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

RESPONSE TO SUBSTANTIAL AND RELEVANT QUESTIONS RECEIVED FROM SIAS-FIRST REIT VIRTUAL DIALOGUE SESSION

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 the Securities Investors Association (Singapore)-First REIT Virtual Dialogue Session ("**Virtual Dialogue**") held on 7 January 2021.

A recording of the Virtual Dialogue can be found at the following URL: https://www.first-reit.com/ir_egm.html.

The Manager would like to thank unitholders of First REIT ("**Unitholders**") for submitting their questions, please refer to **Annex A attached** hereto for the list of substantial and relevant questions received from unitholders, and the Management 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

8 January 2021

ANNEX A

RESPONSES TO QUESTIONS RAISED DURING THE VIRTUAL DIALOGUE

For full details of the Proposed Transactions by First REIT, please refer to the Circular to Unitholders dated 28 December 2020. Capitalised terms used herein, unless otherwise defined, shall have the meanings ascribed to them in the Circular dated 28 December 2020 (the "Circular") in relation to, among others, the proposed restructuring of certain master leases of First REIT.

<table>
<tr><th>Questions</th><th>Responses</th></tr>
<tr><td>1) Why don't you go after LPKR and enforce the current plan? Also, how can we be sure LPKR will honour the restructured plan? If they have unilaterally walked away from the obligation once, they can do it again. How are you protecting Unitholder interest?</td><td>PT Lippo Karawaci Tbk ("LPKR") is facing significant liquidity pressure and this is confirmed by the three rating agencies in their most recent reports; the Covid-19 pandemic also played a significant role in worsening their financial condition.

If the terms of the existing LPKR master lease agreements ("MLA") are enforced, there is a real risk and high probability that LPKR will default and there are severe consequences in such a scenario; these are listed as follows:
First REIT will be faced with a loss of approximately 72.1% of rental income represented by the LPKR MLAs that are within the scope of the Proposed LPKR MLA Restructuring;
There will be lengthy, costly and cumbersome legal disputes, during which, First REIT will be incurring operating and capital expenditures with limited visibility on the rental income stemming from the LPKR MLAs;
Consequently, friction costs will be incurred to identify a new tenant for a large proportion of the Indonesian portfolio. At the end of 2019, the Manager conducted a similar process on a smaller scale without success. This is a highly complex process as there are attributes unique to the healthcare asset class, one of which being the licencing and regulatory requirements of operating a hospital in Indonesia. This will therefore be a difficult, uncertain and lengthy leasing exercise to secure an alternative tenant-cum-operator, that will be doubly challenging to administer during the current Covid-19 pandemic; and
First REIT will breach its existing debt covenants.
The Board together with the Management took a proactive approach as it was critical to move resolutely to renegotiate a new plan to restructure all the MLAs with LPKR following LPKR's unilateral announcement in June 2020.

Given that the Proposed LPKR MLA Restructuring constitutes an interested party transaction, an independent board committee (the "Independent Committee") comprising the Independent Directors of the Board was set up and together with our appointed advisors, negotiated and evaluated the proposals from LPKR rigorously, with the intention of protecting Unitholder interest.</td></tr>
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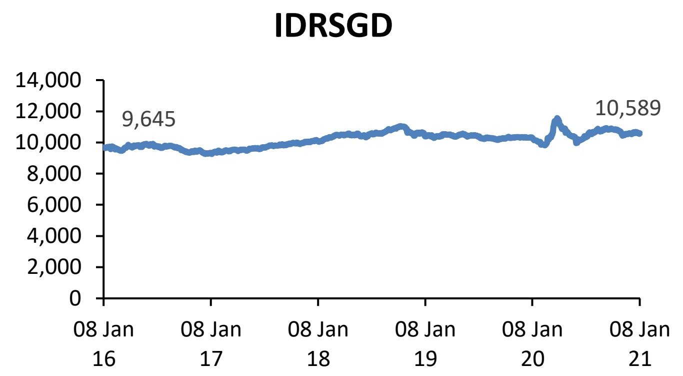
Questions	Responses
	Given the numerous meetings and length of time in which the Independent Committee had worked to deliver a viable restructured plan, the Independent Committee is confident that LPKR has been sincere and professional in the negotiation process and this new plan is sustainable for LPKR and in turn, for First REIT.
2) Is there a bigger problem than just a Covid-19 induced revenue decline in the hospitals?	The Covid-19 pandemic was not the sole challenge. LPKR is facing severe liquidity pressure due to its significant recurring expenses, weak operating cash flows and inability to divest assets and generate sufficient sales from its development projects. For the purpose of illustration, LPKR has been generating negative operating cash flows since 2015 with an aggregate negative cash flow of approximately S$1.5 billion. The situation is exacerbated by the depreciation of the Indonesian Rupiah against the Singapore Dollar by approximately 45% since the IPO of First REIT which adds further pressure to LPKR as the rent payment under the existing MLAs are paid in Singapore Dollars. The Covid-19 pandemic further exacerbated the problem, further weakening the operating performance of LPKR's business and is likely to have implications through the medium term. As at 9M2020, LPKR continues to have negative operating cash flows.
3) Based on the revised base rent amount for Indonesia ($56.7m), how many % of the gross operating revenue does this represent on a pro-forma basis for FY 2019 and 1H 2020?	The Proposed Base Rent is in the range of 40 to 45% of the hospitals' EBITDAR for LPKR and MPU, and is in line with the percentage range of other healthcare REITs in ASEAN and North America as observed by the Independent Valuer, Cushman & Wakefield. With reference to FY2019's figures, the Proposed Base Rent in aggregate is in the range of 10 to 15% of the LPKR hospitals' gross operating revenue.
4) What happens if you don't get Unitholder approval at the EGM. What is plan B?	Given the numerous meetings and length of time in which the Independent Committee had worked to deliver a viable restructured plan, the Independent Committee is confident that this new plan is sustainable for LPKR and in turn, for First REIT. The Proposed LPKR MLA Restructuring is the best plan that the Independent Committee and Management have negotiated with LPKR. There is no alternative plan at this stage. First REIT faces a significant refinancing wall and the Proposed Rights Issue, together with the S$260 million refinancing facility which was announced on 24 December 2020 is the most viable solution to meet upcoming repayment obligations, in particular, S$196.6 million of debt which is coming due in 1 March 2021.

Questions	Responses
	Without Unitholders' support for both resolutions, there is a real risk and high probability that LPKR may default on the current MLAs. Without the approval on Resolution 2, being the Proposed Whitewash Resolution, the Manager will not be able to proceed with the Rights Issue. The S$260 million Refinancing Facility will also be at risk, since implementing the Rights Issue is a condition of this facility. Under these circumstances, First REIT will face an urgent need to re-evaluate alternative funding sources or face financial default.
5) Why don't you consider asset divestment or liquidating the REIT? Isn't this better than dilutive Rights Issue?	The Manager has explored other funding sources including potential asset divestments; the Rights Issue is the only viable option at this stage. Asset divestment is not a viable alternative in the current climate, having considered the practical difficulty of conducting a sale process of First REIT's assets amidst the well-publicised financial difficulty of First REIT, which will likely result in a suboptimal price discovery process for First REIT's assets. Further, it is difficult for First REIT to sell hospital assets (land and buildings only) to third party operators as the underlying hospitals are already master-leased to LPKR and subleased to Siloam. Hospitals are specialised properties that require very strict local licensing procedures and regulations. Additionally, in view of the Proposed LPKR MLA Restructuring and MPU MLA Restructuring, any consideration to potential asset divestments will be limited to First REIT's Singapore and South Korean assets only. As at 31 December 2019, the aggregate value of the Singapore and Korean assets held by First REIT was valued at approximately S$42.6 million which is significantly lower than the S$140.0 million repayment requirement imposed by the lending banks.
6) Why such a steep discount on your Rights Price? How was the proposed rights issue price of $0.20 determined? Given that the NAV per share after the rights issue is $0.36 per unit and unitholders are complaining that this has caused the price to drop further.	The Rights Issue size of S$158.2 million was determined based primarily on the S$140.0 million repayment requirement which is the difference between the S$400 million 2018 Secured Loan Facilities and the S$260 million Refinancing Facility announced on 24 December 2020. It is a condition of the Refinancing Facility that First REIT undertakes an equity fund raising exercise. This recapitalisation plan is necessary in order to meet the S$196.6 million repayment obligation on 1 March 2021 and avoid a default. To address the question on the indicative Rights Price, this is a function of the size of funds required, the number of units First REIT can issue based on its general mandate and the discounts to the theoretical ex rights price ("**TERP**") based on market precedents.

Questions	Responses
	The rights ratio, issue price and discount to TERP were determined after considering precedent transactions as well as the transaction size. The indicative issue price is a discount of approximately 33.3% to the TERP which is in line with recent successful rights issue exercises in the market. The Rights Issue will be offered on a pro rata basis to allow all existing unitholders of First REIT to participate and to maintain their pro rata unitholdings and avoid dilution. Given the fixed funding requirement, the pro rata funding requirement required from existing Unitholders to subscribe for their entitlement will be fixed regardless of the rights issue price and discount. As the Rights Issue is renounceable, Entitled Unitholders may accept (partially or fully), decline, renounce or (in the case of Entitled Depositors only) trade on the SGX-ST (during the Rights trading period prescribed by the SGX-ST) their Rights.
7) What is the most critical factor in the lease restructuring deal that affected the lenders' confidence? While the hospital leases are renewed and extended, in return for the IDR-SGD currency peg to be removed. It is not particular understood what is the deal breaker during the refinance process. Please clarify.	Stakeholders including the lenders require certainty in respect of valuations and cash flows of First REIT's assets, and the valuations of the LPKR Hospitals are premised on the rental terms specified in the LPKR MLAs. Therefore, when LPKR unilaterally announced its intention to renegotiate the existing LPKR MLAs, lenders expressed significant concerns over the sustainability of First REIT's capital structure.
8) Did the audit and risk committee consider the risk and impact of both the 15 year lease expiry and the maturity of almost $400 million of debt (80% of debt) all in 2021? Why were these two significant events not spaced further apart so as to not create an issue as currently being faced. Why was this not identified by the auditors?	The Board and management have been cognizant of the imminent expiry of certain MLAs by December 2021. The Manager had been in discussions with LPKR on these MLAs since 2019. However, following the unilateral announcement made by LPKR on 1 June 2020, the announcement of their intention to restructure all the LPKR MLAs triggered a sequence of events that was not within the control of the Manager or the Board. Stemming from this, the lenders expressed significant concerns over the sustainability of First REIT's capital structure as a result of this. Negotiations with lenders subsequently concluded with First REIT signing a refinancing facility amounting to S$260 million, as announced on 24 December 2020 (the "**Refinancing Facilities**"). Based on the 2018 Secured Loan Facilities of S$400 million, and the S$260 million Refinancing Facilities that were secured, there was a shortfall of S$140 million. After considering various options, the Proposed Rights Issue was identified to make up for the shortfall and to also meet the condition precedent as set out by the lenders under the Refinancing Facilities.

Questions	Responses
	For clarity, the 2018 Secured Loan Facilities was secured for asset enhancement, asset acquisition and other working capital purposes.
9) In August 2020, SGX queried the company on the accuracy of their valuations. The REIT responded with: "The Board of Directors are of the view that there is no material change to the carrying amounts of First REIT's investment properties for 1H2020 necessary at this stage". Why did the board make this statement when the H12020 distribution income fell 46% and valuations for the affected properties fell by about 35%? How can unitholders trust the information coming from the REIT?	The SGX query and our corresponding announcement was released on 11 August 2020. The Manager explained the rationale at that point in time, and also assessed that potential adjustments to the valuation of First REIT's properties may arise from restructuring of the master leases. While the Manager had on 1 June 2020 announced that LPKR wished to initiate a rental restructuring process, no agreement had been reached following their unilateral announcement and as such the existing terms continued to apply between the parties. The Manager explained further that, until parties could agree on new definitive terms, there was no basis for the Manager to re-assess the valuation of the properties at this stage. The Manager subsequently announced the receipt of a non-binding proposal from LPKR on 20 September 2020. First REIT's 1H2020 distribution income fell predominantly as a result of the rental reliefs provided to First REIT's tenants as a result of the Covid-19 pandemic; whereas the valuations of the affected properties drew reference from the LPKR and MPU restructuring terms which were negotiated vigorously. It is hoped that Unitholders can come to understand the complexity of this transaction, and that the Directors and Independent Committee with the advice of the professionals that were appointed, deliberated every turn of the negotiations with the intent of achieving the best possible outcome for Unitholders.
10) Investors are concerned that there are some lines being drawn among the family members because of how the assets were separated, such that First REIT does not know that Lippo Karawaci was planning to negotiate the rents down. How are the different parts of the family working together to resolve the issue?	This is not the case. First REIT continues to receive very strong support from our Sponsor group, who was instrumental in the process of negotiating the refinancing facility for First REIT. Their alignment of interest with First REIT is clear to see, with reference to the irrevocable undertaking for the Proposed Rights Issue, this translates to a commitment of up to S$158.2 million in fresh capital. While OUE/OUELH and LPKR have common shareholders, with regard to the way different entities operate, there are separate Boards and Management teams, which act in accordance with the required regulatory guidelines and corporate governance standards. The decision for LPKR to act in the manner that they did was a result of the independent decision of their Board and management.

Questions	Responses
11) What are the company's plans to improve performance over the long-term and to ensure it is more resilient?	The Manager believes strongly that the healthcare sector remains attractive and that the proposed recapitalisation exercise along with the Proposed LPKR MLA Restructuring provides the most optimal option for First REIT to tide through the short-term volatility, preserve value for Unitholders and position First REIT for future growth. With Unitholder support, and the successful restructuring and recapitalising of First REIT, the following key positives will ensue: • Firstly, First REIT will have highly visible contracted cash flows. The new 15-year sustainable Proposed LPKR MLAs and MPU MLAs extends First REIT's weighted average lease expiry from 7.4 years as at 31 December 2019 to 12.6 years, providing Unitholders a highly visible stream of locked-in cash flows, and a more certain and stable lease profile to reposition First REIT for future growth; • Secondly, there will be clarity on asset valuations and effectively removes any overhang on unit price which stem from the LPKR announcement made on 1 June 2020; • Thirdly, the new Proposed LPKR MLAs and MPU MLAs will enjoy stable organic growth. Following the completion of the Proposed LPKR MLA and the MPU MLA Restructurings, approximately 73% of First REIT's pro forma revenue base will enjoy (i) a minimal rental escalation of 4.5% per annum; and (ii) further upside through a revised performance-based rent structure. This provides Unitholders with visibility over the minimum income growth of the REIT whilst retaining exposure for further upside sharing. We envisage that when the LPKR and MLA Hospital assets recover over time, it would be possible for rental income under the revised plan to exceed rental income under the current MLA. Please see the illustration on Slide 23 of the presentation dated 5 January 2021; • Fourthly, the current ecosystem with LPKR and Siloam as the operators of the Hospitals is preserved. Siloam is the largest hospital operator in Indonesia and given its extensive hospital and healthcare network, as well as legacy of having operated all of the First REIT hospitals in Indonesia, Siloam is the natural operator for these assets given their extensive experience with these assets; and • Finally, First REIT is underpinned by a robust long-term outlook for the healthcare sector, and will have sufficient debt headroom to pursue yield accretive acquisitions outside of Indonesia, with no refinancing requirements up to 2022.

Questions	Responses
12) What are your plans to reduce tenant/geographic concentration risk and why did you not do this earlier?	Over the last 15 years, First REIT has grown its portfolio from 4 assets in one country during the IPO in 2006 to 20 assets across Indonesia, Singapore and South Korea. First REIT intends to expand into new geographies and with new tenants and the Manager will only do so at yield accretive terms. The Manager remains committed to reducing First REIT's concentration risk and has a strong pipeline from its Sponsor to execute this at the right time and under yield accretive terms. Should First REIT have Unitholder support for the Proposed LPKR MLA Restructuring and the proposed recapitalisation exercise, First REIT will move into a stabilised position with stabilised valuations and cash flows. Proforma gearing is expected to be 34.4% as of 1H2020 and this delivers a S$321.1 million debt headroom (based on an assumed 50% gearing threshold), allowing First REIT greater firepower to pursue yield accretive acquisitions and further reduce geographic and tenant concentration risk.
13) The 44% depreciation of IDR in last 14 years means that the average depreciation of IDR versus SGD is 4.2% per annum compounded. Does this not mean that 4.5% annual increase in IDR does not provide virtually any increase in rent in SGD terms?	In the past five years, IDR versus SGD has stabilised and only depreciated by 8.9% (CAGR of 1.8% depreciation) as at 8 January 2021. The current 4.5% rental escalation thus provides sufficient buffer against the IDR depreciation against SGD with reference to the recent performance of the currency pair.  Source: Bloomberg
14) What would the dividend policy be post the Rights Issue?	The current distribution policy is to distribute at least 90% of our tax-exempt income (after deduction of applicable expenses) and capital receipts. First REIT has maintained a payout policy of 100% of our distributable income since its initial public offering in 2006. The Manager will continue with its existing dividend policy, however, this may be reviewed from time to time.

Questions	Responses
15) We note that the next refinancing cycle will be in 2022. How will you fund this? Will you do another Rights Issue?	While it is too early to comment, First REIT's gearing will be approximately 33.9% on a *pro forma* basis as at FY 2019, after the MPU MLA Restructuring, the Proposed LPKR MLA Restructuring and the Proposed Rights Issue. This is inclusive of its existing debt obligations and is well below the leverage limit of 50.0%. The Manager is currently in talks with its lenders on this matter. The Manager is focused on diversifying First REIT's funding sources and will be looking at a combination of debt and equity raising in the future. The Manager will also look at how it may tap on more unsecured financing avenues such as the bond market.
16) Why does OUE need to ensure that the resolutions are passed before it provides its support?	OUE and lenders will require certainty of valuations and cash flows of First REIT's assets. As such Unitholder support is required for the Proposed LPKR MLA Restructuring. Additionally, while OUE and its concert parties are providing their irrevocable undertakings to support the Rights Issue, they will be required to seek a waiver by Unitholders other than CDPL, which is a direct wholly-owned subsidiary of OUE, and its concert parties of their rights to receive a general offer for their Units from CDPL pursuant to Rule 14 of the Takeover Code. This is needed as OUE does not intend to privatise First REIT.
17) Why can't OUE consider providing a bridge loan to First REIT?	First REIT's lenders have expressed concerns over the sustainability of First REIT's capital structure without the infusion of additional equity into First REIT post the MLA restructuring. Additional debt/financing facilities from OUE would further increase aggregate leverage/gearing of First REIT and not address capital structure sustainability concerns from the lenders. Accordingly, the lenders have set out the proposed rights issue as a condition precedent under the Refinancing Facilities of S$260 million.
18) Can you put up this dialoque recording on SGX or First Reit IR website for the benefits of unit holders not online? Thank You	The recording of the Virtual Dialogue is available via the investor relations website of First REIT at: https://www.first-reit.com/ir_egm.html.
19) I am Singaporean unitholder but currently not staying in Singapore. Am I still available to buy the proposed rights issue?	Please note that the Rights Issue has not been launched and will require Unitholder approval at the upcoming EGM on 19 January 2021. Should First REIT proceed with the Rights Issue, there will be additional information provided to Unitholders to determine their eligibility to participate.