

QUE LIPPO
Healthcare

DIVESTMENT OF JAPAN NURSING HOMES

Extraordinary General Meeting

28 January 2022



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This presentation is to be read in conjunction with the Circular dated 5 January 2022 by the Company in relation to the Proposed Transaction.

Transaction Overview

Divestment of 12 Japan Nursing Homes to First REIT (“Proposed Transaction”)

To divest its interests in two wholly-owned subsidiaries which together hold a 100.0% interest in the 12 Japan Nursing Homes to First REIT*

*OUELH is the sponsor of First REIT, and currently holds a direct stake of approximately 15% in First REIT and 40% in its manager

Consideration

- Consideration of **S\$163.5m** for the Proposed Transaction, which is based on, *inter alia*, the estimated net asset value of the companies, which includes the valuation of the Japan Nursing Homes

Payment

S\$131.5m from First REIT units

– 431,147,541 new First REIT units to be issued based on an issue price of S\$0.305 per unit

S\$15.8m paid in cash

S\$16.2m in intercompany balances which shall be assumed by First REIT

Rationale

01

Enhances capital structure to create new capacities for growth

FIRST REIT
FIRST REAL ESTATE INVESTMENT TRUST



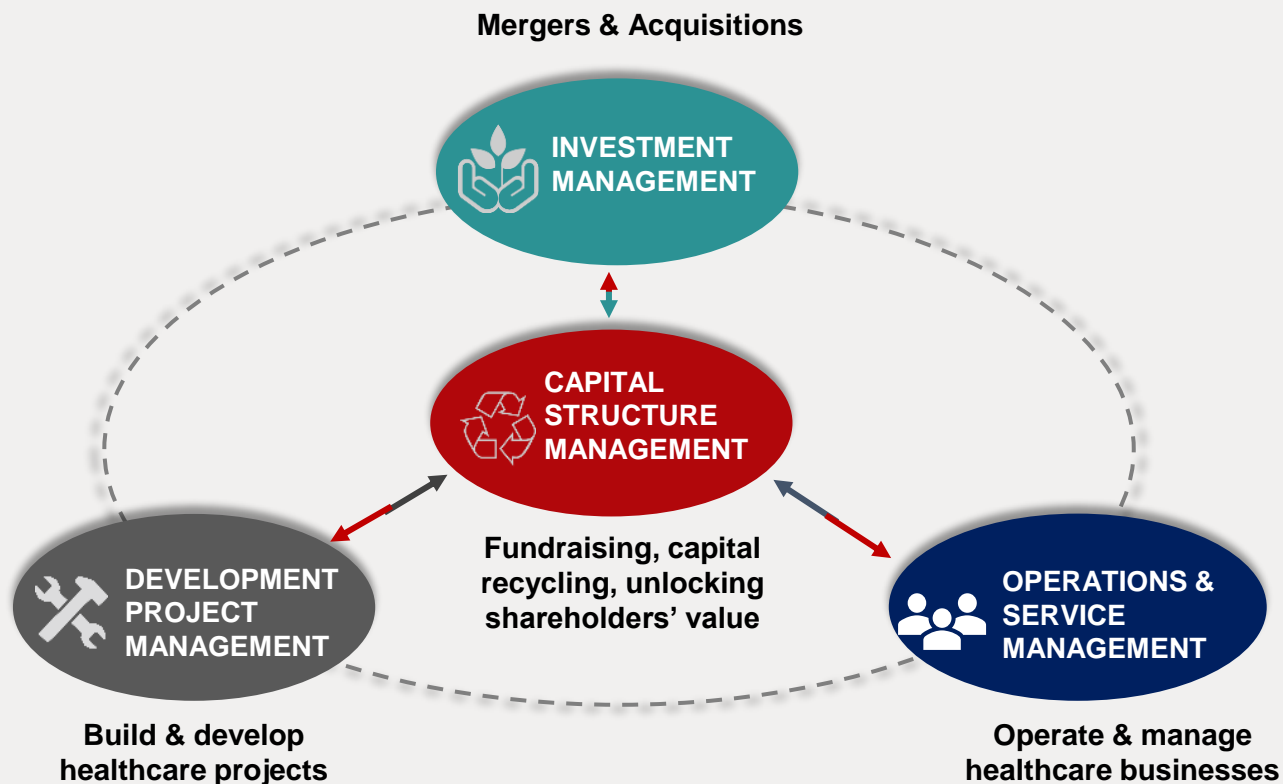
- **Increase in ownership of First REIT units which are more liquid**
 - Holdings in First REIT will more than double from 15.3% to 33.2%
- **Minimal impact to income and cashflow**
 - Additional First REIT units would have generated similar income and cashflow as compared to Japan Nursing Homes*
- **Improve gearing position**
 - Gearing position would have improved from 0.5 to 0.1*

Rationale

02

Aligns with asset-light strategy to focus on healthcare delivery

OUELH Business Ecosystem

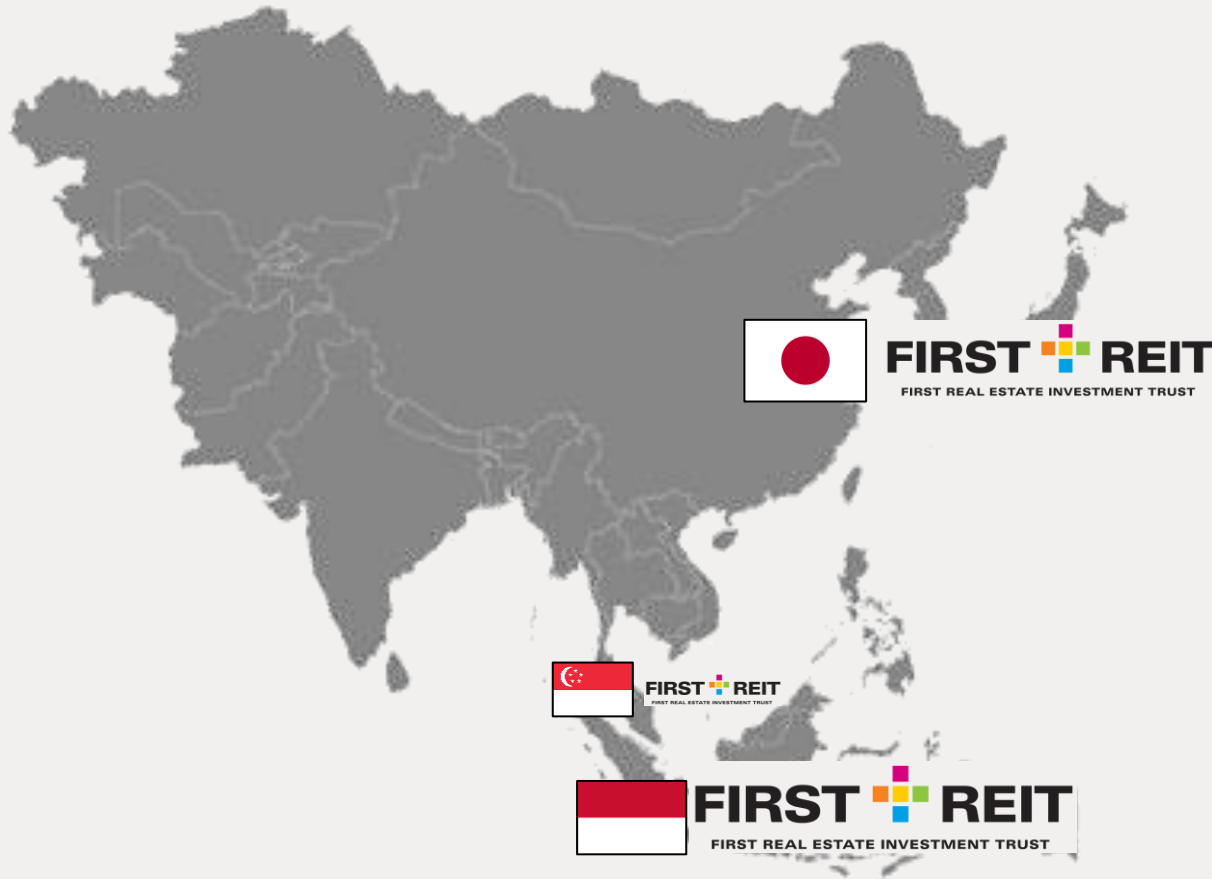


- **Sharpen its focus on quality healthcare services delivery**
 - Transfers healthcare real estate ownership to be under First REIT while OUELH focuses on quality healthcare services delivery
- **Well-poised to embark on future M&A and growth initiatives**
 - Flexibility to redeploy capital to fund future growth

Rationale

03

Repositions First REIT with further diversification of its portfolio



- **Market and tenant diversification for First REIT**
 - Increase exposure to markets outside of Indonesia, from **3.6%** of its asset value amounting to S\$33.8 million* to **27.1%** of its asset value amounting to S\$335.6 million**
 - Rental income outside of Indonesia will increase from **5.3%** amounting to S\$2.0 million* to **22.3%** of its rental income amounting to S\$10.5 million**
- **Diversify the risk profile of First REIT's enlarged portfolio**

* as at 30 June 2021

** on a pro forma basis

Financial Effects

Earnings Per Share

	FY2020			1H2021	
	Before Proposed Transaction	Pro Forma Adjusted ⁽¹⁾	After Proposed Transaction ⁽²⁾⁽³⁾	Before Proposed Transaction	After Proposed Transaction ⁽²⁾
(Loss) / profit after tax attributable to the Shareholders of the Company (S\$'000)	(98,726)	17,863	(69,564)	113,849	113,686
Weighted average number of Shares	4,443,129,206	4,443,129,206	4,443,129,206	4,443,129,206	4,443,129,206
(LPS) / EPS (cents)	(2.2)	0.4	(1.6)	2.6	2.6

NTA Per Share

	As at 31 December 2020			As at 30 June 2021	
	Before Proposed Transaction	Pro Forma Adjusted ⁽¹⁾	After Proposed Transaction	Before Proposed Transaction	After Proposed Transaction
NTA (S\$'000)	138,233	327,841	331,953	323,696	329,523
Number of Shares	4,443,129,206	4,443,129,206	4,443,129,206	4,443,129,206	4,443,129,206
NTA per Share (cents)	3.1	7.4	7.5	7.3	7.4

(1) Adjusted for the allotment and issuance of convertible perpetual bonds by the Company to Treasure International Holdings Pte. Ltd. following the conversion of existing shareholder loans completed on 16 March 2021.

(2) The pro forma (loss) / profit after tax attributable to Shareholders takes into account, inter alia: (a) the pro forma increase in profit share as a result of the increase in the Company's unitholding in First REIT pursuant to the allotment and issuance of the Consideration Units as partial payment of the JMF Consideration; and (b) the pro forma increase in profit from the First REIT Manager due to an increase in management fees, as a result of the larger asset portfolio of First REIT following the completion of the Proposed Transaction. For the avoidance of doubt, the financial effects have been computed on a basis consistent with the current accounting policies and standard of the Group.

(3) For avoidance of doubt, First REIT recorded a loss attributable to its Unitholders for FY2020 and, accordingly, the pro forma increase in profit share as a result of the increase in the Company's unitholding in First REIT pursuant to the allotment and issuance of the Consideration Units as partial payment of the JMF Consideration would not be meaningful.

Thank you

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