIT, the "**Manager**"), refers to:
 - (a) the circular to holders of units in First REIT ("**Unitholders**") dated 6 January 2022 (the "**Circular**") in relation to the Proposed Acquisition, the proposed issue of the Consideration Units, the proposed Whitewash Resolution and the Proposed Settlement (each as defined in the Circular) (collectively, the "**Proposed Transactions**");
 - (b) the notice of extraordinary general meeting ("**EGM**") dated 6 January 2022 notifying Unitholders of the EGM to be convened and held by way of electronic means on Friday, 28 January 2022 at 11:00 a.m. (Singapore time); and
 - (c) the announcement released by the Manager on 6 January 2022 titled "Extraordinary General Meeting of the Unitholders to be held on 28 January 2022" setting out, among others, the alternative arrangements which have been put in place to allow Unitholders to participate at the EGM.
2. **Responses to frequently asked questions.** The Manager wishes to voluntarily provide responses to certain frequently asked questions in relation to the Proposed Transactions. Please refer to Annex A attached hereto for a list of frequently asked questions and the management's and the Board's responses to these questions.

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

6 January 2022

ANNEX A
FREQUENTLY ASKED QUESTIONS IN RESPECT OF THE PROPOSED TRANSACTIONS

For further details of the Proposed Transactions, please refer to the Circular to Unitholders dated 6 January 2022 in relation to the Proposed Acquisition, the proposed issue of the Consideration Units, the proposed Whitewash Resolution and the Proposed Settlement. The following responses are qualified in their entirety by, and shall be read in conjunction with, the full text of the Circular. Capitalised terms used herein, unless otherwise defined, shall have the meanings ascribed to them in the Circular.

Frequently Asked Questions	Responses
1. Why is the Manager proposing to acquire the Japan Nursing Homes? What is the rationale for the Proposed Acquisition of the Japan Nursing Homes?	The Proposed Acquisition is consistent with First REIT's new 2.0 Growth Strategy and is a key component in First REIT's announced vision to transform First REIT to become Asia's Premier Healthcare Trust, with four key strategic pillars: 1. Diversify into developed markets: Reduce geographical and tenant concentration risk; target to reduce Indonesia assets to <50% of portfolio in 3-5 years. 2. Strengthen capital structure to remain resilient: Diversify funding sources and continue to optimise financial position. 3. Reshape portfolio for capital efficient growth: Recycle capital from non-core, non-healthcare assets. 4. Continue to pivot to ride megatrends: Environment, Social, and Governance, ageing population demographics and growth drivers. The Manager believes that the Proposed Acquisition will bring, among others, the following key benefits to Unitholders: - Strategic Entry into Attractive Japan Nursing Home Market with Strong Demand Drivers; - Enlarged and Diversified Portfolio Positioned for Long-term Growth; - Proposed Acquisition is distribution per Unit ("DPU") Accretive to Unitholders on a <i>Pro Forma</i> Basis¹; - Proposed Acquisition is Consistent with the First REIT 2.0 Strategy and Reflects the Sponsor's Commitment to First REIT; and - Positions First REIT Competitively to Peer. Unitholders are advised to refer to the Circular for details on the benefits of the Proposed Acquisition.
2. What is the rationale for the Proposed Settlement and why did it take so long?	Since the Road Subsidence, the Manager had commissioned tax consultants, development and construction-related consultants, legal counsels and valuers to carry out feasibility studies across various fields, to

¹ Please refer to the Circular for the *pro forma* financial effects of the Proposed Acquisition.

Frequently Asked Questions	Responses
	determine the possibility of conducting future construction works on the site should the project be revived. LPKR had also indicated that as there were still ongoing investigations into the Road Subsidence, possible and ongoing legal action and the pending outcome of an insurance claim, more time was necessary to propose 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. Having concluded the studies, the Manager was of the view that re-commencing construction works would not be straightforward and will entail further development risks. As such, First REIT will not be participating in any further development plans by LPKR and the Proposed Settlement provides finality to the Development Works Agreement and allows First REIT to receive the Aggregate Settlement Amount in accordance with the rights specified within the Development Works Agreement. Consequently, the Proposed Settlement will strengthen First REIT's capital structure and allow capital recycling towards higher growth areas and provides finality to the terminated project.
3. What is the IFA's view on the Proposed Transactions?	Having considered the factors and the assumptions set out in the letter from the IFA to the Independent Directors, the Audit and Risk Committee and the Trustee containing its advice in full, which is set out in the Circular (the "IFA Letter"), and subject to the qualifications set out therein, the IFA is of the opinion 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. Unitholders are advised to read the IFA Letter carefully.
4. What are the Independent Directors' Views on the Proposed Transactions?	Based on the opinion of the IFA (as set out in the IFA Letter which is set out in the Circular) and the respective rationales for each of the Proposed Transactions as set out in the Circular, the Independent Directors and the Audit and Risk Committee recommend that Unitholders vote in favour of each of the four resolutions to be tabled for approval at the EGM.

Frequently Asked Questions	Responses
5. Won't the issuance of new units dilute the net asset value ("NAV") per unit?	The Consideration Unit Issue Price is S\$0.305, being an issue price determined based on negotiations between the Manager and OUELH. The Consideration Unit Issue Price of S\$0.305 is equal to the closing price of S\$0.305 per Unit on the SGX-ST on 7 December 2021, being the date of the JMF Sale and Purchase Agreement, and at a 9.3% premium to First REIT's 3-month VWAP² of S\$0.279. First REIT is the exclusive healthcare real estate investment trust vehicle of the Sponsor, the OUE Group. The OUE Group is committed to the growth and success of First REIT. The Proposed Acquisition reflects the OUE Group's commitment to the First REIT 2.0 strategy to pursue accretive growth, rebalance its portfolio and diversify income streams geographically into new markets. The Proposed Acquisition is aligned with Unitholder interests and as a strong show of support to First REIT, the Sponsor has provided three pillars of support to First REIT in the Proposed Acquisition, which has enabled First REIT to deliver a DPU accretive transaction on a <i>pro forma</i> basis: • Agreed Purchase Price Discount: 2.9% (JPY0.7 billion) and 3.8% (JPY1.0 billion) discount to the aggregate of the averages and the higher of the two independent valuations of each Japan Nursing Home respectively; • Equity Issuance at a Premium to Market Price: Approximately 78.3% of the Purchase Consideration or S\$131.5 million will be funded by the issuance of approximately 431 million new Units at a 9.3% premium to First REIT's 3-month VWAP³ of S\$0.279; and • Waiver of Acquisition Fees: The Manager has elected to voluntarily waive the acquisition fee which would have been payable to the Manager for the Proposed Acquisition pursuant to the Trust Deed, which fee would otherwise have been approximately S\$3.0 million.

² Refers to Volume-Weighted Average Price over the preceding 3-month period as of 6 December 2021.

³ Refers to Volume-Weighted Average Price over the preceding 3-month period as of 6 December 2021.

Frequently Asked Questions	Responses
6. Can there be any revision to the Consideration Unit Issue Price? Can the Sponsor make a new offer for placement units if the resolutions are voted down?	No, the Consideration Unit Issue Price is final. The Consideration Unit Issue Price is S\$0.305, being an issue price determined based on negotiations between the Manager and OUELH. The Consideration Unit Issue Price of S\$0.305 is equal to the closing price of S\$0.305 per Unit on the SGX-ST on 7 December 2021, being the date of the JMF Sale and Purchase Agreement. Resolution 1 (the Proposed Acquisition) and Resolution 2 (the proposed issue of Consideration Units) are conditional upon each other and upon Resolution 3 (the proposed Whitewash Resolution). 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. If Resolution 2 is voted down, there is no assurance that First REIT will have another opportunity to acquire the Japan Nursing Homes.
7. What is the Whitewash Resolution?	The proposed Whitewash Resolution (Resolution 3) refers to a resolution to be approved by 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 proposed Whitewash Resolution is to enable OHI to receive the Consideration Units (as the nominee of OUELH) as partial consideration for the Proposed JMF Acquisition. The Manager is of the view that allowing OHI (being a wholly-owned subsidiary of OUELH which has been nominated by OUELH to receive the Consideration Units) to be issued the Consideration Units will demonstrate the long-term commitment of the Manager and OUE Limited (“OUE”) to First REIT. It will also further align the interests of the Manager and OUE with Unitholders, incentivising the Manager to raise the performance of First REIT to the benefit of Unitholders.
8. What is the quality of the 12 Japan Nursing Homes and how is First REIT mitigating against default risk?	The Japan Nursing Homes is a portfolio of 12 quality nursing homes located across Japan in Hokkaido, Nagano, Nara and Kyoto, that are 100% master leased to master tenants who are well-established and experienced independent local nursing home operators. The nursing homes are professionally operated by local Japanese operators that provide daily services, medical consultation services, leisure and entertainment programmes as well as nursing care, including special meal preparation, provision of functional training and toilet and bathing assistance.

Frequently Asked Questions	Responses
	With over 90% average operational occupancy⁴ as at 30 September 2021⁵ across approximately 1,451 units, all 12 nursing homes are middle- to high-end facilities with communal facilities such as lounges, restaurants and other community spaces. Under the terms of each of the master lease agreements in respect of the Japan Nursing Homes (the “Master Lease Agreements”), the annual rent shall be a fixed amount, save that such annual rent may be revised every two years⁶ or three years⁷ upon negotiation based on the increase in Japan’s consumer price index and interest rates. The rent may not be reduced unless certain requirements under Article 32 of the Act on Land and Building Leases⁸ are met. Under the terms of each of the Master Lease Agreements, the relevant master lessee is required to pledge to the lessor a rental deposit for an amount equal to six months⁹ or four months¹⁰ of the monthly rent payable by the relevant master lessee in accordance with the terms of the relevant Master Lease Agreement. To mitigate any disruption to the operation of each of the Japan Nursing Homes in the event of lease cancellation or termination, each of the Master Lease Agreements has a back-up operator clause which helps to ensure a smooth transition of operations to the back-up operator in an adverse event.
9. What is required for the resolutions to be passed? Can Interested Parties Vote at the EGM?	Each of the four resolutions are ordinary resolutions. An ordinary resolution refers to a resolution proposed and passed as such by a majority being more than 50.0% of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed.

⁴ The average operational occupancy refers to the number of units occupied in the Japan Nursing Homes. The Japan Nursing Homes are 100% master leased to independent local operators.

⁵ Based on the unaudited information provided by OUELH as at 30 September 2021.

⁶ In the case of Hikari Heights Varus Ishiyama, Hikari Heights Varus Tsukisamu-Koen, Hikari Heights Varus Fujino, Hikari Heights Varus Kotoni, Hikari Heights Varus Makomanai-Koen, Varus Cuore Yamanote and Varus Cuore Sapporo-Kita & Annex.

⁷ In the case of Elysion Gakuenmae, Elysion Mamigaoka & Elysion Mamigaoka Annex, Orchard Amanohashidate, Orchard Kaichi North and Orchard Kaichi West.

⁸ Article 32 of the Act on Land and Building Leases states that a lessee may request a future decrease in the rent where the building rent becomes unreasonable, as a result of the increase or decrease in tax and other burden or fall in property price, or fluctuations in other economic areas exist.

⁹ In the case of Hikari Heights Varus Ishiyama, Hikari Heights Varus Tsukisamu-Koen, Hikari Heights Varus Fujino, Hikari Heights Varus Kotoni, Hikari Heights Varus Makomanai-Koen, Varus Cuore Yamanote and Varus Cuore Sapporo-Kita & Annex.

¹⁰ In the case of Elysion Gakuenmae, Elysion Mamigaoka & Elysion Mamigaoka Annex, Orchard Amanohashidate, Orchard Kaichi North and Orchard Kaichi West.

Frequently Asked Questions	Responses
	Unitholders should note that Resolution 1 (the Proposed Acquisition) and Resolution 2 (the proposed issue of Consideration Units) are conditional upon each other and upon Resolution 3 (the proposed Whitewash Resolution). 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. For the avoidance of doubt, Resolution 4 is not conditional upon any of Resolution 1, Resolution 2 or Resolution 3, and <i>vice versa</i>. Rule 919 of 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 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.
10. How do I vote?	In view of the COVID-19 situation, all Unitholders (whether individual or corporate) who wish to exercise his/her/its voting rights are requested to

Frequently Asked Questions	Responses
	complete the Proxy Form in accordance with the instructions therein and submit it to the Manager c/o the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., in the following manner: (a) if submitted electronically, be submitted via email to the Unit Registrar at firstreitegm2022@boardroomlimited.com; or (b) if submitted by post, be lodged at the office of the Unit Registrar at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623, in either case, by 11:00 a.m. (Singapore Time) on Tuesday, 25 January 2022, being 72 hours before the time fixed for the EGM. All Unitholders (whether individual or corporate) who wish to exercise his/her/its voting rights must appoint the Chairman of the Meeting as proxy to attend, speak and vote on his/her/its behalf at the EGM. In appointing the Chairman of the Meeting as proxy, a Unitholder must give specific instructions as to voting, or abstention from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

Frequently Asked Questions	Responses		
11. How do I pre-register for the EGM?	No.	Steps	Dates/Deadlines
	1.	Unitholders must pre-register for the “live” audio-visual webcast or “live” audio-only stream of the EGM proceedings by 11:00 a.m. (Singapore Time) on Tuesday, 25 January 2022 to enable the Manager to verify their status as Unitholders.	Pre-registration by 11:00 a.m. (Singapore Time) on Tuesday, 25 January 2022.
	2.	Following the verification, authenticated persons will receive an email which will contain user ID and password details, as well as instructions on how to access the “live” audio-visual webcast and a toll-free telephone number to access the “live” audio-only stream of the EGM proceedings (the “Confirmation Email”).	Unitholders who do not receive the Confirmation Email by 11:00 a.m. (Singapore Time) on Thursday, 27 January 2022 but have registered by the deadline at 11:00 a.m. (Singapore Time) on Tuesday, 25 January 2022 should contact the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at +65 6230 9531 or email at firstreitegm2022@boardroomlimited.com .
12. How do I participate in the Virtual Information Session?	Unitholders are invited 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 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 .		

- END -

Important Notice

This Announcement is not for distribution, directly or indirectly, in or into the United States and is not an offer of securities for sale in the United States or any other jurisdictions.

This Announcement is for information purposes only and does not constitute an offer for sale or an invitation or offer to acquire, purchase or subscribe for Units in the United States, Singapore or any other jurisdiction.

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 and the continued availability of financing in the amounts and the terms necessary to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.

The value of Units and the income derived from them, if any, may fall or 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 Announcement is not for release, publication or distribution, directly or indirectly, in or into the United States, European Economic Area, the United Kingdom, Canada, Japan or Australia, and should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of applicable securities laws or regulations.

The securities referred to herein have not been and will not be registered under the Securities Act, and may not be offered or sold in the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. Any public offering of securities to be made in the United States would be made by means of a prospectus that may be obtained from an issuer and would contain detailed information about such issuer and the management, as well as financial statements.

There will be no public offering of the securities referred to herein in the United States.

Investors should note that they 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 SGX-ST.

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

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