

First REIT Seeks Unitholder Support to Restructure, Recapitalise and Reposition for Sustainable Future

- Proposed transaction involves restructuring of master lease agreements of Indonesian hospital assets and a proposed rights issue (the “**Proposed Rights Issue**”) to raise gross proceeds of S\$158.2 million
- Restructuring of master lease agreements of Indonesian hospital assets necessary to enable the Manager to proceed with the Proposed Rights Issue
- The Proposed Rights Issue is critical for First REIT to meet its debt covenants and avoid an imminent default of 39.8% of total debt due on 1 March 2021
- In support of First REIT and the Proposed Rights Issue, First REIT Management Limited (“**FRML**”), OUE Lippo Healthcare Limited (“**OUELH**”), and OUE Limited (“**OUE**”) have provided irrevocable undertakings in respect of the Proposed Rights Issue

Singapore, 28 December 2020 – First REIT Management Limited, as manager of First Real Estate Investment Trust (“**First REIT**” and the manager of First REIT, the “**Manager**”) today outlined its plans to restructure, recapitalise and reposition First REIT for the future in its Circular to Unitholders. The proposed transaction consists of:

(i) Restructuring of Master Lease Agreements

A proposed restructuring of the master lease agreements (“**MLAs**”) for all of the hospitals which First REIT had leased to either PT Lippo Karawaci Tbk (“**LPKR**”) or LPKR and certain subsidiaries of PT Siloam International Hospitals Tbk (“**Siloam**”) (the “**LPKR Hospitals**”) and the MLAs for all of the LPKR Hospitals, the “**LPKR MLAs**”, and the proposed restructuring of the LPKR MLAs, the “**Proposed LPKR MLA Restructuring**”).

Additionally, the MLAs with PT Metropolis Propertindo Utama (“**MPU**”) in respect of Siloam Sriwijaya, Siloam Hospitals Purwakarta and Siloam Hospitals Kupang (the “**MPU Hospitals**”) will also be restructured (the “**MPU MLA Restructuring**”).

Details of the Proposed LPKR MLA Restructuring and the MPU MLA Restructuring were previously announced on 29 November 2020.

(ii) Recapitalisation of First REIT

The Manager proposes to carry out the Proposed Rights Issue to issue approximately 791,063,000 Units (the “**Rights Units**”) (which is equivalent to approximately 98% of the 807,206,351 Units in issue as at 23 December 2020) to raise gross proceeds of approximately S\$158.2 million on a renounceable basis to eligible unitholders and on a *pro rata* basis of 98

Rights Units for every 100 existing Units held as at 5.00 p.m. (Singapore time) on the date on which the register of Unitholders and the unit transfer books of First REIT will be closed to determine the provisional allotment of the Rights Units under the Proposed Rights Issue to eligible unitholders, at an indicative issue price of S\$0.20 per Rights Unit, fractional entitlements to be disregarded.

In support of First REIT and the Proposed Rights Issue, FRML and OUELH have provided irrevocable undertakings that, among others, FRML will, and OUELH will procure OLH Healthcare Investments Pte. Ltd. to, accept, subscribe and pay in full for its respective total provisional allotments of the Rights Units. Additionally, OUE has also provided an irrevocable undertaking that, among others, OUE will either (in the event that the Proposed Rights Issue is not underwritten) procure that its direct wholly-owned subsidiary, Clifford Development Pte. Ltd. (“**CDPL**”), applies, subscribes and pays in full any excess Rights Units to the extent that they remain unsubscribed after satisfaction of all applications for excess Rights Units or (in the event that the Proposed Rights Issue is underwritten) commit to the underwriter(s) of the Proposed Rights Issue to procure that CDPL subscribes and pays in full, the Rights Units to the extent that they are not successfully subscribed for under the Proposed Rights Issue.

First REIT currently faces a significant refinancing hurdle with approximately 80.2% (or approximately S\$395.7 million) of its debt coming due within the next 18 months and 39.8% (or approximately S\$196.6 million) coming due on 1 March 2021.

The Proposed Rights Issue is expected to raise gross proceeds of approximately S\$158.2 million and along with the new bank facilities of up to S\$260 million secured by the Manager and announced on 24 December 2020, will allow First REIT to refinance its existing S\$400 million secured loan facilities including the \$196.6 million repayment which is due on 1 March 2021.

The Proposed Rights Issue is critical for First REIT. The Proposed Rights Issue is required to repay the S\$140 million difference between the amount of S\$400 million mentioned above and the S\$260 million mentioned above.

However, the viability of the Proposed Rights Issue is dependent on the Manager being able to provide certainty in respect of the valuations and cash flows of First REIT’s assets through the Proposed LPKR MLA Restructuring, as Unitholders as well as other stakeholders of First REIT rely on First REIT’s valuations and visibility on future cash flows in order to evaluate and make decisions regarding First REIT. Hence, the Proposed LPKR MLA Restructuring is necessary to enable the Manager to proceed with the Proposed Rights Issue.

Unitholders’ Approvals Required at EGM

First REIT will be convening an extraordinary general meeting (“**EGM**”) on 19 January 2021 as outlined in its Circular to Unitholders. Unitholders will be required to approve the Ordinary Resolution in respect of the Proposed LPKR MLA Restructuring (Resolution 1) and an Ordinary

Resolution in respect of the proposed waiver by Unitholders other than CDPL and its concert parties of their rights to receive a general offer for their units in First REIT (“Units”) from CDPL pursuant to Rule 14 of The Singapore Code on Take-overs and Mergers (“**Proposed Whitewash Resolution**”) (Resolution 2).

Unitholders should note that Resolution 1 and Resolution 2 are not inter-conditional upon each other. The Manager will not launch the Proposed Rights Issue unless Resolution 1 is passed. In the event that Resolution 2 is not passed, the Manager will not launch the Proposed Rights Issue unless it is able to arrange for the Proposed Rights Issue to be underwritten. It should be noted that the undertakings by FRML, OUELH and OUE are conditional upon the passing of Resolution 1 and Resolution 2.

If the Proposed Rights Issue does not proceed, First REIT will be faced with a critical need to re-evaluate other funding options to avoid going into financing default.

The independent board committee (“**IC**”) and the Audit and Risk Committee (“**ARC**”) appointed an Independent Financial Advisor (“**IFA**”) to opine on the resolutions. The IC, the ARC and the IFA are of the opinion that the Proposed LPKR MLA Restructuring being Interested Person Transactions is based on normal commercial terms and would not be prejudicial to the interests of First REIT and its minority Unitholders. The IFA is of the opinion that (i) the terms of the Proposed Rights Issue, which is the subject of the Proposed Whitewash Resolution, are fair and reasonable and (ii) the Proposed Whitewash Resolution is fair and reasonable. The IC and the ARC are of the opinion that the Proposed Whitewash Resolution is fair and reasonable. Consequently, the IC and the ARC recommend that Unitholders vote in favour of both resolutions.

Merrill Lynch (Singapore) Pte. Ltd. (BofA Securities) is the financial adviser to the Manager in connection with the Proposed LPKR MLA Restructuring.

Repositioning First REIT for the Future

Executive Director and Chief Executive Officer of the Manager, Victor Tan, said: “With the Proposed LPKR MLA Restructuring, First REIT will have a sustainable and stable long-term master lease structure with its weighted average lease expiry being extended by approximately 5.2 years from 7.4 years as at 31 December 2019 to 12.6 years. Along with the recapitalisation of First REIT through the Rights Issue, the Proposed LPKR MLA Restructuring will allow First REIT to emerge from its current challenges and provide the foundations for First REIT to be repositioned and focused on delivering long-term returns for Unitholders moving forward.”

Further information on the Proposed LPKR MLA Restructuring and the Proposed Rights Issue is available from SGXNET or First REIT’s website.

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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's portfolio consists of 20 properties located in Indonesia, Singapore and South Korea, namely 1) Siloam Hospitals Lippo Village, 2) Siloam Hospitals Kebon Jeruk, 3) Siloam Hospitals Surabaya, 4) Imperial Aryaduta Hotel & Country Club, 5) Mochtar Riady Comprehensive Cancer Centre, 6) Siloam Hospitals Lippo Cikarang, 7) Siloam Hospitals Manado & Hotel Aryaduta Manado, 8) Siloam Hospitals Makassar, 9) Siloam Hospitals Bali, 10) Siloam Hospitals TB Simatupang, 11) Siloam Hospitals Purwakarta, 12) Siloam Sriwijaya, 13) Siloam Hospitals Kupang & Lippo Plaza Kupang, 14) Siloam Hospitals Labuan Bajo, 15) Siloam Hospitals Buton & Lippo Plaza Buton, 16) Siloam Hospitals Yogyakarta, 17) Pacific Healthcare Nursing Home @ Bukit Merah, 18) Pacific Healthcare Nursing Home II @ Bukit Panjang, 19) The Lentor Residence and 20) Sarang Hospital.

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 South Korea, the Sarang Hospital is operated by a private doctor.

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 and the rest of Southeast Asia.

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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.

This advertisement has not been reviewed by the Monetary Authority of Singapore.

Notification under Section 309B of the Securities and Futures Act, Chapter 289 of Singapore

The new Units are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).