FIRST REIT

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

RESTRUCTURING OF MASTER LEASES

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1. APPROACH BY PT. LIPPO KARAWACI TBK

1.1 All of the properties in First Real Estate Investment Trust ("**First REIT**") at the time of its initial public offering ("**IPO**") in December 2006 were leased to PT. Lippo Karawaci Tbk ("**LPKR**") under master lease agreements ("**MLAs**"). These properties include Siloam Hospitals Surabaya, Siloam Hospitals Kebon Jeruk (formerly known as Siloam Hospitals West Jakarta) and Siloam Hospitals Lippo Village (formerly known as Siloam Hospitals Lippo Karawaci) (the "**IPO Hospital Properties**"). The MLAs in respect of the IPO Hospital Properties (the "**IPO MLAs**") have an initial term of 15 years, subject to an option given to LPKR to renew the MLAs for another 15 years. The initial term of the IPO MLAs will expire in December 2021. First REIT Management Limited, in its capacity as manager of First REIT (the "**Manager**"), has been engaging with LPKR on the renewal of the IPO MLAs since 2019.

1.2 On 1 June 2020, LPKR unilaterally announced its intention to restructure the MLAs for all of the hospitals which First REIT had leased to either LPKR or LPKR and certain subsidiaries of PT Siloam International Hospitals Tbk ("**Siloam**"), including the IPO MLAs (the "**LPKR MLAs**"). In response to this press release, the Manager issued an announcement on the same day stating that it had not been approached by LPKR in respect of the matters mentioned in the press release.

1.3 On 31 August 2020, the Manager announced that it was anticipating to receive a proposal regarding the rental restructuring from LPKR. On 20 September 2020, the Manager announced that it had received a non-binding rental restructuring proposal from LPKR in respect of the LPKR MLAs and that the board of directors of the Manager (the "**Board**") had set up an independent board committee (the "**Independent Committee**") comprising all the independent directors of the Board, namely, Mr Chan Pengee Adrian, Mr Ferris Charles Bye, Mr Tan Chuan Lye and Mr Martin Lechner to carefully consider and evaluate the non-binding proposal. On 30 September 2020, the Manager announced that it had appointed Merrill Lynch (Singapore) Pte. Ltd. as financial adviser to the Manager in connection with the restructuring discussions. The Independent Committee has been engaging with LPKR to understand the context of LPKR's request and negotiate the terms of a restructuring.

1.4 Perpetual (Asia) Limited, in its capacity as trustee of First REIT (the "**Trustee**"), has on 28 November 2020 entered into a memorandum of understanding with LPKR (the "**LPKR MOU**") in respect of, among other things, a proposed restructuring of the LPKR MLAs (the "**Proposed LPKR MLA Restructuring**"), which is conditional upon, among other things, the approval of the independent unitholders of First REIT ("**Unitholders**").

2. THE PROPOSED LPKR MLA RESTRUCTURING

2.1 Key Terms of the Restructured LPKR MLAs

It is proposed that the Proposed LPKR MLA Restructuring be effected by the entry into of supplemental MLAs between the relevant master lessors and the relevant master lessees, which will amend and restate the existing LPKR MLAs based on the key terms which are set out below.

2.1.1 Term of the Restructured LPKR MLAs

The following table sets out the hospitals which are the subject of the Proposed LPKR MLA Restructuring (the "**LPKR Hospitals**"), their acquisition year, the expiry year of the initial term of the relevant MLAs as well as the master lessee(s) of the LPKR Hospitals. Any extension of the initial term of the MLAs requires LPKR's agreement.

No.	Property Name	Acquisition Year	MLA Expiry Year	Master Lessee(s)
1.	Siloam Hospitals Surabaya	2006 (Year of IPO)	2021	LPKR
2.	Siloam Hospitals Kebon Jeruk	2006	2021	LPKR
3.	Siloam Hospitals Lippo Village	2006	2021	LPKR
4.	Mochtar Riady Comprehensive Cancer Centre	2010	2025	LPKR
5.	Siloam Hospitals Makassar	2012	2027	LPKR
6.	Siloam Hospitals Manado and Hotel Aryaduta Manado	2012	2027	LPKR
7.	Siloam Hospitals TB Simatupang	2013	2028	LPKR
8.	Siloam Hospitals Bali	2013	2028	LPKR
9.	Siloam Hospitals Labuan Bajo	2016	2031	LPKR and a wholly-owned subsidiary of Siloam
10.	Siloam Hospitals Buton	2017	2032	LPKR and a wholly-owned subsidiary of Siloam
11.	Siloam Hospitals Yogyakarta	2017	2032	LPKR and a wholly-owned subsidiary of Siloam

Under the Proposed LPKR MLA Restructuring, the term of the restructured LPKR MLAs will take effect from 1 January 2021 and will be extended to (and including) 31 December 2035, subject to any extension required in respect of the underlying property title and with an option for a further 15-year renewal term with the mutual agreement of both the relevant master lessors and the relevant master lessees. The lease for the further term shall be on terms and conditions (including the rent payable for the further term) to be mutually agreed between the parties. The leases of hospitals with redevelopment potential, such as Siloam Hospitals Surabaya, may be terminated at any time by mutual written consent of the parties.

2.1.2 Revised Rental Formula

The current rental formula under each of the existing LPKR MLAs provides for rental to be calculated based on the sum of a base rent component and a variable rent component.

Base Rent under the Existing LPKR MLAs

The current base rent under each of the existing LPKR MLAs are set out in **Appendix A** of this Announcement. Under the existing LPKR MLAs, the amount of base rent payable is adjusted for movements in the exchange rate between Singapore Dollar and Indonesian Rupiah so that First REIT is not exposed to movements in the exchange rate between Singapore Dollar and Indonesian Rupiah.

The base rent component is subject to increase based on the following formula:

No.	Property Name	Base Rent Escalation Formula under Existing LPKR MLAs
1.	Siloam Hospitals Surabaya	Increase on each anniversary date from (and including) the first anniversary date of the commencement date under the MLA, at a rate equal to twice the total percentage variation of the Consumer Price Index of Singapore calculated on a month-to-month basis aggregated for the preceding calendar year (as published by the Singapore Department of Statistics), subject to a floor of 0.0% and a cap of 2.0%.
2.	Siloam Hospitals Kebon Jeruk	
3.	Siloam Hospitals Lippo Village	
4.	Mochtar Riady Comprehensive Cancer Centre	
5.	Siloam Hospitals Makassar	Increase on each anniversary date from (and including) the third anniversary date of the commencement date under the MLA, at a rate equal to twice the total percentage variation of the Consumer Price Index of Singapore calculated on a month-to-month basis aggregated for the preceding calendar year (as published by the Singapore Department of Statistics), subject to a floor of 0.0% and a cap of 2.0%.
6.	Siloam Hospitals Manado and Hotel Aryaduta Manado	
7.	Siloam Hospitals TB Simatupang	
8.	Siloam Hospitals Bali	

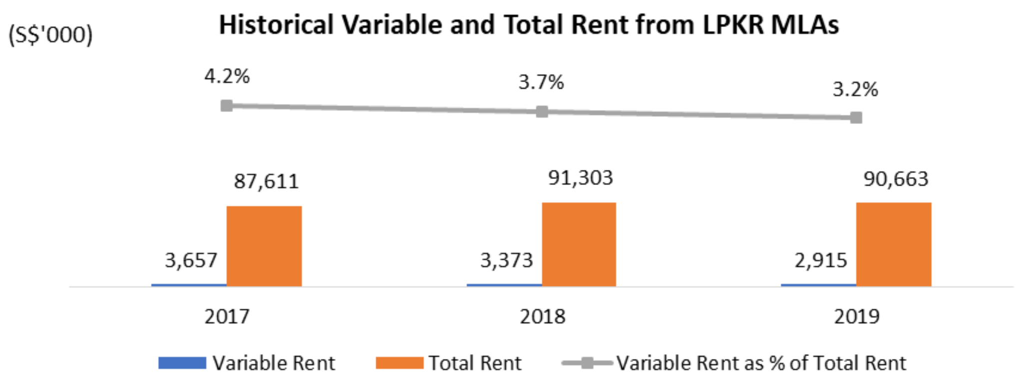
No.	Property Name	Base Rent Escalation Formula under Existing LPKR MLAs
9.	Siloam Hospitals Labuan Bajo	Increase on each anniversary date from (and including) the fifth anniversary date of the commencement date under the MLA, at a rate equal to twice the total percentage variation of the Consumer Price Index of Singapore calculated on a month-to-month basis aggregated for the preceding calendar year (as published by the Singapore Department of Statistics), subject to a floor of 0.0% and a cap of 2.0%. In addition, for each five-year period of the lease term commencing from (and including) the fifth anniversary date of the commencement date under the MLA (i.e. from the 6th year to the 10th year and from the 11th year to the 15th year), the increase shall be subject to a further overall cap of 5.0% for each such five-year period.
10.	Siloam Hospitals Buton	
11.	Siloam Hospitals Yogyakarta	

Variable Rent under the Existing LPKR MLAs

As for the variable rent under the existing LPKR MLAs, generally this is payable only if the gross operating revenue ("**GOR**") of the relevant LPKR Hospital grows by at least 5% compared to the preceding year at the rate of:

(a) (in the case of Siloam Hospitals Surabaya, Siloam Hospitals Kebon Jeruk, Siloam Hospitals Lippo Village and Mochtar Riady Comprehensive Cancer Centre) 0.75% of the GOR of the relevant year, with the rate being increased to 1.25% where the GOR increase is at least 15% but less than 30% and the rate being increased to 2.00% where the GOR increase is at least 30%; or

(b) (in the case of the other LPKR Hospitals) 0.75% of the increase in GOR for the relevant year compared to the preceding year, with the rate being increased to 1.25% where the GOR increase is at least 15% but less than 30% and the rate being increased to 2.00% where the GOR increase is at least 30%.



Over the past three years, the existing variable rent structure has contributed not more than 4.2% to the total rent received for each year under the LPKR MLAs.

See **Appendix B** of this Announcement for a more detailed description of the variable rent formulae under the existing LPKR MLAs.

Rental under the Restructured LPKR MLAs

Under the restructured LPKR MLAs, the Commencement Base Rent was determined on a portfolio basis with the asset-by-asset details set out in **Appendix A** of this Announcement. The Commencement Base Rent was determined having taken into account factors such as the free cash flow and the rent over earnings before interest, taxes, depreciation, amortisation and rental ("**EBITDAR**") ratio of the LPKR Hospitals, which Cushman & Wakefield VHS Pte. Ltd. in conjunction with KJPP Firman Suryantoro Sugeng Suzy Hartomo & Rekan ("**C&W**") had observed to be in the range of 40% to 45% for other healthcare REITs in the Association of Southeast Asian Nations and North America regions such as Parkway Life REIT, Northwest Healthcare Properties, Medical Properties Trust and RHT Health Trust.

The rental amounts payable under the restructured LPKR MLAs shall be denominated in Indonesian Rupiah and shall be payable quarterly. The rent in respect of each quarter shall be invoiced on the first day of such quarter and shall be paid within 30 days of the date of the relevant rental invoice. Rental for the first lease period from 1 January 2021 to 30 September 2021 (both dates inclusive) will be the pro-rated Indonesian Rupiah denominated Commencement Base Rents as set out in **Appendix A** of this Announcement. There will be no adjustments for movements in the exchange rate between Singapore Dollar and Indonesian Rupiah. The increase in the rent payable is structured to be a minimum of 4.5% per annum calculated using the Commencement Base Rent.

For the second period of the lease under the restructured LPKR MLAs which will commence on 1 October 2021 and end on 30 September 2022, the adopted annual rent shall be the higher of:

(i) 8.0% of the GOR for each respective hospital for the preceding financial year (from 1 January to 31 December); or

(ii) the Commencement Base Rent X (1 + S) = Second Lease Year Base Rent, where "S" is the escalation amounting to 4.5%. For the avoidance of doubt, (1 + S) will equal 1.045.

For the third period of the lease under the restructured LPKR MLAs which will commence on 1 October 2022 to 30 September 2023, the adopted annual rent shall be the higher of:

(i) 8.0% of the GOR for each respective hospital for the preceding financial year (from 1 January to 31 December); or

(ii) the Second Lease Year Base Rent X (1 + S), where "S" is the escalation amounting to 4.5%. For the avoidance of doubt, (1 + S) will equal 1.045.

For subsequent lease years under the restructured LPKR MLAs, the adopted annual rent shall be the higher of:

(i) 8.0% of the GOR for each respective hospital for the preceding financial year (from 1 January to 31 December); or

(ii) the preceding year's Base Rent X (1 + S), where "S" is the escalation amounting to 4.5%. For the avoidance of doubt, (1 + S) will equal 1.045.

The aggregate rent for the final lease period ending on (and including) 31 December 2035, being the day immediately preceding the 15th anniversary of the commencement date of the restructured LPKR MLAs, will be “A” multiplied by “B”, where:

A = the higher of the following:

(i) 8.0% of the GOR for each respective hospital for the preceding financial year (from 1 January to 31 December); or

(ii) the preceding year’s Base Rent X (1 + S), where “S” is the escalation amounting to 4.5%. For the avoidance of doubt, (1 + S) will equal 1.045.

B = number of days in such final lease period / 365 days.

2.1.3 Security Deposit

Under the terms of the existing LPKR MLAs, the relevant master lessees are required to pay to and maintain with the relevant master lessors, for the duration of each year, a security deposit equivalent to six months of the monthly rent payable by the relevant master lessees in accordance with the terms of the respective existing LPKR MLAs for each such year, which may be furnished in the form of cash payment or irrevocable bank guarantees (or, in the case of Siloam Hospitals Labuan Bajo, Siloam Hospitals Yogyakarta and Siloam Hospitals Buton, in the form of bank guarantees only).

As for the security deposits payable under the restructured LPKR MLAs, the security deposit payable by the relevant master lessees to the relevant master lessors shall be, for each year in the supplemental lease term, eight months of the total monthly rent payable for each such year, which shall be furnished by the relevant master lessee to the relevant master lessor:

(a) in the case of the first lease period from 1 January 2021 to 30 September 2021 (both dates inclusive), on or before 1 January 2021; and

(b) in the case of each subsequent year of the restructured LPKR MLAs, no later than the date falling 30 days before the commencement date of each relevant subsequent year.

2.1.4 Governing Law and Dispute Resolution

The governing law of the restructured LPKR MLAs shall be Singapore law with arbitration administered by the Singapore International Arbitration Centre (“**SIAC**”) in accordance with the Arbitration Rules of the SIAC for the time-being in force.

2.2 Certain Terms and Conditions of the LPKR MOU in Relation to the Proposed LPKR MLA Restructuring

2.2.1 Pursuant to the LPKR MOU, the Trustee undertakes to procure that the relevant master lessors enter into the supplemental MLAs and LPKR undertakes to procure that the relevant master lessees enter into the supplemental MLAs (except in respect of Siloam Hospitals Labuan Bajo, Siloam Hospitals Buton and Siloam Hospitals Yogyakarta, Siloam and its subsidiaries, which the Trustee and LPKR acknowledge are part of a listed group of companies separate from LPKR that are required to make their own determination, and in relation to which LPKR undertakes to use reasonable commercial endeavours to so procure), subject to the satisfaction of the following conditions precedent:

(i) First REIT's independent financial adviser providing an opinion satisfactory to the Independent Committee and the audit and risk committee of the Manager (the "**Audit and Risk Committee**"), the Trustee and Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), that the Proposed LPKR MLA Restructuring is on normal commercial terms and not prejudicial to the interests of First REIT and its minority Unitholders;

(ii) the opinion of the Independent Committee and the Audit and Risk Committee that the Proposed LPKR MLA Restructuring is on normal commercial terms and not prejudicial to the interests of First REIT and its minority Unitholders;

(iii) the clearance by the SGX-ST of the First REIT circular for issuance to Unitholders seeking approval for the Proposed LPKR MLA Restructuring (the "**Circular**");

(iv) the approval by the lenders of First REIT of the Proposed LPKR MLA Restructuring under the following loans: (a) syndicated loan facilities of up to S$400 million, out of which S$196.6 million is due in March 2021, with the remaining repayable in March 2022 and March 2023 (the "**2018 Secured Loan Facilities**"), and (b) a syndicated loan facility of up to S$100 million, which is due in May 2022 (the "**2019 Secured Loan**");

(v) the approval by Unitholders for the Proposed LPKR MLA Restructuring at an extraordinary general meeting of First REIT to be convened (the "**EGM**");

(vi) LPKR providing an irrevocable undertaking to First REIT that LPKR will, with the prior written approval of the relevant master lessor and subject to any restrictions imposed by applicable laws and regulations, take such steps as may be necessary to terminate all existing sub-lease obligations with the relevant subsidiaries of Siloam in respect of the relevant LPKR Hospitals if LPKR is in default of its payment obligations under the relevant supplemental MLAs in respect of such relevant LPKR Hospitals and such default has not been remedied or waived within 30 days of receipt of notice of such default from First REIT;

(vii) LPKR providing each of the master lessors with legally binding documentation, on such terms as are reasonably acceptable to LPKR and each of the master lessors, assigning to the relevant master lessor all of the rental and other payments from the relevant sub-lessee(s) under the relevant sub-lease agreement(s) entered into between LPKR and the relevant sub-lessee(s) for the relevant LPKR Hospital in the event that LPKR is in default of any of its payment obligations under the MLA for the relevant LPKR Hospital and such default has not been remedied or waived within 30 days of receipt of notice of such default from First REIT;

(viii) the receipt by First REIT of any approval by the SGX-ST and the Monetary Authority of Singapore (the "**MAS**") as may be necessary for the Proposed LPKR MLA Restructuring, including all matters contemplated by, incidental to or necessary to give full effect to the Proposed LPKR MLA Restructuring, provided that where such approvals are subject to conditions relating to LPKR and/or Siloam and the relevant subsidiaries of Siloam, such conditions are satisfactory to the Trustee and LPKR; and

(ix) such other relevant corporate, governmental and regulatory approvals that may be required to be obtained by First REIT, being obtained for all matters contemplated by, incidental to or necessary to give full effect to the Proposed LPKR MLA Restructuring.

2.2.2 In addition, the LPKR MOU sets out the following principal terms in relation to the Proposed LPKR MLA Restructuring:

(i) in the event that LPKR is unable to procure that the relevant subsidiaries of Siloam enter into the supplemental MLAs in respect of any or all of Siloam Hospitals Labuan Bajo, Siloam Hospitals Buton and Siloam Hospitals Yogyakarta within the period described in the LPKR MOU, the Trustee and LPKR agree that in respect of each of the LPKR Hospitals:

(a) (during the term of the relevant existing LPKR MLA until its termination or expiry or the entry into of the relevant supplemental MLA)

(I) LPKR shall make payment to the relevant master lessor of the aggregate rental amount to be paid by LPKR and the relevant subsidiary of Siloam in the same manner and at the same time as if the relevant supplemental MLA has been entered into in accordance with the LPKR MOU, less the rental amount received by the relevant master lessor from the relevant subsidiary of Siloam under the existing LPKR MLA; and

(II) the other rights and obligations of the relevant master lessor in relation to LPKR, and the other rights and obligations of LPKR in relation to the relevant master lessor, in connection with the relevant LPKR Hospital shall be governed by the relevant supplemental MLA, as if the relevant supplemental MLA has been entered into in accordance with the LPKR MOU, to the extent permissible under applicable law and regulations,

(b) (within four months from the expiry of the period referred to in paragraph 2.2.2(i) above or within such other time as the Trustee and LPKR may agree) LPKR shall enter into the relevant supplemental MLA in respect of the relevant LPKR Hospital, for the term commencing immediately upon the expiry of the relevant existing LPKR MLA and up to and including 31 December 2035 and irrevocably undertake that the existing LPKR MLA shall not be renewed; and

(ii) the Trustee and LPKR agree to use best endeavours, acting reasonably and in good faith, to discuss and facilitate the establishment of arrangements for the direct payment of rental amounts by the relevant subsidiaries of Siloam to the relevant master lessors for each of the LPKR Hospitals where the relevant subsidiaries of Siloam are not making direct payment of rental amounts to the relevant master lessor.

2.3 Consequential Amendments to the Existing MLA in Respect of Hotel Aryaduta Manado

Currently, Siloam Hospitals Manado and Hotel Aryaduta Manado are leased as a whole (the "**Manado Property**"). The terms of the lease for the Manado Property are contained within one MLA dated 21 September 2012 (the "**Manado Property MLA**") and there is no separate MLA for Hotel Aryaduta Manado. As a consequence of the Proposed LPKR MLA Restructuring, it is proposed that the relevant master lessor and the relevant master lessee enter into a separate supplemental MLA for Hotel Aryaduta Manado which will take effect from 1 January 2021, the key terms of which are set out below.

2.3.1 Term of Supplemental MLA in Respect of Hotel Aryaduta Manado

The term of the existing Manado Property MLA is 15 years commencing on (and including) 30 November 2012, with an option for a further 15-year renewal term. As the supplemental MLA in respect of Hotel Aryaduta Manado will not amend the term provided for under the existing Manado Property MLA, following the effective date of the supplemental MLA in respect of Hotel Aryaduta Manado, the term will remain as 15 years commencing on (and including) 30 November 2012, with an option for a further 15-year renewal term.

2.3.2 Rental Formula

The current rental formula under the existing Manado Property MLA provides for rental to be calculated based on the sum of a base rent component and a variable rent component.

Base Rent under the Existing Manado Property MLA

Under the existing Manado Property MLA, the base rent component is subject to increase on each anniversary date from (and including) the third anniversary date of the commencement date under the existing Manado Property MLA, at a rate equal to twice the total percentage variation of the Consumer Price Index of Singapore calculated on a month-to-month basis aggregated for the preceding calendar year (as published by the Singapore Department of Statistics), subject to a floor of 0.0% and a cap of 2.0%.

The current base rent payable in respect of Siloam Hospitals Manado and Hotel Aryaduta Manado under the existing Manado Property MLA, which shall be paid by the master lessee in Singapore Dollars, is set out in **Appendix A** of this Announcement.

Variable Rent under the Existing Manado Property MLA

A summary of the variable rent formula under the existing Manado Property MLA is set out in **Appendix B** of this Announcement. The variable rent shall be paid by the master lessee in Singapore Dollars. Where the relevant figures are computed in Indonesian Rupiah for the purpose of calculating the variable rent, the conversion rate of S$1 = Rp.7,000, which shall be fixed for the entire term, shall be used.

Rental under the Supplemental MLA in respect of Hotel Aryaduta Manado

The total monthly rent payable for the term shall comprise (i) a base rent equivalent to S$3,307,000 and (b) a variable rent, which are payable quarterly. The base rent and the variable rent in respect of each quarter shall be invoiced on the first day of such quarter and shall be paid within 30 days of the date of the relevant rental invoice.

Currently, Siloam Hospitals Manado and Hotel Aryaduta Manado are leased as a whole under the existing Manado Property. In its current form, there is no rental differentiation between Siloam Hospitals Manado and Hotel Aryaduta Manado. The annual base rent of S$3,307,000 or a rental rate of approximately S$1.09 per square foot per month ("**psf pm**") attributable to Hotel Aryaduta Manado is broadly in line with market rent[1].

The total monthly rent shall be paid by the master lessee in Indonesian Rupiah.

Under the supplemental MLA in respect of Hotel Aryaduta Manado, the amount of total monthly rent payable shall be adjusted for movements in the exchange rate between Singapore Dollar and Indonesian Rupiah so that First REIT is not exposed to movements in the exchange rate between Singapore Dollar and Indonesian Rupiah.

In the event the master lessor does not receive the quarterly rent by the relevant quarterly rent payment date, the master lessee shall bear any hedging and other costs of the master lessor, reasonably incurred, in order to ensure that such rent when received by the master lessor in Indonesian Rupiah is not less than the amount that the master lessor would have received in Singapore Dollars had the rent been received by the master lessor on the relevant quarterly rent payment date.

As is the case under the existing Manado Property MLA, the base rent component shall be subject to increase every year at a rate equal to twice the total percentage variation of the Consumer Price Index of Singapore calculated on a month-to-month basis aggregated for the preceding calendar year (as published by the Singapore Department of Statistics), subject to a floor of 0.0% and a cap of 2.0%.

As for the variable rent component, variable rent under the supplemental MLA in respect of Hotel Aryaduta Manado will be based on the audited GOR growth of Hotel Aryaduta Manado, to be computed as follows:

A x B

Where:

Variable rent factor ("**A**") is computed as follows:

If GOR of the preceding financial year of Hotel Aryaduta Manado exceeds the GOR of the further preceding financial year of Hotel Aryaduta Manado by more than or equal to 5% but less than 15%, A is 0.75%.

If GOR of the preceding financial year of Hotel Aryaduta Manado exceeds the GOR of the further preceding financial year of Hotel Aryaduta Manado by more than or equal to 15% but less than 30%, A is 1.25%.

If GOR of the preceding financial year of Hotel Aryaduta Manado exceeds the GOR of the further preceding financial year of Hotel Aryaduta Manado by more than or equal to 30%, A is 2.00%.; and

"**B**" is the surplus of GOR of the preceding financial year of the Hotel Aryaduta Manado over the GOR of the further preceding financial year of Hotel Aryaduta Manado.

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1 The Independent Valuers (as defined herein) have confirmed that the rental rate of S$1.09 psf pm is broadly in line with market rent, having considered several other hospitality properties such as hotels, serviced residences and apartments within Indonesia.

For avoidance of doubt, when the GOR of the preceding financial year of Hotel Aryaduta Manado does not exceed the GOR of the further preceding financial year of Hotel Aryaduta Manado by more than or equal to 5%, no variable rent is payable.

2.3.3 Security Deposit

Under the terms of the existing Manado Property MLA, the master lessee is required to pay to and maintain with the master lessor, for the duration of each year, a security deposit equivalent to six months of the monthly rent payable by the master lessee in accordance with the terms of the Manado Property MLA for each such year, which may be furnished in the form of cash payment or irrevocable bank guarantees.

As for the security deposits payable under the supplemental MLA for Hotel Aryaduta Manado, the security deposit payable by the master lessee to the master lessor shall be, for each year in the lease term, six months of the total monthly rent payable for each such year, which shall be furnished by the master lessee to the master lessor by way of an irrevocable bank guarantee in respect of each security deposit, issued by a commercial bank holding a full banking licence which must be reasonably acceptable to the master lessor no later than 60 days before the commencement date of each year.

2.3.4 Governing Law and Dispute Resolution

The governing law of the supplemental MLA for Hotel Aryaduta Manado shall be Singapore law with arbitration administered by the SIAC in accordance with the Arbitration Rules of the SIAC for the time-being in force.

3. BACKGROUND AND CONTEXT OF THE PROPOSED LPKR MLA RESTRUCTURING

3.1 LPKR's Financial Position

The Manager understands that LPKR is facing significant liquidity pressure given its weak operating cash flows and significant recurring expenses. For illustration, LPKR has been generating negative operating cash flows since 2015 with an aggregate negative cash flow of approximately Rp.15.7 trillion (approximately S$1.5 billion[1]). The situation is exacerbated by the depreciation of the Indonesian Rupiah against the Singapore Dollar by approximately 44.8% since the IPO of First REIT[2] which adds further pressure on LPKR as rent payments under the existing LPKR MLAs have to be made in Singapore Dollars.

1 Computed based on the mid-market Singapore Dollar to Indonesian Rupiah exchange rate at the end of the respective financial year.

2 From 4 December 2006 to 30 October 2020. Source: Bloomberg. Bloomberg has not provided its consent to the inclusion of the information extracted from its report in this Announcement and Bloomberg is not responsible for the information extracted from its report in this Announcement.

Given the liquidity pressure, LPKR embarked on a turnaround and restructuring exercise and raised approximately US$788 million through a rights issue in July 2019. The Manager understands that as of 30 June 2020, LPKR has utilised the proceeds for the purpose of (i) debt repayment, (ii) completing the construction of various projects that had been significantly delayed, including Meikarta Project and (iii) funding recurring expenses and liquidity requirements (which includes interest payments, head office expenses, rental payments and working capital requirements). As a result of these outgoings and LPKR's inability to divest assets and generate sufficient sales from its development projects, LPKR continues to face severe liquidity challenges in the future given its significant recurring expenses and weak operating cash flows from its other businesses.

LPKR's dire liquidity position is confirmed by three rating agencies in their most recent reports and credit ratings:

Credit Rating	**December 2019**	**September 2020**
S&P Global Ratings ("**S&P**")	B- with stable outlook	B- with negative outlook
Moody's Investors Service ("**Moody's**")	B3 with stable outlook	B3 with stable outlook
Fitch Ratings Singapore Pte. Ltd. ("**Fitch**")	B- with stable outlook	B- with negative outlook

(i) Fitch, in its non-rating action commentary dated 3 September 2020[1], stated: "*PT Lippo Karawaci TBK's (Lippo, B-/Negative) operating cash flow at the holding company will not be able to cover its operating costs in the next 12-18 months, without any asset sales, highlighting the challenges faced by the Indonesia-based homebuilder as the economic downturn crimps property demand… The Negative Outlook reflects the challenges that Lippo will face in reviving pre-sales at the holding-company level…*";

(ii) Moody's, in its credit opinion dated 4 September 2020[2], stated: "*The B3 corporate family rating of Lippo Karawaci Tbk (P.T.) reflects the company's reliance on asset sales and external funding, which stems from insufficient operating cash flow from its core property development business to meet interest and rental payments at the holding company level. We expect liquidity at the holding company level to remain adequate until H1 2021, but proceeds from asset sales are required to supplement cash needs thereafter.*"; and

1 Source: Fitch's non-rating action commentary titled "Lippo Karawaci's Pre-Sales Growth, Not Asset Sales, Key for Rating" published on 3 September 2020 which is available on the website of Fitch at https://www.fitchratings.com/ (last accessed on 26 November 2020). Fitch has not provided its consent to the inclusion of the information extracted from its report in this Announcement and Fitch is not responsible for the information extracted from its report in this Announcement.

2 Source: Moody's credit opinion titled "Lippo Karawaci Tbk (P.T.) – Update to credit analysis" published on 4 September 2020. Moody's has not provided its consent to the inclusion of the information extracted from its report in this Announcement and Moody's is not responsible for the information extracted from its report in this Announcement.

(iii) S&P, in its report dated 24 September 2020[1], stated the following:

(a) "*In our view, Lippo is unlikely to generate meaningful net positive cash flow from property sales over the next six to 12 months. This is despite [the fact that] we forecast [an] improvement in marketing sales at the [holding company] level in 2021. According to our estimates, Lippo needs to achieve at least IDR3.0 trillion - IDR4.0 trillion in marketing sales annually at the [holding company] level to cover its cash burn of IDR2.1 trillion - IDR2.3 trillion (IDR1.3 trillion of interest servicing and hedging costs, and IDR800 billion - IDR1.0 trillion of rental expense). We believe this is very challenging given weak market demand.*";

(b) *"Lippo has been providing liquidity support at the holding company level with various one-off cash inflows. These include IDR350 billion from the sale of units in First REIT and IDR860 billion from unwinding hedging benefits during the first half of the year. In addition, the two-month rental relief provided by First REIT will reduce Lippo's cash outflow by about IDR200 billion in the second half of 2020. Lippo also drew down a short-term bank loan of IDR400 billion that is repayable in the first half of 2021"*;

(c) *"The sustainability of Lippo's cash flow and capital structure after the disposal of Puri Mall remains uncertain. In our view, Lippo is likely to continue to rely on lumpy asset monetization in 2021 to support cash flow at the holdco level. The sustainability of Lippo's capital structure also remains contingent on successful asset monetization in the next 12-18 months, which is subject to execution risk amid the COVID-19 pandemic. If the net proceeds from the Puri Mall transaction are closer to the lower end of our expectation, Lippo will face further pressure to monetize assets."*; and

(d) *"The negative outlook reflects the limited visibility we have on Lippo's cash flow sustainability beyond the potential Puri Mall sale, given large and recurring interest and rental charges. It also reflects cash flow uncertainty as net cash proceeds from the revised mall transaction are subject to the public subscription rate for LMIRT's rights issue and the subsequent collection of vendor financing receivable from LMIRT"*.

The Manager also understands that the impact of the Covid-19 pandemic on LPKR's business is substantial and has further weakened its operating performance in the medium term. Marketing sales have been significantly impacted and LPKR has found it challenging to sell the building inventory that it has constructed. This has forced LPKR to resort to selling low-cost housing which, although generating better volumes, comes with much lower margins. LPKR's non-development business has been impacted more severely. All of LPKR's malls were forced to close during the Covid-19 pandemic and even though the malls have re-opened in September and October 2020, traffic remains at approximately 40 to 50% of pre-Covid-19 levels, with customers spending significantly less time in malls during each visit. As late as November 2020, the number of new Covid-19 infections in Indonesia continued to rise each day. LPKR's hotels have also been adversely impacted by the Covid-19 pandemic, with revenues and earnings before interest, taxes, depreciation and amortisation ("**EBITDA**") in the first nine months of the financial year ending 31 December 2020 ("**FY2020**") from 1 January 2020 to 30 September 2020 ("**9M2020**") down 52% and 115% respectively compared to the same period last year.

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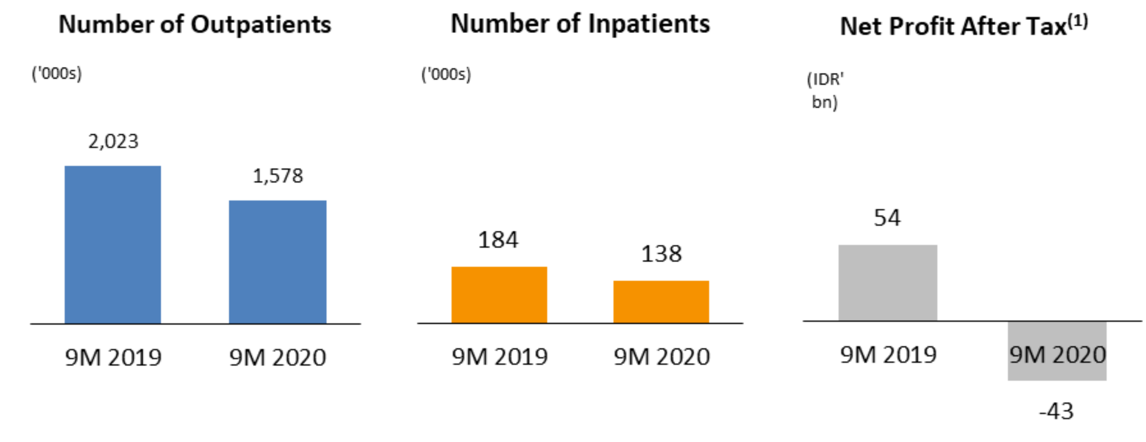
1 Source: S&P's report titled "RatingsDirect – PT Lippo Karawaci Tbk." published on 24 September 2020. S&P has not provided its consent to the inclusion of the information extracted from its report in this Announcement and S&P is not responsible for the information extracted from its report in this Announcement.

3.2 Siloam's Operating Performance

The Covid-19 pandemic has also severely impacted Siloam, which is a separately listed subsidiary of LPKR. Both outpatient and inpatient volumes across Siloam Hospitals Labuan Bajo, Siloam Hospitals Buton and Siloam Hospitals Yogyakarta, of which Siloam is a joint lessee, have plunged by approximately 22% and 25% respectively for 9M2020 as compared to the prior year, which has led to a 180% decline in the net profit of Siloam[1].

Siloam's Recent Declining Operating Performance



Note:

(1) With reference to Siloam's 9M2020 interim financial statements and results presentation slides, the net profit after tax are based on the adoption of new accounting policy of PSAK 73 – Leases, whereby leases which were previously classified as operating leases based on PSAK 70 – Leases are now recognised as right-of-use assets and lease liabilities which the right-of-use assets are depreciated over the lease period.

Siloam's revenue and EBITDA[2] also decreased by 22% and 55% respectively for the second quarter of FY2020 from 1 April 2020 to 30 June 2020 ("**2Q2020**") when compared to the same quarter in 2019. Revenues were affected as footfall decreased across both inpatient and outpatient departments as patients avoided hospitals visits due to apprehension about contracting the Covid-19 disease. During this same time, while revenues decreased, staffing and material costs increased significantly as Siloam had to provide hardship allowances and cover the costs of personal protective equipment for its doctors, nurses and staff, adding approximately S$13 million in costs in the first nine months of 2020. The performance of Siloam continues to deteriorate, with inpatient traffic down 39% year-on-year in the third quarter of FY2020 from 1 July 2020 to 30 September 2020 ("**3Q2020**").

The Manager further understands that the performance of the hospital sector in Indonesia is expected to remain challenged in the fourth quarter of FY2020 from 1 October 2020 to 31 December 2020 ("**4Q2020**") and in 2021 as infection and death rates arising as a result of the Covid-19 pandemic remain elevated. As at 13 November 2020, the daily rate of infection was at

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1 Source: Siloam's press release titled "Siloam Hospitals Reports 9M2020 Revenues Decreased 4.1% to Rp5,001 billion as COVID-19 Continues to Impact Revenues and Earnings" published on 27 October 2020 which is available on the website of Siloam at https://www.siloamhospitals.com/ (last accessed on 26 November 2020).

2 With reference to Siloam's interim financial statements for the first six-month period of FY2020 from 1 January 2020 to 30 June 2020 ("**1H2020**") and results presentation slides, the EBITDA is based on the adoption of new accounting policy of PSAK 73 – Leases, whereby leases which were previously classified as operating leases based on PSAK 70 – Leases are now recognised as right-of-use assets and lease liabilities which the right-of-use assets are depreciated over the lease period.

an all-time high of 5,444 new cases, with the national Covid-19 task force announcing 104 new deaths on the same day, bringing the tally to 15,036 fatalities in Indonesia, while 385,094 Covid-19 patients had recovered, leaving 57,604 active cases nationwide[1].

One of the reasons for the muted performance of Siloam could be attributable to reservation of segregated space at certain hospitals for the treatment of Covid-19 cases which have in-turn significantly limited the capacity of hospitals to treat non-Covid-19 cases. In the short term, Siloam and other hospital operators have experienced, and are likely to experience in varying degrees patients opting to defer elective medical procedures such as cosmetic surgeries, non-urgent cancer-related surgeries as well as sports-related and other non-essential surgeries such as knee-cap surgeries due to concerns about hospital visits and stays amid the Covid-19 pandemic[2].

4. RATIONALE FOR THE PROPOSED LPKR MLA RESTRUCTURING

Having carried out extensive engagements with LPKR and giving due consideration to the matter, the Manager understands that without the Proposed LPKR MLA Restructuring, there is a real risk and high probability that LPKR would default under the existing LPKR MLAs. In that regard, the Manager is of the view that the Proposed LPKR MLA Restructuring should be carried out for the following reasons, which are elaborated in the sections that follow:

(i) Avoids the adverse consequences of a default by LPKR under the existing LPKR MLAs and resulting termination of the existing LPKR MLAs;

(ii) Avoids the time, costs and complications of enforcing legal rights in Indonesia;

(iii) Provides clarity on asset valuations and cash flows;

(iv) Facilitates debt financing and refinancing;

(v) Takes into account the changed economic environment in Indonesia due to the Covid-19 pandemic;

(vi) Provides for sustainable and stable long-term master lease structure with regular fixed increments and potential additional upside;

(vii) Renews all of the LPKR MLAs to December 2035 and together with the MPU MLA Restructuring (as defined herein), increases First REIT's weighted average lease expiry by approximately 5.2 years[3]; and

(xiii) Preserves long-term value for Unitholders.

1 Source: The Jakarta Post report titled "Indonesia sets bleak daily record with 5,444 new cases" published on 13 November 2020 which is available on the website of The Jakarta Post at https://www.thejakartapost.com/ (last accessed on 26 November 2020). The Jakarta Post has not provided its consent to the inclusion of the information extracted from its report in this Announcement and The Jakarta Post is not responsible for the information extracted from its report in this Announcement.

2 Please refer to the independent market research report issued by Frost & Sullivan (S) Pte Ltd (the "**Independent Market Research Consultant**") on the private healthcare sector in Indonesia with a focus on the Siloam group of hospitals (the "**Independent Market Research Report**").

3 Assumes both the Proposed LPKR MLA Restructuring and the MPU MLA Restructuring are completed.

4.1 Avoids the Adverse Consequences of a Default by LPKR under the Existing LPKR MLAs and Resulting Termination of the Existing LPKR MLAs

The LPKR Hospitals, which are the subject of the Proposed LPKR MLA Restructuring, are:

No.	Property Name	Acquisition Year	Master Lessee(s)
1.	Siloam Hospitals Surabaya	2006 (Year of IPO)	LPKR
2.	Siloam Hospitals Kebon Jeruk	2006	LPKR
3.	Siloam Hospitals Lippo Village	2006	LPKR
4.	Mochtar Riady Comprehensive Cancer Centre	2010	LPKR
5.	Siloam Hospitals Makassar	2012	LPKR
6.	Siloam Hospitals Manado[1]	2012	LPKR
7.	Siloam Hospitals TB Simatupang	2013	LPKR
8.	Siloam Hospitals Bali	2013	LPKR
9.	Siloam Hospitals Labuan Bajo	2016	LPKR and a wholly-owned subsidiary of Siloam
10.	Siloam Hospitals Buton[2]	2017	LPKR and a wholly-owned subsidiary of Siloam
11.	Siloam Hospitals Yogyakarta	2017	LPKR and a wholly-owned subsidiary of Siloam

To illustrate the significance of the LPKR Hospitals, the LPKR Hospitals account for approximately 72.1% of First REIT's rental income and other income for FY2019. Rental and other income for the LPKR Hospitals for FY2019 aggregated S$83.1 million, compared to the total rental and other income of S$115.3 million for the entire portfolio of First REIT.

Should LPKR default under the LPKR MLAs, First REIT would have to deal with the consequences of the default and the resulting termination of the LPKR MLAs which may include the following consequences, among others:

(i) an immediate loss of approximately 72.1%[3] of First REIT's rental income currently attributable to the LPKR Hospitals, notwithstanding that such loss could be partially offset in the immediate term by existing security deposits;

(ii) breaches in First REIT's debt covenants;

1 Siloam Hospitals Manado was acquired on 30 November 2012 as part of an integrated property comprising Siloam Hospitals Manado and Hotel Aryaduta Manado. As the terms of the lease for the Manado Property are contained within one MLA and there is no separate MLA for Siloam Hospitals Manado, the rental income for Siloam Hospitals Manado for the financial year ended 31 December 2019 ("**FY2019**") was derived on the assumption that the rental income for Hotel Aryaduta Manado was S$3.307 million as stated in **Appendix A** of this Announcement.

2 Siloam Hospitals Buton was acquired on 10 October 2017 as part of the integrated property comprising of Siloam Hospitals Buton and Lippo Plaza Buton.

3 With reference to the total rental and other income of First REIT for FY2019.

(iii) impairs First REIT's ability to execute any refinancing and meet its repayment obligations, in particular the S$196.6 million debt coming due in March 2021;

(iv) lengthy, costly and cumbersome legal disputes, in particular in Indonesia;

(v) incurring of operating expenses to upkeep the vacant hospital buildings from being in physical disrepair, deterioration and dilapidation;

(vi) as healthcare assets are specialised assets that are typically built-to-suit, finding alternative users or tenants is challenging. Such an event will trigger a difficult, uncertain and lengthy leasing exercise to secure new healthcare and/or other relevant tenants, as hospital tenants need to obtain various local regulatory approvals and permits to operate a hospital; and

(vii) further capital expenditure injections may be required to renovate or enhance the hospital buildings to the requirements of potential new hospital tenants.

4.2 Avoids the Time, Costs and Complications of Enforcing Legal Rights in Indonesia

Should the Proposed LPKR MLA Restructuring not proceed and LPKR defaults under the LPKR MLAs, First REIT may be involved in the lengthy and expensive process of enforcing its legal rights in Indonesia.

The Manager understands that most of the assets owned by LPKR are located in Indonesia. All of the LPKR MLAs provide for disputes to be resolved by arbitration administered by the SIAC in accordance with the Arbitration Rules of the SIAC. The arbitration process for First REIT to enforce its rights may take up to 12 to 18 months before an arbitral award could be obtained. In the event that First REIT obtains a favourable arbitral award against LPKR, the arbitral award may be enforced against LPKR's assets located in any of the 166 contracting states to the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, including Indonesia[1].

To enforce an award in Indonesia, First REIT must: (1) register the arbitral award at the Central Jakarta District Court ("**CJDC**") and (2) obtain an *exequatur* order from the Chairman of the CJDC. The *exequatur* order will be issued if the award does not contradict public policy in Indonesia. This registration process would likely take up to eight months. However, if LPKR challenges the registration, this process may take up to 1.5 years. Thereafter, First REIT may apply to enforce a money award against LPKR's shares in its Indonesian subsidiaries. This process requires about one year to complete, but may take up to two to three years if LPKR challenges the enforcement. First REIT may also take time and face difficulties in realising the value of LPKR's shares in its Indonesian subsidiaries.

In addition, First REIT may enforce the award for LPKR to deliver vacant possession of the hospital properties. However, this process would likely be challenging because a sub-lessee may seek to challenge the termination of the master lease on the basis that its rights under the sub-lease ought to be viewed as being integrated with the master lease. This is particularly so if the sub-lessee has been using the property to conduct business and generating revenue. Even if First REIT were successful in obtaining a court order to enforce the award, First REIT will require the assistance of the bailiff and other law enforcement officials to execute such a court order. Such assistance may not be forthcoming given the Covid-19 pandemic in Indonesia and the local health and political issues that would arise as a result of such enforcement. The Manager is of the

1 As of 28 October 2020, there are 166 State parties to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards.

view that it would be very difficult to evict hospital tenants in the current situation and would expect to face strong resistance from the local officials and population for such a move.

Further, as most of the LPKR Hospitals are mortgaged as security to the lenders of First REIT, First REIT may face the added complexity of co-ordinating with such lenders in enforcing its legal rights in Indonesia.

In addition to the expenditure of time and the challenges which First REIT may face as highlighted above, First REIT may also incur considerable costs, including professional and other fees and expenses, in the process of enforcing its legal rights in Indonesia.

For the reasons above, the Manager is of the view that the Proposed LPKR MLA Restructuring should be carried out to prevent a default by LPKR under the LPKR MLAs, in order for First REIT to avoid the time, costs and complications of enforcing legal rights in Indonesia.

4.3 Provides Clarity on Asset Valuations and Cash Flows

The valuations of the LPKR Hospitals are premised on the rental terms specified within the LPKR MLAs. Accordingly, their valuations depend very substantially on the future income streams from the LPKR Hospitals. LPKR's financial circumstances and LPKR's expressed requirements in respect of the Proposed LPKR MLA Restructuring have generated a lot of uncertainty in terms of the valuations of the LPKR Hospitals. Even if valuers can arrive at valuation figures currently in respect of the LPKR Hospitals notwithstanding the expressed intention by LPKR to restructure the LPKR MLAs, such figures may have to be revised shortly after depending on the situation relating to the LPKR MLAs, such as renewals at reduced rental rates or potential defaults.

In the absence of the Proposed LPKR MLA Restructuring, the initial term of the IPO MLAs in respect of the IPO Hospital Properties will expire in December 2021. Any isolated renewal of rental terms for any of the LPKR MLAs (for example, in respect of the IPO Hospital Properties) could in turn trigger revaluations across all of the other LPKR Hospitals. In such a situation, the valuers may review their valuation assumptions, including but not limited to the discount rates and future cash flow projections across all of the LPKR Hospitals, which may result in lower valuations.

First REIT needs certainty in respect of the valuation of its assets and cash flows in order to operate on an ongoing basis as well as grow and move forward. Its stakeholders (including Unitholders, lenders, other investors, analysts and financial institutions) rely on First REIT's valuations and visibility on future cash flows in order to evaluate First REIT and make decisions regarding First REIT.

Further, First REIT's business and capital structure are primarily underpinned by the valuation and cash flows from its real estate assets. Uncertainty over the valuation and future cash flows of its Indonesian hospital portfolio is impairing First REIT's ability to maintain a sustainable capital structure on an ongoing basis or effect any long-term business plans.

For example, under Appendix 6 of the Code on Collective Investment Schemes issued by the MAS ("**Property Funds Appendix**"), regulatory limits on First REIT's aggregate leverage limit, development limit and how much First REIT can invest in "real estate-related assets" are pegged to First REIT's "deposited property", which is defined in the Property Funds Appendix to mean the value of First REIT's total assets based on the latest valuation. Achieving certainty in the valuations of the LPKR Hospitals from the Proposed LPKR MLA Restructuring would help First REIT to comply with the regulatory limits set out in the Property Funds Appendix and enable First REIT to effect a sustainable capital structure and business plan.

4.4 Facilitates Debt Financing and Refinancing

A key component of First REIT's strategy in enhancing returns to Unitholders would be to take on debt financing within the limits set out in the Property Funds Appendix. Since its IPO, First REIT's debt financing and refinancing agreements have always been on a secured basis and contained covenants which are pegged to the valuations of its properties[1]. First REIT needs to achieve certainty in the valuations of its properties so as to avoid breaching loan covenants and facilitate loan refinancing.

First REIT's lenders have also expressed significant concerns over the sustainability of First REIT's capital structure in light of LPKR's current financial circumstances and LPKR's expressed intentions regarding the Proposed LPKR MLA Restructuring.

80.2% (or approximately S$395.7 million) of First REIT's debt is coming due within the next 18 months with 39.8% (or approximately S$196.6 million) coming due on 1 March 2021.

Due Date	Amount	Percentage of Total Debt	Facility
1 March 2021	S$196.6 million	39.8%	Part of the 2018 Secured Loan Facilities
1 March 2022	S$99.1 million	20.1%	Part of the 2018 Secured Loan Facilities
16 May 2022	S$100.0 million	20.3%	The 2019 Secured Loan
Total Debt Due within the next 18 months	**S$395.7 million**	**80.2%**	
1 March 2023	S$97.7 million	19.8%	Part of the 2018 Secured Loan Facilities
Total	**S$493.4 million**	**100.0%**	

1 The indebtedness under the 2018 Secured Loan Facilities and the 2019 Secured Loan is secured by mortgages over the following properties: Siloam Hospitals Buton & Lippo Plaza Buton, Siloam Hospitals Labuan Bajo, Siloam Hospitals Kupang & Lippo Plaza Kupang, Siloam Sriwijaya, Siloam Hospitals Purwakarta, Siloam Hospitals Bali, Siloam Hospitals TB Simatupang, Siloam Hospitals Manado & Hotel Aryaduta Manado, Siloam Hospitals Makassar, Mochtar Riady Comprehensive Cancer Centre, Siloam Hospitals Lippo Cikarang, Siloam Hospitals Lippo Village, Siloam Hospitals Kebon Jeruk, Imperial Aryaduta Hotel & Country Club, Pacific Healthcare Nursing Home @ Bukit Merah, Pacific Healthcare Nursing Home II @ Bukit Panjang and The Lentor Residence (the "**Secured Properties**").

In addition, as part of the security package of the 2018 Secured Loan Facilities and the 2019 Secured Loan, each of the owners / master lessors of the Secured Properties in Indonesia and Secured Properties in Singapore have assigned by way of security its respective rights, title and interest to the receivables and proceeds under the relevant MLAs and the relevant security deposits to the lenders pursuant to deeds of fiduciary security over receivables ("**Fiduciary Security**") and an assignment of proceeds ("**Assignment of Proceeds**"), respectively.

Under the Fiduciary Security, the owners / master lessors of the Secured Properties in Indonesia are not permitted to take any action or fail to take any action which will result in the impairment of the collection of the receivables under the MLAs and the security deposits. Similarly, under the Assignment of Proceeds, the owners / master lessors of the Secured Properties in Singapore are required to take all steps necessary or advisable to remedy any breach and to secure the due performance by the master lessees of its payment and other material obligations under the relevant MLAs and security deposits.

In order to meet the S$196.6 million repayment obligations on 1 March 2021 under the 2018 Secured Loan Facilities, the Manager is currently in discussions with lenders (collectively, the "**Refinancing Banks**") to refinance the 2018 Secured Loan Facilities with a term loan facility of up to S$260 million (the "**Refinancing Facility**").

The maximum amount of S$260 million contemplated under the Refinancing Facility, which has not been finalised or agreed, is lower than the amount of S$400 million under the 2018 Secured Loan Facilities because of the lenders' concerns over the uncertainty relating to the valuations and cash flows of First REIT's assets and the potential negative impact of any master lease restructuring. The lenders also require First REIT to repay the difference between S$400 million and S$260 million, being S$140 million. The Manager is currently considering how the S$140 million should be financed and will announce details in due course once they become available.

The 2019 Secured Loan is also coming due on 16 May 2022 and First REIT will need to have established certainty over its asset value and cash flows in order to facilitate the discussions to refinance the 2019 Secured Loan.

Given the above, the Manager is of the view that the Proposed LPKR MLA Restructuring is required to minimise any uncertainty in respect of future refinancing for First REIT. This enables First REIT to reset its capital structure to a sustainable basis and will allow the market to have clarity on the long-term financial position of First REIT.

4.5 Takes into Account the Changed Economic Environment in Indonesia Due to the Covid-19 Pandemic

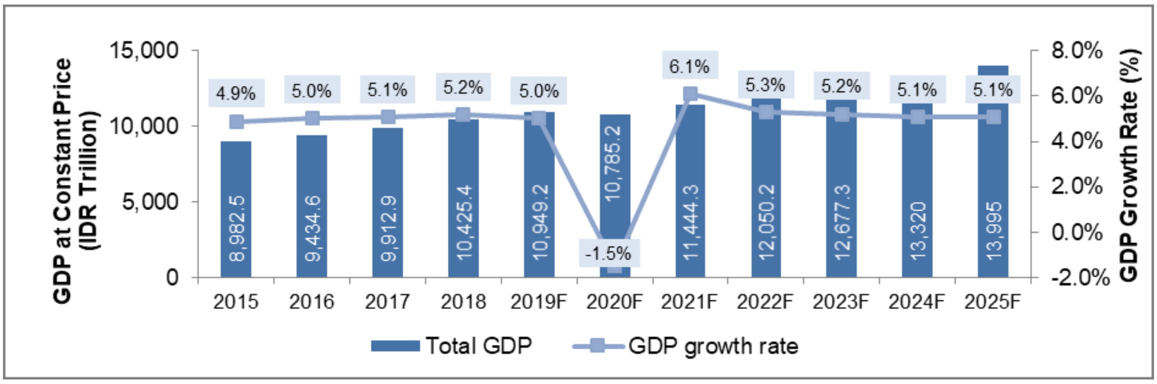
Indonesia generated a steady yearly real gross domestic product ("**GDP**") growth at between 4.9% and 5.2% from 2015 to 2019. When compared with that of 2014, the year-on-year GDP growth rate slowed down in 2015 as a result of various factors, including oil price decline, weaker consumer spending and external challenges such as the forest fires of 2015, costing the country approximately Rp.221 trillion in reconstruction efforts, being almost double the amount spent in the aftermath of the 2004 Aceh tsunami[1].

The International Monetary Fund ("**IMF**") projects Indonesia's 2020 GDP to contract by 1.5% due to the ongoing pandemic, which is largely in line with the Government of Indonesia's estimate for a full-year contraction of 0.6% to 1.7%[2] made in late September, down from GDP growth of 5.02% in 2019[3].

1 Please refer to the Independent Market Research Report.

2 Source: Bloomberg's report titled "Indonesia Sees Economy Contracting for First Time Since 1998" published on 22 September 2020 which is available on the website of Bloomberg at https://www.bloomberg.com/asia (last accessed on 26 November 2020). Bloomberg has not provided its consent to the inclusion of the information extracted from its report in this Announcement and Bloomberg is not responsible for the information extracted from its report in this Announcement.

3 Source: The Jakarta Post's report titled "Indonesia's GDP to decline more than thought as virus keeps spreading: IMF" published on 14 October 2020 which is available on the website of The Jakarta Post at https://www.thejakartapost.com/ (last accessed on 26 November 2020). The Jakarta Post has not provided its consent to the inclusion of the information extracted from its report in this Announcement and The Jakarta Post is not responsible for the information extracted from its report in this Announcement.



Source: IMF World Economic Outlook, October 2020

However, in 2Q2020, the Indonesian economy experienced a deeper contraction in GDP of 5.32% year-on-year[1]; a contraction that is deeper than the initial IMF projection of 0.3% in June 2020[2]. This was largely on account of contraction in the transportation and logistics sectors that witnessed a slow down to the tune of approximately 30.84% during the same period. Other sectors contributing to the decline were export and import of products and services that experienced a contraction of 11.66% and 16.96% respectively[3].

The Manager believes that the Covid-19 pandemic has significantly impacted the revenues generated by the operations at the LPKR Hospitals and led to a drastic decline in patient volumes across Indonesia. It is anticipated that the impact of the Covid-19 pandemic would be significant and structural over the medium term. According to the Indonesian Private Hospital Association (also known as "**ARSSI**"), the Covid-19 pandemic has affected the operations of a number of hospitals, with disruptions to hospital cash flows linked to a decline in outpatient-related revenue[4].

According to the Independent Market Research Report, the main reason for a significant reduction in outpatient volumes is due to the phenomenon that many individuals remain apprehensive about visiting hospitals due to the Covid-19 pandemic. Even if a patient wishes to seek medical advice from a doctor at a hospital, the patient is likely to have preferred to use telemedicine because of the requirement by some medical practitioners to take a Covid-19 Polymerase Chain Reaction test prior to visiting a doctor at a hospital, which is cumbersome and

1 Source: The Jakarta Post's report titled "Indonesia's GDP contracts deeper than expected at 5.32% in Q2" published on 5 August 2020 which is available on the website of The Jakarta Post at https://www.thejakartapost.com/ (last accessed on 26 November 2020). The Jakarta Post has not provided its consent to the inclusion of the information extracted from its report in this Announcement and The Jakarta Post is not responsible for the information extracted from its report in this Announcement.

2 Source: IMF's report titled "World Economic Outlook Update, June 2020 – A Crisis Like No Other, An Uncertain Recovery" published on 24 June 2020 which is available on the website of IMF at https://www.imf.org/ (last accessed on 26 November 2020). The International Monetary Fund has not provided its consent to the inclusion of the information extracted from its report in this Announcement and The International Monetary Fund is not responsible for the information extracted from its report in this Announcement.

3 Source: Badan Pusat Statistik's report titled "Ekonomi Indonesia Triwulan II 2020 Turun 5,32 Persen" published on 5 August 2020 which is available on the website of Badan Pusat Statistik at https://www.bps.go.id/ (last accessed on 26 November 2020). Badan Pusat Statistik has not provided its consent to the inclusion of the information extracted from its report in this Announcement and Badan Pusat Statistik is not responsible for the information extracted from its report in this Announcement.

4 Source: CNBC Indonesia's report titled "Duh! Arus Kas RS Swasta Berantakan Gegara Pandemi Covid-19" published on 18 May 2020 which is available on the website of CNBC Indonesia at https://www.cnbcindonesia.com/ (last accessed on 26 November 2020). CNBC Indonesia has not provided its consent to the inclusion of the information extracted from its report in this Announcement and CNBC Indonesia is not responsible for the information extracted from its report in this Announcement.

expensive. This trend of reduced outpatients for hospitals is likely to continue into 2021 as patients and providers increasingly move towards telemedicine to cater to primary healthcare needs. Siloam is also currently exploring this telemedicine route, in line with the Government of Indonesia's recent push in advising patients other than those with Covid-19 to adopt distance medical consultations to avoid serious health risks during the pandemic[1,2].

Hospital operations have faced a significant downturn due to a combination of factors, with one of the key reasons being the large influx of Covid-19 affected patients and the limited availability of facilities to treat these patients. Non-Covid-19 hospitals are also witnessing a significant decrease in outpatients due to the large-scale social restrictions (also known as Pembatasan Sosial Berskala Besar or "**PSBB**") imposed by the Government of Indonesia as the outpatients delay consultations and prefer to either administer home remedies or take the telemedicine route. According to ARSSI[3], the number of outpatients decreased between 50% and 60%, while inpatients witnessed a drop of up to 60%. The Covid-19 pandemic has not only affected referral hospitals, but also the non-referral hospitals in Indonesia which have reported cash flow drops of between 30% and 50%[4]. Referral hospitals are hospitals that have been appointed by the regional or provincial governments for having the capacity, safety and quality of care to handle Covid-19 cases.

The reductions in patient volumes have resulted in challenging hospital cash flows which in turn have rendered unavailable Covid-19 care devices such as airflow perturbation devices, ventilators and other advanced or limited equipment and tools[5].

In order to combat the crisis, many hospitals are initiating home-care and telemedicine (tele-consultation) for their non-Covid-19 patients. These hospitals have their on-leave medical

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1 Source: Ministry of Health of the Republic of Indonesia report titled "Cegah Penyebaran Covid-19, Pelayanan Kesehatan Dilakukan Melalui Telemedicine" published on 30 April 2020 which is available on the website of the Ministry of Health of the Republic of Indonesia at https://www.kemkes.go.id/ (last accessed on 26 November 2020). The Ministry of Health of the Republic of Indonesia has not provided its consent to the inclusion of the information extracted from its report in this Announcement and the Ministry of Health of the Republic of Indonesia is not responsible for the information extracted from its report in this Announcement.

2 Source: Jakarta Globe report titled "Siloam Launches Telemedicine, Home Care Services" published on 27 April 2020 which is available on the website of Jakarta Globe at https://jakartaglobe.id/ (last accessed on 26 November 2020). Jakarta Globe has not provided its consent to the inclusion of the information extracted from its report in this Announcement and Jakarta Globe is not responsible for the information extracted from its report in this Announcement.

3 Source: CNBC Indonesia's report titled "Duh! Arus Kas RS Swasta Berantakan Gegara Pandemi Covid-19" published on 18 May 2020 which is available on the website of CNBC Indonesia at https://www.cnbcindonesia.com/ (last accessed on 26 November 2020). CNBC Indonesia has not provided its consent to the inclusion of the information extracted from its report in this Announcement and CNBC Indonesia is not responsible for the information extracted from its report in this Announcement.

4 Source: Universitas Gadjah Mada report titled "Pandemi Covid-19 Pengaruhi Keuangan Rumah Sakit" published on 26 June 2020 which is available on the website of Universitas Gadjah Mada at https://www.ugm.ac.id/ (last accessed on 26 November 2020). Universitas Gadjah Mada has not provided its consent to the inclusion of the information extracted from its report in this Announcement and Universitas Gadjah Mada is not responsible for the information extracted from its report in this Announcement.

5 Source: CNBC Indonesia's report titled "Duh! Arus Kas RS Swasta Berantakan Gegara Pandemi Covid-19" published on 18 May 2020 which is available on the website of CNBC Indonesia at https://www.cnbcindonesia.com/ (last accessed on 26 November 2020). CNBC Indonesia has not provided its consent to the inclusion of the information extracted from its report in this Announcement and CNBC Indonesia is not responsible for the information extracted from its report in this Announcement.

personnel give treatment or consultation to non-Covid-19 patients as one of their outreach measures.

Hospitals are allowed to seek reimbursement of Covid-19 patients' treatment costs from the Government of Indonesia. However, according to ARSSI, such reimbursements are plagued with lengthy verification processes and long waiting times before the amount is reimbursed. According to recent data, since 6 April 2020, out of the 201 hospitals that had submitted their claims to the Government of Indonesia, only 174 of such claims have been processed and the payment received thus far is only 50% of the amount claimed[1]. Although the reimbursements are disbursed more efficiently now, the relatively long wait times are likely to dissuade private hospitals from opening their doors to Covid-19 care and treatment.

Delays in surgeries also have a strong impact on patient health outcomes, hospital finances and resources, as well as training and research programs. Many hospitals in Indonesia are at the frontline of the pandemic and have shifted most of their resources to handle Covid-19 cases. In Indonesia, Covid-19 cases have spiked over August to September. As at 13 November 2020, while 385,094 Covid-19 patients had recovered, there are 57,604 active cases nationwide[2]. According to the Independent Market Research Consultant, industry sources indicate that delays in the diagnostic evaluation of patients are also likely to contribute to the backlog of elective surgeries. Many diagnostic procedures, including colonoscopies, mammograms, and biopsies, are on hold during the pandemic. There are many patients who are being treated in hospitals with other diseases, such as heart disease or cancer and have a high risk of contracting the coronavirus and experience fatal complications when exposed to Covid-19. In addition, it should also be considered that patients who undergo a recovery period after surgery are at high risk of being infected with the coronavirus while they are being treated in hospital and can experience dangerous complications from this viral infection. The two key reasons for delaying surgeries are to limit the spread of the coronavirus in hospitals and to focus medical personnel, health facilities and medical equipment including beds and intensive care units, breathing aids and personal protective equipment, on handling the number of coronavirus infections. Such delays in elective surgeries are causing significant backlogs in hospitals, which has an impact on the yearly revenues of the hospitals[3].

4.6 Provides for Sustainable and Stable Long-Term Master Lease Structure with Regular Fixed Increments and Potential Additional Upside

The Proposed LPKR MLA Restructuring will result in a more sustainable and stable long-term master lease structure with regular fixed increments and potential additional upside.

The base rent under the restructured LPKR MLAs has a fixed escalation rate of 4.5% per annum as compared to the current step-up mechanism which is two times the Singapore consumer price index subject to a cap of 2.0%. The higher escalation rate is intended to compensate for the

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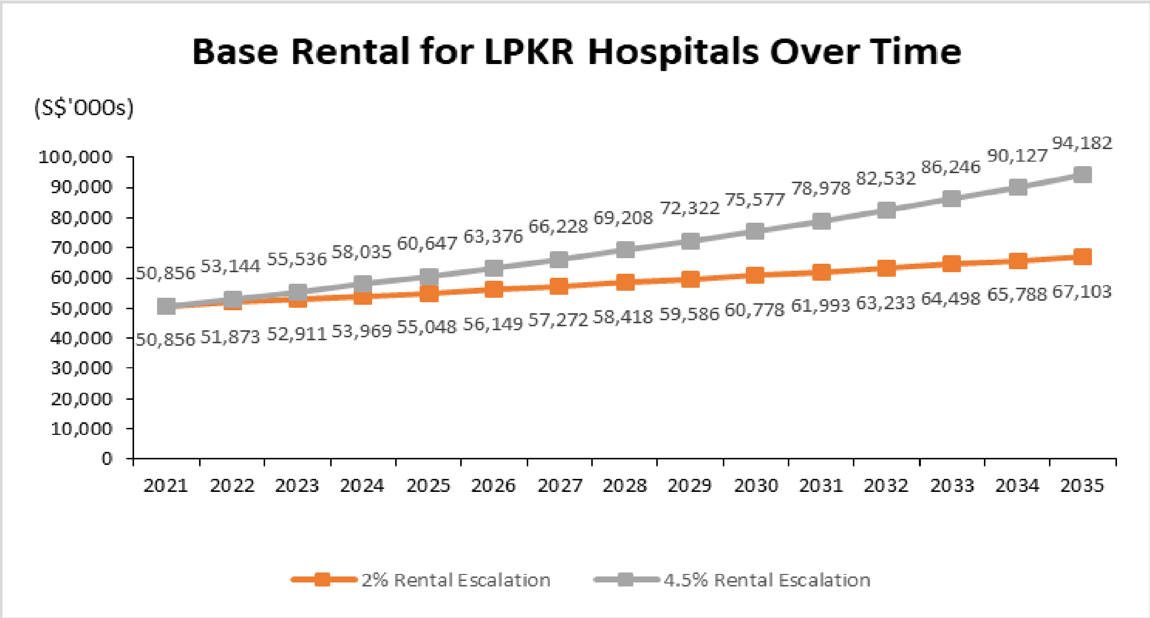
1 Source: CNBC Indonesia's report titled "Duh! Arus Kas RS Swasta Berantakan Gegara Pandemi Covid-19" published on 18 May 2020 which is available on the website of CNBC Indonesia at https://www.cnbcindonesia.com/ (last accessed on 26 November 2020). CNBC Indonesia has not provided its consent to the inclusion of the information extracted from its report in this Announcement and CNBC Indonesia is not responsible for the information extracted from its report in this Announcement.

2 Source: The Jakarta Post report titled "Indonesia sets bleak daily record with 5,444 new cases" published on 13 November 2020 which is available on the website of The Jakarta Post at https://www.thejakartapost.com/ (last accessed on 26 November 2020). The Jakarta Post has not provided its consent to the inclusion of the information extracted from its report in this Announcement and The Jakarta Post is not responsible for the information extracted from its report in this Announcement.

3 Please refer to the Independent Market Research Report.

increased volatility associated with the proposed switch in rental payment currency from Singapore Dollars to Indonesian Rupiah. Under the revised base rent structure, First REIT will receive a minimum guaranteed Indonesian Rupiah-denominated base rent which will grow at 4.5% per annum across the 15-year tenure of the restructured LPKR MLAs, as illustrated in the chart below.

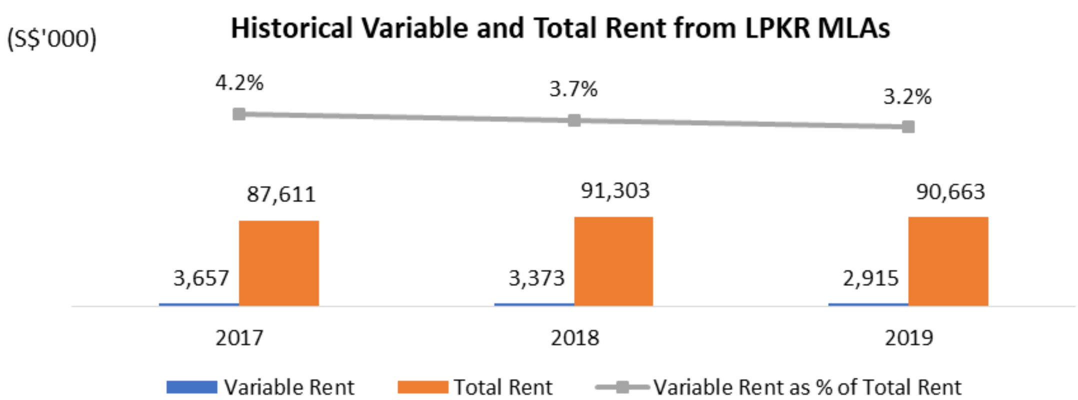


Note: Based on a fixed Singapore Dollar to Indonesian Rupiah exchange rate of S$1.00 to Rp.10,830.

In the chart above, the grey line represents the growth in the base rent of First REIT under the restructured LPKR MLAs using rental escalation of 4.5%, while the orange line represents the growth in the base rent of First REIT under the LPKR MLAs using the existing base rent formula assuming maximum growth at 2.0% per annum. Both lines assume a fixed Singapore Dollar to Indonesian Rupiah exchange rate of S$1.00 to Rp.10,830.

As can be seen from the chart above, by comparing the grey line against the orange line, the chart above illustrates a buffer ranging from 2.45% in 2022 to 40.35% for Singapore Dollar to Indonesian Rupiah exchange rate fluctuations.

In addition, the rental payable under the restructured LPKR MLAs will be the higher of either the base rent or the performance-based rent at 8.0% of the relevant hospital's GOR for the preceding year. This performance-based rent structure replaces the existing variable rent structure, which has contributed not more than 4.2% to the total rent received for each year under the LPKR MLAs over the past three years.



The revised performance-based rent structure provides greater potential upside for First REIT compared to the existing variable rent structure where, in general, variable rent for an LPKR Hospital is payable only if the GOR of the relevant LPKR Hospital grows by at least 5% compared to the preceding year, at a rate of between 0.75% to 2.0% of either (a) the GOR of the relevant LPKR Hospital (for Siloam Hospitals Surabaya, Siloam Hospitals Kebon Jeruk, Siloam Hospitals Lippo Village and Mochtar Riady Comprehensive Cancer Centre) or (b) the increase in GOR of the relevant LPKR Hospital compared to the preceding year (for other LPKR Hospitals).

See **Appendix B** of this Announcement for a more detailed description of the variable rent formulae under the existing LPKR MLAs.

4.7 Renews All of the LPKR MLAs to December 2035 and Together with the MPU MLA Restructuring, Increases First REIT's Weighted Average Lease Expiry by Approximately 5.2 Years[1]

The LPKR MLAs comprise the existing hospital master lease agreements entered into between the relevant master lessors and the relevant master lessees in relation to the LPKR Hospitals, being 11 hospitals located in Indonesia which were acquired by First REIT between 2006 and 2017.

The following table sets out the expiry year for each of the LPKR MLAs, as well as their respective contributions to the total rental income of the LPKR Hospitals for FY2019 and 1H2020:

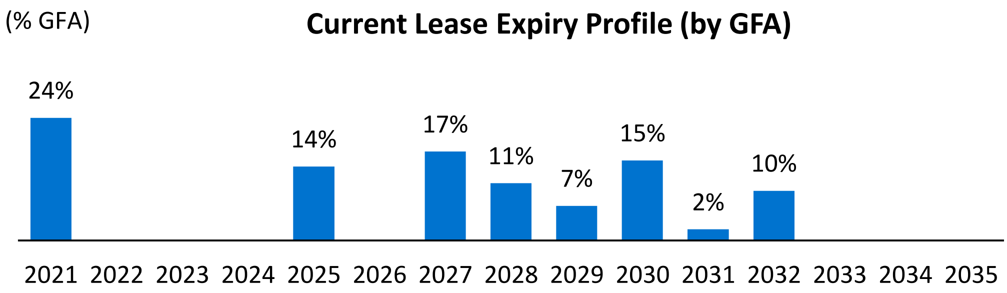
Acquisition Year	Expiry Year	LPKR Hospitals	% Contribution to Total Rental Income of the LPKR Hospitals (FY2019)	% Contribution to Total Rental Income of the LPKR Hospitals (1H2020)[2]
2006 (Year of IPO)	2021	Siloam Hospitals Lippo Village, Siloam Hospitals Kebon Jeruk and Siloam Hospitals Surabaya	31.8%	32.1%
2010	2025	Mochtar Riady Comprehensive Cancer Centre	25.3%	25.5%
2012	2027	Siloam Hospitals Manado and Siloam Hospitals Makassar	12.8%	11.4%
2013	2028	Siloam Hospitals Bali and Siloam Hospitals TB Simatupang	23.0%	23.1%
2016	2031	Siloam Hospitals Labuan Bajo	2.2%	2.2%
2017	2032	Siloam Hospitals Yogyakarta and Siloam Hospitals Buton	4.9%	5.7%
		Total	**100.0%**	**100.0%**

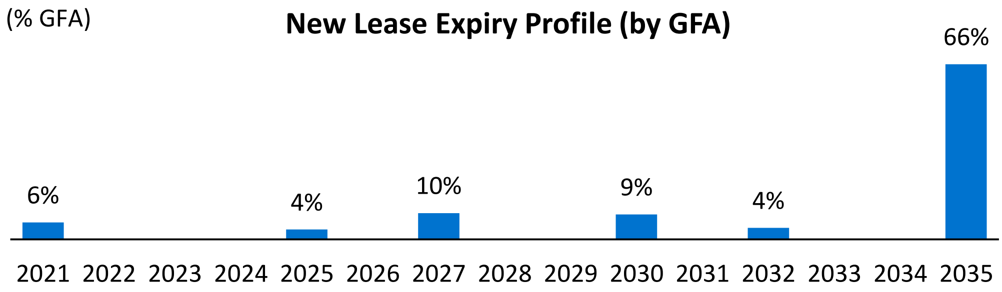
1 Assumes both the Proposed LPKR MLA Restructuring and the MPU MLA Restructuring are completed.

2 Percentage contribution to total rental revenue are figures after rental relief for 1H2020.

As can be seen from the table above, the LPKR MLAs in respect of the LPKR Hospitals which contribute 31.8%, 25.3% and 12.8% of the total rental revenue of the LPKR Hospitals for FY2019 are expiring by 2021, 2025 and 2027 respectively. Given LPKR's financial circumstances, the Proposed LPKR MLA Restructuring will enable all of the LPKR MLAs to be extended to December 2035 and removes any future uncertainty in respect of the renewal of the LPKR MLAs.

Based on the revised terms under the Proposed LPKR MLA Restructuring, the weighted average lease expiry for First REIT will be extended from 7.4 years as at 31 December 2019 to 12.0 years (or 12.6 years assuming that both the Proposed LPKR MLA Restructuring and the MPU MLA Restructuring are completed) which provides a more certain and stable lease profile to reposition First REIT for future growth. The following charts illustrate how the Proposed LPKR MLA Restructuring will result in a very substantially improved lease profile for First REIT:





Note: Assumes both the Proposed LPKR MLA Restructuring and the MPU MLA Restructuring are completed.

4.8 Preserves Long-Term Value for Unitholders

The Manager believes that the Proposed LPKR MLA Restructuring will preserve the current ecosystem of having LPKR and Siloam as the operators of the LPKR Hospitals. The Proposed LPKR MLA Restructuring provides a revised master lease structure that is sustainable with improved upside sharing for First REIT.

Siloam is the largest hospital operator in Indonesia with 39 hospitals, consisting of 14 hospitals in the Greater Jakarta area and 25 hospitals spread across the islands of Java, Sumatra, Kalimantan, Sulawesi, Bali, and Nusa Tenggara as at 27 October 2020[1]. Given its extensive hospital and healthcare network, as well as a 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.

Finding an alternative hospital operator for the hospital assets would be difficult given the regulatory constraints involved in changing hospital operators in Indonesia. Like most countries, the hospital sector is heavily regulated in Indonesia. The operation of a hospital involves obtaining an operational hospital permit issued by the Indonesian Minister of Health, among other permits and licenses. These permits are difficult and time-consuming to obtain.

The foreign ownership rules in Indonesia also make it difficult for foreign operators to enter the market. Under Indonesian foreign ownership rules, foreign investors are subject to a maximum 67% ownership (70% for investors from Association of Southeast Asian Nations member states) in a local hospital operating entity.

Additionally, according to the Independent Market Research Report, hospitals established through foreign investments should belong to a privately-owned hospital and must have a minimum of 200 beds. Following the Regulation of the Minister of Health of Indonesia No.3/2020 on the classification and licensing of hospitals, all hospitals have to compulsorily go through an accreditation process. With such stringent protocols that control the entry of foreign hospital operators coupled with the extent of regulatory approvals that are needed to be obtained for changing operators, the Independent Market Research Consultant is of the opinion that changing hospital operators can be time consuming and cumbersome[2].

Further, there is a very limited pool of potential alternative hospital operators. Indonesian hospital operators generally prefer to build and own their hospitals. Hospitals are typically built-to-suit, and additional capital expenditure is likely to be required to renovate hospitals to the requirements of new tenants, if any.

In 2019, First REIT explored third party interest in operating three hospital assets in the First REIT hospital portfolio through a tender process where PT Willson Properti Advisindo in association with Knight Frank was engaged to reach out to 43 foreign and local hospital operators. The process culminated in First REIT only receiving one bid from a related party and the terms were worse off as compared to the terms under the Proposed LPKR MLA Restructuring. The results of the 2019 process substantiate the practical difficulty in finding alternative lessees and/or operators for the First REIT hospital assets in Indonesia.

The Manager further understands that in the event the Proposed LPKR MLA Restructuring is not agreed, Siloam and LPKR may consider building their own hospitals and this would create additional overhang and uncertainty for First REIT.

For the reasons above, the Manager is of the view that carrying out the Proposed LPKR MLA Restructuring would preserve long-term value for Unitholders by maintaining the current ecosystem of having LPKR and Siloam as the operators of the LPKR Hospitals under a revised master lease structure that is sustainable with improved upside sharing for First REIT.

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1 Source: Siloam's press release titled "Siloam Hospitals Reports 9M2020 Revenues Decreased 4.1% to Rp5,001 billion as COVID-19 Continues to Impact Revenues and Earnings" published on 27 October 2020 which is available on the website of Siloam at https://www.siloamhospitals.com/ (last accessed on 26 November 2020).

2 Please refer to the Independent Market Research Report.

5. INTERESTED PERSON TRANSACTIONS[1] AND INTERESTED PARTY TRANSACTIONS[2]

Under Chapter 9 of the listing manual of the SGX-ST (the "**Listing Manual**"), where First REIT proposes to enter into a transaction with an Interested Person[3] and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S$100,000, with the same Interested Person during the same financial year) is equal to or exceeds 5.0% of First REIT's latest audited net tangible assets ("**NTA**"), Unitholders' approval is required in respect of the transaction.

Based on the audited consolidated financial statements of First REIT and its subsidiaries for FY2019 (the "**FY2019 Audited Consolidated Financial Statements**"), the audited NTA of First REIT attributable to Unitholders was S$794.8 million as at 31 December 2019. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by First REIT with an Interested Person is, either in itself or in aggregate with all other earlier transactions (each of a value equal to or greater than S$100,000) entered into with the same Interested Person during the current financial year, equal to or in excess of S$39.7 million, such a transaction would be subject to Unitholders' approval.

Paragraph 5 of the Property Funds Appendix also imposes a requirement for Unitholders' approval for an Interested Party Transaction by First REIT which value (either in itself or when aggregated with the value of other transactions with the same Interested Party[4] during the current financial year) exceeds 5.0% of First REIT's latest audited net asset value ("**NAV**").

Based on the FY2019 Audited Consolidated Financial Statements, the audited NAV attributable to Unitholders was S$794.8 million as at 31 December 2019. Accordingly, if the value of a transaction which is proposed to be entered into by First REIT with an Interested Party is, either in itself or in aggregate with all other earlier transactions entered into with the same Interested Party during the current financial year, equal to or greater than S$39.7 million, such a transaction would be subject to Unitholders' approval.

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1 "**Interested Person Transaction**" means a transaction between an entity at risk and an Interested Person (as defined herein).

2 "**Interested Party Transaction**" has the meaning ascribed to it in Paragraph 5 of the Property Funds Appendix.

3 The Listing Manual states that in the case of a REIT, the term "interested person" shall have the meaning ascribed to the term "interested party" in the Code on CIS. Therefore, the meaning of the term "**Interested Person**" is the same as the meaning of the term "**Interested Party**".

4 As defined in the Property Funds Appendix, the term "**Interested Party**" means:

(a) a director, chief executive officer or Controlling Shareholder (as defined herein) of the manager, or the manager, the trustee, or Controlling Unitholder (as defined herein) of First REIT; or

(b) an associate of any director, chief executive officer or Controlling Shareholder of the manager, or an associate of the manager, the trustee or any Controlling Unitholder of First REIT.

"**Controlling Shareholder**" means a person who:

(a) holds directly or indirectly 15% or more of the total voting rights in the company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or

(b) in fact exercises control over a company.

"**Controlling Unitholder**" means a person who:

(a) holds directly or indirectly 15% or more of the nominal amount of all voting units in the property fund. The MAS may determine that such a person is not a controlling unitholder; or

(b) in fact exercises control over the property fund.

As at 26 November 2020, being the latest practicable date prior to this Announcement (the "**Latest Practicable Date**"), Dr Stephen Riady and Mr James Tjahaja Riady are each deemed to be interested in an aggregate of 159,167,216 (or approximately 19.72%) of the Units, and are therefore each regarded as a Controlling Unitholder of First REIT under both the Listing Manual and the Property Funds Appendix. In addition, as Dr Stephen Riady and Mr James Tjahaja Riady are each deemed to be interested in 100.0% of the shares in the Manager, Dr Stephen Riady and Mr James Tjahaja Riady are therefore each regarded as a Controlling Shareholder of the Manager under both the Listing Manual and the Property Funds Appendix.

As Dr Stephen Riady and Mr James Tjahaja Riady are each deemed to be interested in an aggregate of 41,592,628,005 (or approximately 58.67%) of the shares in LPKR, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, LPKR (being a company in which a Controlling Unitholder of First REIT has an interest of 30% or more and being a company in which a Controlling Shareholder of the Manager has an interest of 30% or more) is an Interested Person (for the purposes of the Listing Manual) and an Interested Party (for the purposes of the Property Funds Appendix) of First REIT.

Therefore, the Proposed LPKR MLA Restructuring is an Interested Person Transaction under Chapter 9 of the Listing Manual, as well as an Interested Party Transaction under Paragraph 5 of the Property Funds Appendix.

Given that the aggregate value of the Proposed LPKR MLA Restructuring exceeds the said thresholds, the Proposed LPKR MLA Restructuring is subject to the approval of the Unitholders pursuant to Rule 906(1)(a) of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix.

In approving the Proposed LPKR MLA Restructuring, Unitholders will be deemed to have approved all documents required to be executed by the relevant parties in order to give effect to the Proposed LPKR MLA Restructuring.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

6.1 Interests of the Directors of the Manager

As at the Latest Practicable Date, the details of the unitholdings of the directors of the Manager (the "**Directors**") are as follows:

Name of Director	Direct Interest		Deemed Interest		Total No. of Units Held	%[1]
	No. of Units	%[1]	No. of Units	%[1]		
Mr Christopher James Williams	–	–	–	–	–	–
Mr Tan Kok Mian Victor	102,569	0.0127	–	–	102,569	0.0127
Mr Chan Pengee Adrian	–	–	–	–	–	–
Mr Ferris	–	–	–	–	–	–

Charles Bye						
Mr Tan Chuan Lye	–	–	–	–	–	–
Mr Martin Lechner	–	–	–	–	–	–
Ms Minny Riady	–	–	–	–	–	–

Note:

(1) Percentage interest is based on 807,206,351 Units in issue as at the Latest Practicable Date.

6.2 Interests of the Substantial Unitholders

Based on the Register of Substantial Unitholders as at the Latest Practicable Date, the details of the unitholdings of the Substantial Unitholders[1] are as follows:

Name of Substantial Unitholder	Direct Interest		Deemed Interest		Total No. of Units Held	%(1)
	No. of Units held	%(1)	No. of Units held	%(1)		
First REIT Management Limited ("**FRML**")	75,573,533	9.3624	–	–	75,573,533	9.3624
OLH Healthcare Investments Pte. Ltd. ("**OHI**")	83,593,683	10.3559	–	–	83,593,683	10.3559
OUELH (Singapore) Pte. Ltd. ("**OUELH (Singapore)**")	–	–	83,593,683 (2)	10.3559	83,593,683	10.3559
OUELH (SEA) Pte. Ltd. ("**OUELH (SEA)**")	–	–	83,593,683 (2)	10.3559	83,593,683	10.3559
OUE Lippo Healthcare Limited ("**OUELH**")	–	–	159,167,216 (2)(3)	19.7183	159,167,216	19.7183
OUE Limited ("**OUE**")	–	–	159,167,216 (2)(3)	19.7183	159,167,216	19.7183
OUE Realty Pte. Ltd. ("**OUER**")	–	–	159,167,216 (4)	19.7183	159,167,216	19.7183
Golden Concord Asia Limited ("**GCAL**")	–	–	159,167,216 (5)	19.7183	159,167,216	19.7183
Fortune Crane	–	–	159,167,216 (6)	19.7183	159,167,216	19.7183

1 "**Substantial Unitholder**" refers to a person with an interest in Units constituting not less than 5% of all Units in issue.

Name of Substantial Unitholder	Direct Interest		Deemed Interest		Total No. of Units Held	%(1)
	No. of Units held	%(1)	No. of Units held	%(1)		
Limited ("**FCL**", formerly known as Fortune Code Limited)						
Lippo ASM Asia Property Limited ("**LAAPL**")	–	–	159,167,216 (7)	19.7183	159,167,216	19.7183
HKC Property Investment Holdings Limited ("**HKC Property**")	–	–	159,167,216 (8)	19.7183	159,167,216	19.7183
Hongkong Chinese Limited ("**HCL**")	–	–	159,167,216 (9)	19.7183	159,167,216	19.7183
Hennessy Holdings Limited ("**Hennessy**")	–	–	159,167,216 (10)	19.7183	159,167,216	19.7183
Prime Success Limited ("**PSL**")	–	–	159,167,216 (11)	19.7183	159,167,216	19.7183
Lippo Limited ("**LL**")	–	–	159,167,216 (12)	19.7183	159,167,216	19.7183
Lippo Capital Limited ("**LCL**")	–	–	159,167,216 (13)	19.7183	159,167,216	19.7183
Lippo Capital Holdings Company Limited ("**LCH**")	–	–	159,167,216 (14)	19.7183	159,167,216	19.7183
Lippo Capital Group Limited ("**LCG**")	–	–	159,167,216 (15)	19.7183	159,167,216	19.7183
Admiralty Station Management Limited ("**Admiralty**")	–	–	159,167,216 (16)	19.7183	159,167,216	19.7183
Argyle Street Management Limited ("**ASML**")	–	–	159,167,216 (17)	19.7183	159,167,216	19.7183
Argyle Street Management Holdings Limited	–	–	159,167,216 (18)	19.7183	159,167,216	19.7183

Name of Substantial Unitholder	Direct Interest		Deemed Interest		Total No. of Units Held	%(1)
	No. of Units held	%(1)	No. of Units held	%(1)		
(“**ASMHL**”)						
Kin Chan	–	–	159,167,216 (19)	19.7183	159,167,216	19.7183
V-Nee Yeh	–	–	159,167,216 (20)	19.7183	159,167,216	19.7183
PT Trijaya Utama Mandiri (“**PT TUM**”)	–	–	159,167,216 (21)	19.7183	159,167,216	19.7183
James Tjahaja Riady	–	–	159,167,216 (22)	19.7183	159,167,216	19.7183
Stephen Riady	–	–	159,167,216 (23)	19.7183	159,167,216	19.7183

Notes:

(1) Percentage interest is based on 807,206,351 Units in issue as at the Latest Practicable Date.

(2) OHI is 100% owned by OUELH (Singapore). OUELH (Singapore) is 100% owned by OUELH (SEA). OUELH (SEA) is 100% owned by OUELH. OUELH is an indirect subsidiary of OUE. Accordingly, each of OUE, OUELH, OUELH (SEA) and OUELH (Singapore) is deemed to be interested in OHI’s interest in the Units.

(3) FRML is 40% directly held by OUELH and 60% directly held by OUE. Accordingly, each of OUELH and OUE has a deemed interest in FRML’s interest in the Units.

(4) OUER is the holding company of OUE and has a deemed interest in the Units in which OUE has a deemed interest.

(5) GCAL is the holding company of OUER and has a deemed interest in the Units in which OUER has a deemed interest.

(6) FCL is the holding company of GCAL and has a deemed interest in the Units in which GCAL has a deemed interest.

(7) LAAPL is the holding company of FCL and has a deemed interest in the Units in which FCL has a deemed interest.

(8) LAAPL is jointly held by HKC Property and Admiralty. Accordingly, HKC Property is deemed to have an interest in the Units in which LAAPL has a deemed interest.

(9) HCL is the immediate holding company of HKC Property. Accordingly, HCL is deemed to have an interest in the Units in which HKC Property has a deemed interest.

(10) Hennessy is an intermediate holding company of HKC Property. Accordingly, Hennessy is deemed to have an interest in the Units in which HKC Property has a deemed interest.

(11) PSL is an intermediate holding company of HKC Property. Accordingly, PSL is deemed to have an interest in the Units in which HKC Property has a deemed interest.

(12) LL is an intermediate holding company of HKC Property. Accordingly, LL is deemed to have an interest in the Units in which HKC Property has a deemed interest.

(13) LCL is an intermediate holding company of HKC Property. Accordingly, LCL is deemed to have an interest in the Units in which HKC Property has a deemed interest.

(14) LCH is an intermediate holding company of HKC Property. Accordingly, LCH is deemed to have an interest in the Units in which HKC Property has a deemed interest.

(15) LCG is the holding company of LCH, which in turn is an intermediate holding company of HKC Property. Accordingly, LCG is deemed to have an interest in the Units in which HKC Property has a deemed interest.

(16) LAAPL is jointly held by HKC Property and Admiralty. Accordingly, Admiralty is deemed to have an interest in the Units in which LAAPL has a deemed interest.

(17) ASML owns 100% of the voting shares in the capital of Admiralty. Accordingly, ASML is deemed to have an interest in the Units in which Admiralty has a deemed interest.

(18) ASMHL is the holding company of ASML. Accordingly, ASMHL is deemed to have an interest in the Units in which ASML has a deemed interest.

(19) Kin Chan is the beneficial owner of more than 20% of the issued share capital of ASMHL. Accordingly, Kin Chan is deemed to have an interest in the Units in which ASMHL has a deemed interest.
(20) V-Nee Yeh is the beneficial owner of more than 20% of the issued share capital of ASMHL. Accordingly, V-Nee Yeh is deemed to have an interest in the Units in which ASMHL has a deemed interest.
(21) PT TUM holds more than 20% of the shares in LCL, which in turn is an intermediate holding company of HKC Property. Accordingly, PT TUM is deemed to have an interest in the Units in which HKC Property has a deemed interest.
(22) Mr James Tjahaja Riady effectively holds all the shares in PT TUM, which holds more than 20% of the shares in LCL. LCL in turn is an intermediate holding company of HKC Property. Accordingly, Mr James Tjahaja Riady is deemed to have an interest in the Units in which HKC Property has a deemed interest.
(23) Dr Stephen Riady holds the entire issued share capital of LCG, which is the holding company of LCH. LCH in turn is an intermediate holding company of HKC Property. Accordingly, Dr Stephen Riady is deemed to have an interest in the Units in which HKC Property has a deemed interest.

Save as otherwise disclosed in this Announcement and based on information available to the Manager as at the Latest Practicable Date, none of the Directors or the Substantial Unitholders has an interest, direct or indirect, in the MPU MLA Restructuring or the Proposed LPKR MLA Restructuring.

7. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a Director in connection with the MPU MLA Restructuring or the Proposed LPKR MLA Restructuring or any other transactions contemplated in relation to the MPU MLA Restructuring or the Proposed LPKR MLA Restructuring.

8. THE MPU MLA RESTRUCTURING AND THE MPU REPAYMENT AGREEMENT

8.1 Approach by PT. Metropolis Propertindo Utama

On 22 October 2020, the Manager announced that it had received a request from PT. Metropolis Propertindo Utama ("**MPU**") for (a) additional rental relief for the second half of 2020, (b) flexibility in the payment of outstanding rents and (c) restructuring of the existing MLAs entered into with MPU and its subsidiary, PT Bumi Sarana Sejahtera, in respect of (i) Siloam Sriwijaya, (ii) Siloam Hospitals Purwakarta and (iii) Siloam Hospitals Kupang & Lippo Plaza Kupang.

The Manager has been engaging with MPU to understand the context of MPU's request. Having carried out extensive engagements with MPU and giving due consideration to the matter, the Manager wishes to announce that the Trustee has on 28 November 2020 entered into a memorandum of understanding with MPU (the "**MPU MOU**") to restructure the MLAs entered into with MPU in respect of Siloam Sriwijaya, Siloam Hospitals Purwakarta and Siloam Hospitals Kupang (the "**MPU Hospitals**", and the MLAs entered into with MPU in respect of the MPU Hospitals, the "**MPU MLAs**", and the restructuring of the MPU MLAs, the "**MPU MLA Restructuring**"), as well as to set out MPU's agreement to make payments of all outstanding sums (the "**MPU Repayment Agreement**").

MPU is neither an Interested Person (for the purposes of the Listing Manual) nor an Interested Party (for the purposes of the Property Funds Appendix) of First REIT. On this basis, each of the MPU MLA Restructuring and the MPU Repayment Agreement is neither an Interested Person Transaction under Chapter 9 of the Listing Manual nor an Interested Party Transaction under Paragraph 5 of the Property Funds Appendix. Therefore, Unitholders should note that the MPU MLA Restructuring and the MPU Repayment Agreement are not subject to the approval of the Unitholders.

For the avoidance of doubt, in the event that Unitholders do not approve the Proposed LPKR MLA Restructuring at the EGM, the Manager will still proceed with the MPU MLA Restructuring.

8.2 The MPU MLA Restructuring

The MPU MLA Restructuring will be effected by the entry into of supplemental MLAs between the relevant master lessors and MPU as master lessee, which will amend and restate the existing MPU MLAs based on the key terms which are set out below.

8.2.1 Term of the Restructured MPU MLAs

The following table sets out the MPU Hospitals, which are the subject of the MPU MLA Restructuring, their acquisition year, the expiry year of the initial term of the relevant MLAs as well as the master lessee of the MPU Hospitals. Any extension of the initial term of the MLAs require MPU's agreement.

No.	Property Name	Acquisition Year	MLA Expiry Year	Master Lessee
1.	Siloam Hospitals Purwarkata	2014	2029	MPU
2.	Siloam Sriwijaya	2014	2029	MPU
3.	Siloam Hospitals Kupang	2015	2030	MPU

Under the MPU MLA Restructuring, the term of the restructured MPU MLAs will take effect from 1 January 2021 and will be extended to (and including) 31 December 2035, subject to any extension required in respect of the underlying property title and with an option for a further 15-year renewal term with the mutual agreement of both the relevant master lessors and MPU as master lessee. The lease for the further term shall be on terms and conditions (including the rent payable for the further term) to be mutually agreed between the parties. The leases of all hospitals with redevelopment potential may be terminated at any time by mutual written consent of the parties.

8.2.2 Revised Rental Formula

The current rental formula under each of the existing MPU MLAs provides for rental to be calculated based on the sum of a base rent component and a variable rent component.

Base Rent under the Existing MPU MLAs

The current base rent under each of the existing MPU MLAs are set out in **Appendix C** of this Announcement. Under the existing MPU MLAs, the amount of base rent payable is adjusted for movements in the exchange rate between Singapore Dollar and Indonesian

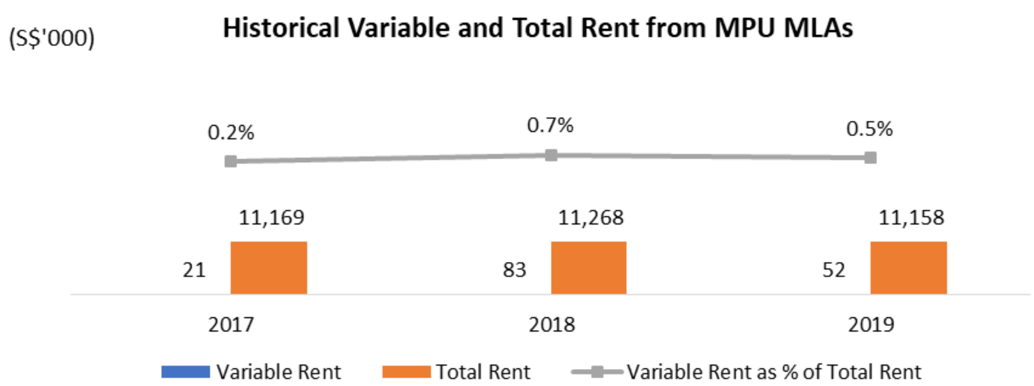
Rupiah so that First REIT is not exposed to movements in the exchange rate between Singapore Dollar and Indonesian Rupiah.

The base rent component is subject to increase based on the following formula:

No.	Property Name	Base Rent Escalation Formula under Existing MPU MLAs
1.	Siloam Hospitals Purwarkata	Increase on each anniversary date from (and including) the third anniversary date of the commencement date under the MLA, at a rate equal to twice the total percentage variation of the Consumer Price Index of Singapore calculated on a month-to-month basis aggregated for the preceding calendar year (as published by the Singapore Department of Statistics), subject to a floor of 0.0% and a cap of 2.0%.
2.	Siloam Sriwijaya	
3.	Siloam Hospitals Kupang	

Variable Rent under the Existing MPU MLAs

As for the variable rent under the existing MPU MLAs, generally this is payable only if the GOR of the relevant MPU Hospital grows by at least 5% compared to the preceding year at the rate of 0.75% of the increase in GOR for the relevant year compared to the preceding year, with the rate being increased to 1.25% where the GOR increase is at least 15% but less than 30% and the rate being increased to 2.00% where the GOR increase is at least 30%.



Over the past three years, the existing variable rent structure has contributed not more than 0.7% to the total rent received for each year under the MPU MLAs.

See **Appendix D** of this Announcement for a more detailed description of the variable rent formula under the existing MPU MLAs.

Rental under the Restructured MPU MLAs

Under the restructured MPU MLAs, the Commencement Base Rent shall be computed on an asset-by-asset basis as set out in **Appendix C** of this Announcement and was determined having taken into account factors including the performance of the MPU Hospitals and the Indonesian economic and operating environment and outlook for hospitals located in Indonesia.

The rental amounts payable under the restructured MPU MLAs shall be denominated in Indonesian Rupiah and shall be payable quarterly. Rental for the first lease period from 1 January 2021 to 30 September 2021 (both dates inclusive) will be the pro-rated Indonesian Rupiah denominated Commencement Base Rents as set out in **Appendix C** of this Announcement. There will be no adjustments for movements in the exchange rate between Singapore Dollar and Indonesian Rupiah. The increase in the rent payable is structured to be a minimum of 4.5% per annum calculated using the Commencement Base Rent.

For the second period of the lease under the restructured MPU MLAs, which will commence on 1 October 2021 and end on 30 September 2022, the adopted annual rent shall be the higher of:

(i) 8.0% of the GOR for each respective hospital for the preceding financial year (from 1 January to 31 December); or

(ii) the Commencement Base Rent X (1 + S) = Second Lease Year Base Rent, where "S" is the escalation amounting to 4.5%. For the avoidance of doubt, (1 + S) will equal 1.045.

For the third period of the lease under the restructured MPU MLAs, which will commence on 1 October 2022 to 30 September 2023, the adopted annual rent shall be the higher of:

(i) 8.0% of the GOR for each respective hospital for the preceding financial year (from 1 January to 31 December); or

(ii) the Second Lease Year Base Rent X (1 + S), where "S" is the escalation amounting to 4.5%. For the avoidance of doubt, (1 + S) will equal 1.045.

For subsequent lease years under the restructured MPU MLAs, the adopted annual rent shall be the higher of:

(i) 8.0% of the GOR for each respective hospital for the preceding financial year (from 1 January to 31 December); or

(ii) the preceding year's Base Rent X (1 + S), where "S" is the escalation amounting to 4.5%. For the avoidance of doubt, (1 + S) will equal 1.045.

The aggregate rent for the final lease period ending on (and including) 31 December 2035, being the day immediately preceding the 15th anniversary of the commencement date of the restructured MPU MLAs will be "A" multiplied by "B", where:

A = the higher of the following:

(i) 8.0% of the GOR for each respective hospital for the preceding financial year (from 1 January to 31 December); or

(ii) the preceding year's Base Rent X (1 + S), where "S" is the escalation amounting to 4.5%. For the avoidance of doubt, (1 + S) will equal 1.045.

B = number of days in such final lease period / 365 days.

8.2.3 Security Deposit

Under the terms of the existing MPU MLAs, MPU is required to pay to and maintain with the relevant master lessors, for the duration of each year, a security deposit equivalent to six months of the monthly rent (comprising a base rent and (save for each of the first year, the second year and the third year) a variable rent) payable for each such year, which may be furnished in the form of cash payment or irrevocable bank guarantees.

As for the security deposits payable under the restructured MPU MLAs, the security deposit payable by MPU to the relevant master lessors shall be, for each year in the supplemental lease term, eight months of the total monthly rent payable for each such year, which shall be furnished by MPU to the relevant master lessors by way of cash payment, performance bond or an irrevocable bank guarantee in respect of each security deposit:

(i) in the case of the first lease period from 1 January 2021 to 30 September 2021 (both dates inclusive), on or before 1 January 2021; and

(ii) in the case of each subsequent year of the restructured MPU MLAs, no later than the date falling 30 days before the commencement date of each relevant subsequent year.

Where the security deposit provided by MPU to the relevant master lessor is provided in the form of an irrevocable bank guarantee, such bank guarantee shall be issued by a commercial bank holding a full banking licence which must be reasonably acceptable to the relevant master lessor.

Where the security deposit provided by MPU to the relevant master lessor is provided in the form of a performance bond, such performance bond shall:

(a) be in the form set out in the MPU MOU;

(b) be subject to the approval of First REIT and its lenders; and

(c) be provided by reputable licensed and regulated insurance companies that:

    (I) are investment-graded (i.e. BBB-/Baa3 rating or better), as rated by S&P, Moody's and Fitch Ratings Inc.;

    (II) have ultimate holding companies which are investment-graded (i.e. BBB-/Baa3 or better), as rated by S&P, Moody's and Fitch Ratings Inc., in the event that the insurance companies themselves are not rated; and/or

    (III) are subsidiaries of investment-graded banks (i.e. BBB-/Baa3 or better), as rated by S&P, Moody's and Fitch Ratings Inc., and where such banks own more than 50.0% interest in each relevant insurance company.

8.2.4 Governing Law and Dispute Resolution

The governing law of the restructured MPU MLAs shall be Singapore law with arbitration administered by the SIAC in accordance with the Arbitration Rules of the SIAC for the time-being in force.

8.3 Certain Terms and Conditions of the MPU MOU in Relation to the MPU MLA Restructuring

8.3.1 Pursuant to the MPU MOU, the Trustee undertakes to procure that the relevant master lessors enter into the supplemental MLAs and MPU undertakes to enter into the supplemental MLAs, subject to the satisfaction of the following conditions precedent:

(i) the approval by the lenders of First REIT of the MPU MLA Restructuring under the 2019 Secured Loan, which is due in May 2022;

(ii) MPU providing an irrevocable undertaking to the Trustee that MPU will, with the prior written approval of the relevant master lessor and subject to any restrictions imposed by applicable laws and regulations, take such steps as may be necessary to terminate all existing sub-lease obligations with the relevant subsidiaries of Siloam in respect of the relevant MPU Hospitals if MPU is in default of its payment obligations under the relevant supplemental MLAs in respect of such relevant MPU Hospitals and such default has not been remedied or waived within 30 days of receipt of notice of such default from First REIT;

(iii) MPU providing each of the master lessors with legally binding documentation, on such terms as are reasonably acceptable to MPU and each of the master lessors, assigning to the relevant master lessor all of the rental and other payments from the relevant sub-lessee(s) under the relevant sub-lease agreement(s) entered into between MPU and the relevant sub-lessee(s) for the relevant MPU Hospital in the event that MPU is in default of any of its payment obligations under the MLA for the relevant MPU Hospital and such default has not been remedied or waived within 30 days of receipt of notice of such default from First REIT;

(iv) MPU having made payment of the MPU Rent Arrears (as defined herein) to the Trustee in accordance with the MPU MOU, and there being no further arrears in respect of rent which is due and payable by MPU;

(v) the receipt by First REIT of any approval by the SGX-ST and the MAS as may be necessary for the MPU MLA Restructuring, including all matters contemplated by, incidental to or necessary to give full effect to the MPU MLA Restructuring, provided that where such approvals are subject to conditions relating to MPU and/or Siloam and the relevant subsidiaries of Siloam, such conditions are satisfactory to the Trustee and MPU; and

(vi) such other relevant corporate, governmental and regulatory approvals that may be required to be obtained by First REIT, being obtained for all matters contemplated by, incidental to or necessary to give full effect to the MPU MLA Restructuring.

8.3.2 In addition, pursuant to the MPU MOU, the Trustee and MPU agree to use best endeavours, acting reasonably and in good faith, to discuss and facilitate the establishment of arrangements for the direct payment of rental amounts by the relevant subsidiaries of Siloam to the relevant master lessors for each of the MPU Hospitals where the relevant subsidiaries of Siloam are not making direct payment of rental amounts to the relevant master lessor.

8.4 The MPU Repayment Agreement

8.4.1 As at 3 November 2020, the balance sum of S$5,134,298.45 in rent arrears (the "**MPU Rent Arrears**") remained outstanding, due and payable by MPU under the MPU MLAs.

8.4.2 Pursuant to the MPU MOU, MPU has undertaken to pay to the Trustee:

(i) 50.0% of the MPU Rent Arrears by no later than 31 December 2020; and

(ii) 50.0% of the MPU Rent Arrears by no later than 31 March 2021.

8.4.3 Pursuant to the MPU MOU, the Trustee and MPU have further agreed that the rental relief extended by First REIT to MPU amounting to S$2,439,437.63 for the months of September 2020 and October 2020, as announced by First REIT in its announcement dated 22 October 2020, is conditional upon payment of the MPU Rent Arrears having been made by MPU to the Trustee in accordance with the terms of the MPU MOU.

8.5 Background and Context of the MPU MLA Restructuring

The Manager understands that the effect of the Covid-19 pandemic on MPU's business has been very severe, with systemic, drastic and prolonged impact on business activity, which includes the following:

(i) MPU's operating performance has been weakened by the Covid-19 pandemic, and MPU has forecasted a more than 90.0% decrease in the operating performance of its recurring income assets, on a year-on-year basis;

(ii) MPU has not been able to generate revenue from any asset divestments or land plot sales; and

(iii) MPU's leverage relative to its cash flows remains elevated with almost all of its assets held as collateral by banks, and MPU has also commenced restructuring discussions with its lenders and creditors.

From the financial year ended 31 December 2018 to FY2019, net profit after tax decreased from negative Rp.614.3 billion (approximately negative S$58.1 million[1]) to negative Rp.736.1 billion (approximately negative S$71.4 million[2]).

The prolonged impact of the Covid-19 pandemic on MPU is unlikely to abate soon, as the Manager further understands that the performance of the hospital sector in Indonesia is expected to remain challenged in 4Q2020 and in 2021 as infection and death rates arising as a result of the Covid-19 pandemic remain elevated. As at 13 November 2020, the daily rate of infection was at an all-time high of 5,444 new cases, with the national Covid-19 task force announcing 104 new

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1 Based on mid-market exchange rate of S$1.00 to Rp.10,571 as at 31 December 2018. Source: MPU Annual Report 2019 and Bloomberg. Bloomberg has not provided its consent to the inclusion of the information extracted from its report in this Announcement and Bloomberg is not responsible for the information extracted from its report in this Announcement.

2 Based on mid-market exchange rate of S$1.00 to Rp.10,305 as at 31 December 2019. Source: MPU Annual Report 2019 and Bloomberg. Bloomberg has not provided its consent to the inclusion of the information extracted from its report in this Announcement and Bloomberg is not responsible for the information extracted from its report in this Announcement.

deaths on the same day, bringing the tally to 15,036 fatalities in Indonesia, while 385,094 Covid-19 patients had recovered, leaving 57,604 active cases nationwide[1].

One of the reasons for the muted performance of Siloam could be attributable to reservation of segregated space at certain hospitals for the treatment of Covid-19 cases which have in-turn significantly limited the capacity of hospitals to treat non-Covid-19 cases. In the short term, Siloam and other hospital operators have experienced, and are likely to experience in varying degrees patients opting to defer elective medical procedures such as cosmetic surgeries, non-urgent cancer-related surgeries as well as sports-related and other non-essential surgeries such as knee-cap surgeries due to concerns about hospital visits and stays amid the Covid-19 pandemic[2].

As at 3 November 2020, MPU was in arrears on rent under the MPU MLAs and the MPU Rent Arrears remained outstanding, due and payable by MPU.

8.6 Rationale for the MPU MLA Restructuring and the MPU Repayment Agreement

Having carried out extensive engagements with MPU and giving due consideration to the matter, the Manager understands that without the MPU MLA Restructuring, there is a real risk and high probability that MPU would default under the existing MPU MLAs. In that regard, the Manager is of the view that the MPU MLA Restructuring should be carried out for the following reasons, which are elaborated in the sections that follow:

(i) Avoids the adverse consequences of a default by MPU under the existing MPU MLAs and resulting termination of the existing MPU MLAs;

(ii) Avoids the time, costs and complications of enforcing legal rights in Indonesia;

(iii) Takes into account the changed economic environment in Indonesia due to the Covid-19 pandemic;

(iv) Provides for sustainable and stable long-term master lease structure with regular fixed increments and potential additional upside;

(v) Preserves long-term value for Unitholders; and

(vi) Facilitates resolution of outstanding rental arrears.

8.6.1 Avoids the Adverse Consequences of a Default by MPU under the Existing MPU MLAs and Resulting Termination of the Existing MPU MLAs

The MPU Hospitals, which are the subject of the MPU MLA Restructuring, are:

No.	Property Name	Acquisition Year	Master Lessee(s)
1.	Siloam Hospitals Purwakarta	2014	MPU
2.	Siloam Sriwijaya	2014	MPU
3.	Siloam Hospitals Kupang	2015	MPU

1 Source: The Jakarta Post report titled "Indonesia sets bleak daily record with 5,444 new cases" published on 13 November 2020 which is available on the website of The Jakarta Post at https://www.thejakartapost.com/ (last accessed on 26 November 2020). The Jakarta Post has not provided its consent to the inclusion of the information extracted from its report in this Announcement and The Jakarta Post is not responsible for the information extracted from its report in this Announcement.

2 Please refer to the Independent Market Research Report.

The MPU Hospitals account for approximately 9.7% of First REIT's rental income and other income for FY2019. It also accounts for a significant portion of the security package for the 2019 Secured Loan.

Should MPU default under the MPU MLAs, First REIT would have to deal with the consequences of such default and the resulting termination of the MLAs which may include, *inter alia,* the following:

(i) an immediate loss of approximately 9.7%[1] of First REIT's rental income currently attributable to the MPU Hospitals, notwithstanding that such loss could be partially offset in the immediate term by existing security deposits;

(ii) breaches in First REIT's debt covenants;

(iii) impairs First REIT's ability to execute any refinancing and meet its repayment obligations, in particular the 2019 Secured Loan due in 16 May 2022;

(iv) lengthy, costly and cumbersome legal disputes, in particular in Indonesia;

(v) incurring of operating expenses to upkeep the vacant hospital buildings from being in physical disrepair, deterioration and dilapidation;

(vi) as healthcare assets are specialised assets that are typically built-to-suit, finding alternative users or tenants is challenging. Such an event will trigger a difficult, uncertain and lengthy leasing exercise to secure new healthcare and/or other relevant tenants, as hospital tenants need to obtain various local regulatory approvals and permits to operate a hospital; and

(vii) further capital expenditure injections may be required to renovate or enhance the hospital buildings to the requirements of potential new hospital tenants.

For the reasons above, the Manager is of the view that the MPU MLA Restructuring should be undertaken to achieve the sustainability of rental payments from MPU under the MPU MLAs and alleviate the risk of a potential MPU default under the MPU MLAs.

8.6.2 Avoids the Time, Costs and Complications of Enforcing Legal Rights in Indonesia

Should the MPU MLA Restructuring not proceed and MPU defaults under the MPU MLAs, First REIT may be involved in the lengthy and expensive process of enforcing its legal rights in Indonesia.

The Manager understands that a majority of the assets owned by MPU are located in Indonesia. All of the MPU MLAs provide for disputes to be resolved by arbitration administered by the SIAC in accordance with the Arbitration Rules of the SIAC. The arbitration process for First REIT to enforce its rights may take up to 12 to 18 months before an arbitral award could be obtained. In the event that First REIT obtains a favourable arbitral award against MPU, the arbitral award may be enforced against MPU's assets located in any of the 166 contracting states to the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, including Indonesia[2].

1 With reference to the total rental and other income of First REIT for FY2019.

2 As of 28 October 2020, there are 166 State parties to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards.

To enforce an award in Indonesia, First REIT must: (1) register the arbitral award at the CJDC and (2) obtain an *exequatur* order from the Chairman of the CJDC. The *exequatur* order will be issued if the award does not contradict public policy in Indonesia. This registration process would likely take up to eight months. However, if MPU challenges the registration, this process may take up to 1.5 years. Thereafter, First REIT may apply to enforce a money award against MPU's shares in its Indonesian subsidiaries. This process requires about one year to complete, but may take up to two to three years if MPU challenges the enforcement.

In addition, First REIT may enforce the award for MPU to deliver vacant possession of the hospital properties. However, this process would likely be challenging because a sub-lessee may seek to challenge the termination of the master lease on the basis that its rights under the sub-lease ought to be viewed as being integrated with the master lease. This is particularly so if the sub-lessee has been using the property to conduct business and generating revenue. Even if First REIT were successful in obtaining a court order to enforce the award, First REIT will require the assistance of the bailiff and other law enforcement officials to execute such a court order. Such assistance may not be forthcoming given the Covid-19 pandemic in Indonesia and the local health and political issues that would arise as a result of such enforcement. The Manager is of the view that it would be very difficult to evict hospital tenants in the current situation and would expect to face strong resistance from the local officials and population for such a move.

Further, as all of the MPU Hospitals are mortgaged as security to the lenders of First REIT, First REIT may face the added complexity of co-ordinating with such lenders in enforcing its legal rights in Indonesia.

In addition to the expenditure of time and the challenges which First REIT may face as highlighted above, First REIT may also incur considerable costs, including professional and other fees and expenses, in the process of enforcing its legal rights in Indonesia.

For the reasons above, the Manager is of the view that the MPU MLA Restructuring should be carried out to prevent a default by MPU under the MPU MLAs, in order for First REIT to avoid the time, costs and complications of enforcing legal rights in Indonesia.

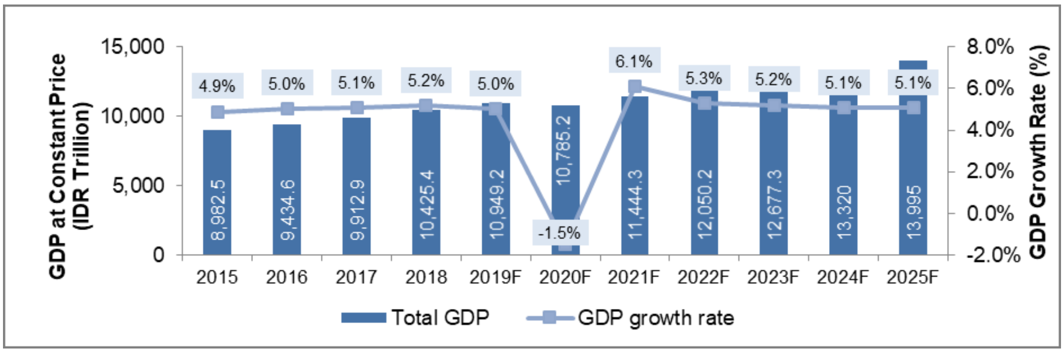
8.6.3 Takes into account the Changed Economic Environment in Indonesia Due to the Covid-19 Pandemic

Indonesia generated a steady yearly real GDP growth at between 4.9% and 5.2% from 2015 to 2019. When compared with that of 2014, the year-on-year GDP growth rate slowed down in 2015 as a result of various factors, including oil price decline, weaker consumer spending and external challenges such as the forest fires of 2015, costing the country approximately Rp.221 trillion in reconstruction efforts, being almost double the amount spent in the aftermath of the 2004 Aceh tsunami[1].

The IMF projects Indonesia's 2020 GDP to contract by 1.5% due to the ongoing pandemic, which is largely in line with the Government of Indonesia's estimate for a full-year contraction of 0.6% to 1.7%[2] made in late September, down from GDP growth of 5.02% in 2019[1].

1 Please refer to the Independent Market Research Report.

2 Source: Bloomberg's report titled "Indonesia Sees Economy Contracting for First Time Since 1998" published on 22 September 2020 which is available on the website of Bloomberg at https://www.bloomberg.com/asia (last accessed on 26 November 2020). Bloomberg has not provided its consent to the inclusion of the information



Source: IMF World Economic Outlook, October 2020

However, in 2Q2020, the Indonesian economy experienced a deeper contraction in GDP of 5.32% year-on-year[2]; a contraction that is deeper than the initial IMF projection of 0.3% in June 2020[3]. This was largely on account of contraction in the transportation and logistics sectors that witnessed a slow down to the tune of approximately 30.84% during the same period. Other sectors contributing to the decline were export and import of products and services that experienced a contraction of 11.66% and 16.96% respectively[4].

The Manager believes that the Covid-19 pandemic has significantly impacted the revenues generated by the operations at the MPU Hospitals and led to a drastic decline in patient volumes across Indonesia. It is anticipated that the impact of the Covid-19 pandemic would be significant and structural over the medium term. According to the ARSSI, the Covid-19 pandemic has affected the operations of a number of hospitals, with disruptions to hospital cash flows linked to a decline in outpatient-related revenue[5].

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extracted from its report in this Announcement and Bloomberg is not responsible for the information extracted from its report in this Announcement.

1 Source: The Jakarta Post's report titled "Indonesia's GDP to decline more than thought as virus keeps spreading: IMF" published on 14 October 2020 which is available on the website of The Jakarta Post at https://www.thejakartapost.com/ (last accessed on 26 November 2020). The Jakarta Post has not provided its consent to the inclusion of the information extracted from its report in this Announcement and The Jakarta Post is not responsible for the information extracted from its report in this Announcement.

2 Source: The Jakarta Post's report titled "Indonesia's GDP contracts deeper than expected at 5.32% in Q2" published on 5 August 2020 which is available on the website of The Jakarta Post at https://www.thejakartapost.com/ (last accessed on 26 November 2020). The Jakarta Post has not provided its consent to the inclusion of the information extracted from its report in this Announcement and The Jakarta Post is not responsible for the information extracted from its report in this Announcement.

3 Source: IMF's report titled "World Economic Outlook Update, June 2020 – A Crisis Like No Other, An Uncertain Recovery" published on 24 June 2020 which is available on the website of IMF at https://www.imf.org/ (last accessed on 26 November 2020). The International Monetary Fund has not provided its consent to the inclusion of the information extracted from its report in this Announcement and The International Monetary Fund is not responsible for the information extracted from its report in this Announcement.

4 Source: Badan Pusat Statistik's report titled "Ekonomi Indonesia Triwulan II 2020 Turun 5,32 Persen" published on 5 August 2020 which is available on the website of Badan Pusat Statistik at https://www.bps.go.id/ (last accessed on 26 November 2020). Badan Pusat Statistik has not provided its consent to the inclusion of the information extracted from its report in this Announcement and Badan Pusat Statistik is not responsible for the information extracted from its report in this Announcement.

5 Source: CNBC Indonesia's report titled "Duh! Arus Kas RS Swasta Berantakan Gegara Pandemi Covid-19" published on 18 May 2020 which is available on the website of CNBC Indonesia at https://www.cnbcindonesia.com/ (last accessed on 26 November 2020). CNBC Indonesia has not provided its consent to the inclusion of the information extracted from its report in this Announcement and CNBC Indonesia is not responsible for the information extracted from its report in this Announcement.

According to the Independent Market Research Report, the main reason for a significant reduction in outpatient volumes is due to the phenomenon that many individuals remain apprehensive about visiting hospitals due to the Covid-19 pandemic. Even if a patient wishes to seek medical advice from a doctor at a hospital, the patient is likely to have preferred to use telemedicine because of the requirement by some medical practitioners to take a Covid-19 Polymerase Chain Reaction test prior to visiting a doctor at a hospital, which is cumbersome and expensive. This trend of reduced outpatients for hospitals is likely to continue into 2021 as patients and providers increasingly move towards telemedicine to cater to primary healthcare needs. Siloam is also currently exploring this telemedicine route, in line with the Government of Indonesia's recent push in advising patients other than those with Covid-19 to adopt distance medical consultations to avoid serious health risks during the pandemic[1,2].

Hospital operations have faced a significant downturn due to a combination of factors, with one of the key reasons being the large influx of Covid-19 affected patients and the limited availability of facilities to treat these patients. Non-Covid-19 hospitals are also witnessing a significant decrease in outpatients due to the PSBB imposed by the Government of Indonesia as the outpatients delay consultations and prefer to either administer home remedies or take the telemedicine route. According to ARSSI[3], the number of outpatients decreased between 50% and 60%, while inpatients witnessed a drop of up to 60%. The Covid-19 pandemic has not only affected referral hospitals, but also the non-referral hospitals in Indonesia which have reported cash flow drops of between 30% and 50%[4]. Referral hospitals are hospitals that have been appointed by the regional or provincial governments for having the capacity, safety and quality of care to handle Covid-19 cases.

1 Source: Ministry of Health of the Republic of Indonesia report titled "Cegah Penyebaran Covid-19, Pelayanan Kesehatan Dilakukan Melalui Telemedicine" published on 30 April 2020 which is available on the website of the Ministry of Health of the Republic of Indonesia at https://www.kemkes.go.id/ (last accessed on 26 November 2020). The Ministry of Health of the Republic of Indonesia has not provided its consent to the inclusion of the information extracted from its report in this Announcement and the Ministry of Health of the Republic of Indonesia is not responsible for the information extracted from its report in this Announcement.

2 Source: Jakarta Globe report titled "Siloam Launches Telemedicine, Home Care Services" published on 27 April 2020 which is available on the website of Jakarta Globe at https://jakartaglobe.id/ (last accessed on 26 November 2020). Jakarta Globe has not provided its consent to the inclusion of the information extracted from its report in this Announcement and Jakarta Globe is not responsible for the information extracted from its report in this Announcement.

3 Source: CNBC Indonesia's report titled "Duh! Arus Kas RS Swasta Berantakan Gegara Pandemi Covid-19" published on 18 May 2020 which is available on the website of CNBC Indonesia at https://www.cnbcindonesia.com/ (last accessed on 26 November 2020). CNBC Indonesia has not provided its consent to the inclusion of the information extracted from its report in this Announcement and CNBC Indonesia is not responsible for the information extracted from its report in this Announcement.

4 Source: Universitas Gadjah Mada report titled "Pandemi Covid-19 Pengaruhi Keuangan Rumah Sakit" published on 26 June 2020 which is available on the website of Universitas Gadjah Mada at https://www.ugm.ac.id/ (last accessed on 26 November 2020). Universitas Gadjah Mada has not provided its consent to the inclusion of the information extracted from its report in this Announcement and Universitas Gadjah Mada is not responsible for the information extracted from its report in this Announcement.

The reductions in patient volumes have resulted in challenging hospital cash flows which in turn have rendered unavailable Covid-19 care devices such as airflow perturbation devices, ventilators and other advanced or limited equipment and tools[1].

In order to combat the crisis, many hospitals are initiating home-care and telemedicine (tele-consultation) for their non-Covid-19 patients. These hospitals have their on-leave medical personnel give treatment or consultation to non-Covid-19 patients as one of their outreach measures.

Hospitals are allowed to seek reimbursement of Covid-19 patients' treatment costs from the Government of Indonesia. However, according to ARSSI, such reimbursements are plagued with lengthy verification processes, and long waiting times before the amount is reimbursed. According to recent data, since 6 April 2020, out of the 201 hospitals that had submitted their claims to the Government of Indonesia, only 174 of such claims have been processed and the payment received thus far is only 50% of the amount claimed[2]. Although the reimbursements are disbursed more efficiently now, the relatively long wait times are likely to dissuade private hospitals from opening their doors to Covid-19 care and treatment.

Delays in surgeries also have a strong impact on patient health outcomes, hospital finances and resources, as well as training and research programs. Many hospitals in Indonesia are at the frontline of the pandemic and have shifted most of their resources to handle Covid-19 cases. In Indonesia, Covid-19 cases have spiked over August to September. As at 13 November 2020, while 385,094 Covid-19 patients had recovered, there are 57,604 active cases nationwide[3]. According to the Independent Market Research Consultant, industry sources indicate that delays in the diagnostic evaluation of patients are also likely to contribute to the backlog of elective surgeries. Many diagnostic procedures, including colonoscopies, mammograms, and biopsies, are on hold during the pandemic. There are many patients who are being treated in hospitals with other diseases, such as heart disease or cancer and have a high risk of contracting the coronavirus and experience fatal complications when exposed to Covid-19. In addition, it should also be considered that patients who undergo a recovery period after surgery are at high risk of being infected with the coronavirus while they are being treated in hospital and can experience dangerous complications from this viral infection. The two key reasons for delaying surgeries are to limit the spread of the coronavirus in hospitals and to focus medical personnel, health facilities, and medical equipment including beds and

1 Source: CNBC Indonesia's report titled "Duh! Arus Kas RS Swasta Berantakan Gegara Pandemi Covid-19" published on 18 May 2020 which is available on the website of CNBC Indonesia at https://www.cnbcindonesia.com/ (last accessed on 26 November 2020). CNBC Indonesia has not provided its consent to the inclusion of the information extracted from its report in this Announcement and CNBC Indonesia is not responsible for the information extracted from its report in this Announcement.

2 Source: CNBC Indonesia's report titled "Duh! Arus Kas RS Swasta Berantakan Gegara Pandemi Covid-19" published on 18 May 2020 which is available on the website of CNBC Indonesia at https://www.cnbcindonesia.com/ (last accessed on 26 November 2020). CNBC Indonesia has not provided its consent to the inclusion of the information extracted from its report in this Announcement and CNBC Indonesia is not responsible for the information extracted from its report in this Announcement.

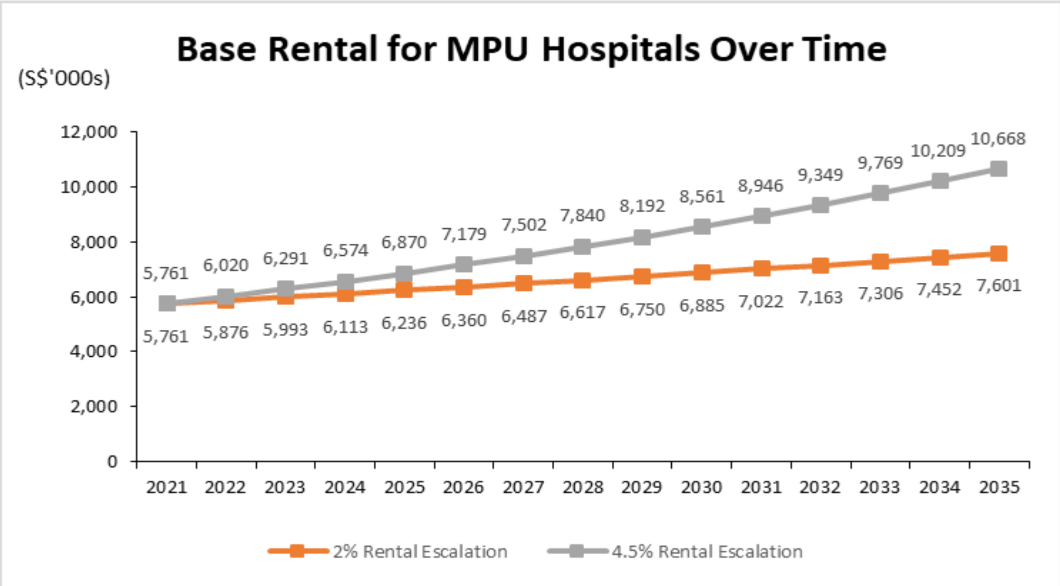
3 Source: The Jakarta Post report titled "Indonesia sets bleak daily record with 5,444 new cases" published on 13 November 2020 which is available on the website of The Jakarta Post at https://www.thejakartapost.com/ (last accessed on 26 November 2020). The Jakarta Post has not provided its consent to the inclusion of the information extracted from its report in this Announcement and The Jakarta Post is not responsible for the information extracted from its report in this Announcement.

intensive care units, breathing aids, and personal protective equipment, on handling the number of coronavirus infections. Such delays in elective surgeries are causing significant backlogs in hospitals, which has an impact on the yearly revenues of the hospitals[1].

8.6.4 Provides for Sustainable and Stable Long-Term Master Lease Structure with Regular Fixed Increments and Potential Additional Upside

The MPU MLA Restructuring will result in a more sustainable and stable long-term master lease structure with regular fixed increments and potential additional upside.

The base rent under the restructured MPU MLAs has a fixed escalation rate of 4.5% per annum as compared to the current step-up mechanism which is two times the Singapore consumer price index subject to a cap of 2.0%. The higher escalation rate is intended to compensate for the increased volatility associated with the switch in rental payment currency from Singapore Dollars to Indonesian Rupiah. Under the revised base rent structure, First REIT will receive a minimum guaranteed Indonesian Rupiah-denominated base rent which will grow at 4.5% per annum across the 15-year tenure of the restructured MPU MLAs, as illustrated in the chart below.



Note: Based on a fixed Singapore Dollar to Indonesian Rupiah exchange rate of S$1.00 to Rp.10,830.

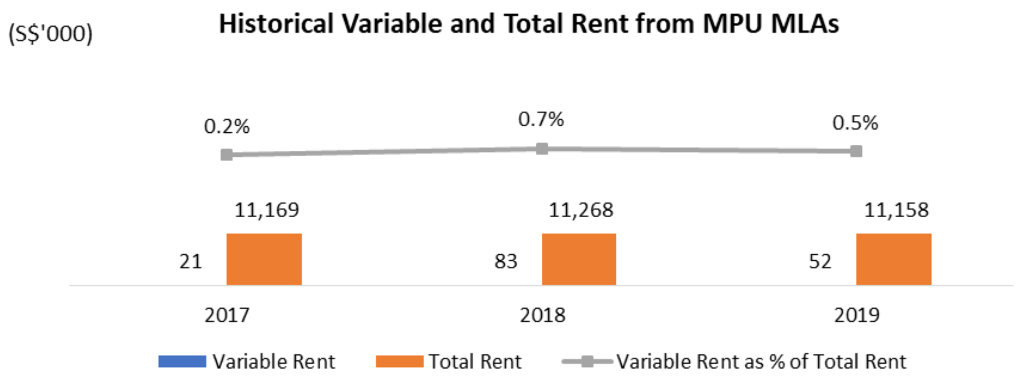
In the chart above, the grey line represents the growth in the base rent of First REIT under the restructured MPU MLAs using rental escalation of 4.5%, while the orange line represents the growth in the base rent of First REIT under the MPU MLAs using the existing base rent formula assuming maximum growth at 2.0% per annum. Both lines assume a fixed Singapore Dollar to Indonesian Rupiah exchange rate of S$1.00 to Rp.10,830.

As can be seen from the chart above, by comparing the grey line against the orange line, the chart above illustrates a buffer ranging from 2.45% in 2022 to 40.35% for Singapore Dollar to Indonesian Rupiah exchange rate fluctuations.

In addition, the rental payable under the restructured MPU MLAs will be the higher of either the base rent or the performance-based rent at 8.0% of the relevant hospital's

1 Please refer to the Independent Market Research Report.

GOR for the preceding year. This performance-based rent structure replaces the existing variable rent structure, which has contributed not more than 0.7% to the total rent received for each year under the MPU MLAs over the past three years.



The revised performance-based rent structure provides greater potential upside for First REIT compared to the existing variable rent formula where, in general, variable rent for an MPU Hospital is payable only if the GOR of the relevant MPU Hospital grows by at least 5% compared to the preceding year.

See **Appendix D** of this Announcement for a more detailed description of the variable rent formulae under the existing MPU MLAs.

8.6.5 Preserves Long-Term Value for Unitholders

The Manager believes that the MPU MLA Restructuring will preserve the current ecosystem of having MPU and Siloam as the operators of the MPU Hospitals. The MPU MLA Restructuring provides a revised master lease structure that is sustainable with improved upside sharing for First REIT.

Siloam is the largest hospital operator in Indonesia with 39 hospitals, consisting of 14 hospitals in the Greater Jakarta area and 25 hospitals spread across the islands of Java, Sumatra, Kalimantan, Sulawesi, Bali, and Nusa Tenggara as at 27 October 2020[1]. Given its extensive hospital and healthcare network, as well as a 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.

Finding an alternative hospital operator for the hospital assets would be difficult given the regulatory constraints involved in changing hospital operators in Indonesia. Like most countries, the hospital sector is heavily regulated in Indonesia. The operation of a hospital involves obtaining an operational hospital permit issued by the Indonesian Minister of Health, among other permits and licenses. These permits are difficult and time-consuming to obtain.

The foreign ownership rules in Indonesia also make it difficult for foreign operators to enter the market. Under Indonesian foreign ownership rules, foreign investors are subject to a maximum 67% ownership (70% for investors from Association of Southeast Asian Nations member states) in a local hospital operating entity.

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1 Source: Siloam's press release titled "Siloam Hospitals Reports 9M2020 Revenues Decreased 4.1% to Rp5,001 billion as COVID-19 Continues to Impact Revenues and Earnings" published on 27 October 2020 which is available on the website of Siloam at https://www.siloamhospitals.com/ (last accessed on 26 November 2020).

Additionally, according to the Independent Market Research Report, hospitals established through foreign investments should belong to a privately-owned hospital and must have a minimum of 200 beds. Following the Regulation of the Minister of Health Regulation No.3/2020 on the classification and licensing of hospitals, all hospitals have to compulsorily go through an accreditation process. With such stringent protocols that control the entry of foreign hospital operators coupled with the extent of regulatory approvals that are needed to be obtained for changing operators, the Independent Market Research Consultant is of the opinion that changing hospital operators can be time consuming and cumbersome[1].

Further, there is a very limited pool of potential alternative hospital operators. Indonesian hospital operators generally prefer to build and own their hospitals. Hospitals are typically built-to-suit, and additional capital expenditure is likely to be required to renovate hospitals to the requirements of new tenants, if any.

In 2019, First REIT explored third party interest in operating three hospital assets in the First REIT hospital portfolio through a tender process where PT Willson Properti Advisindo in association with Knight Frank was engaged to reach out to 43 foreign and local hospital operators. The process culminated in First REIT only receiving one bid from a related party and the terms were worse off as compared to the terms under the MPU MLA Restructuring. The results of the 2019 process substantiate the practical difficulty in finding alternative lessees and/or operators for the First REIT hospital assets in Indonesia.

For the reasons above, the Manager is of the view that carrying out the MPU MLA Restructuring would preserve long-term value for Unitholders by maintaining the current ecosystem of having MPU and Siloam as the operators of the MPU Hospitals under a revised master lease structure that is sustainable with improved upside sharing for First REIT.

8.6.6 Facilitates Resolution of Outstanding Rental Arrears

Under the MPU MOU, the MPU MLA Restructuring is conditional upon, among other things, (i) MPU having made payment of the sum of S$5,134,298.45 in rent arrears which are outstanding and payable by MPU to First REIT under the MPU MLAs and (ii) there being no further arrears in respect of the rent which is due and payable by MPU under the MPU MLAs.

The MPU MLA Restructuring provides greater certainty and finality as to the repayment of the MPU Rent Arrears to First REIT, and ensures that MPU continues to pay all other rent which is owing and payable to First REIT pursuant to the existing terms of the MPU MLAs.

1 Please refer to the Independent Market Research Report.

9. IMPACT ON VALUATION

The Trustee has appointed C&W[1] and the Manager has appointed KJPP Willson & Rekan in association with Knight Frank ("**Knight Frank**", and together with C&W, the "**Independent Valuers**") as independent valuers to assess the impact of the MPU MLA Restructuring and the Proposed LPKR MLA Restructuring on the valuations of the MPU Hospitals and the LPKR Hospitals. A summary of the valuation impact is presented in the following table, with a detailed asset-by-asset breakdown thereafter.

Summary of Valuation Impact

Description	Valuations as at 31 Dec 2019		Valuations based on MPU MLA Restructuring Terms[2]		Valuations based on MPU MLA Restructuring Terms and Proposed LPKR MLA Restructuring Terms[2]	
	S$'000	%	S$'000	%	S$'000	%
LPKR Hospitals affected by the Proposed LPKR MLA Restructuring[3]	994,023	74.1%	994,023	77.3%	654,060	69.4%
Properties integrated with the LPKR Hospitals (being Hotel Aryaduta Manado)	40,135[4]	3.0%	40,135[4]	3.1%	37,200	3.9%
MPU Hospitals affected by the MPU MLA Restructuring[5]	124,100	9.3%	68,450	5.3%	68,450	7.3%
Other Indonesian properties of First REIT not affected by the MPU MLA Restructuring and the Proposed LPKR MLA Restructuring[6]	139,942	10.4%	139,942	10.9%	139,942	14.9%
Singapore and South Korea properties of First REIT not affected by the MPU MLA Restructuring and the Proposed LPKR MLA Restructuring[7]	42,580	3.2%	42,580	3.3%	42,580	4.5%
Total	**1,340,780**	**100.0%**	**1,285,130**	**100.0%**	**942,232**	**100.0%**

1 C&W was appointed to value Siloam Hospitals Kupang & Lippo Plaza Kupang and Siloam Hospitals Labuan Bajo in the financial year ended 31 December 2018 and FY2019. Therefore, C&W has been appointed to value Siloam Hospitals Kupang & Lippo Plaza Kupang and Siloam Hospitals Labuan Bajo for a third consecutive financial year.

2 Based on adopted value being the higher of C&W valuation and Knight Frank valuation as at 2 November 2020.

3 Includes Siloam Hospitals Yogyakarta, Siloam Hospitals Buton (excluding Lippo Plaza Buton), Siloam Hospitals Labuan Bajo, Siloam Hospitals Bali, Siloam Hospitals Tb Simatupang, Siloam Hospitals Manado (excluding Hotel Aryaduta Manado), Siloam Hospitals Makassar, Mochtar Riady Comprehensive Cancer Centre, Siloam Hospitals Lippo Village, Siloam Hospitals Kebon Jeruk and Siloam Hospitals Surabaya.

4 The values of Siloam Hospitals Manado and Hotel Aryaduta Manado as at 31 December 2019 are illustrated here by apportioning the value of the Manado Property which comprises Siloam Hospitals Manado and Hotel Aryaduta Manado based on their respective gross floor areas.

5 Includes Siloam Hospitals Kupang (excluding Lippo Plaza Kupang), Siloam Sriwijaya and Siloam Hospitals Purwakarta.

6 Includes Lippo Plaza Kupang (excluding Siloam Hospitals Kupang), Lippo Plaza Buton (excluding Siloam Hospitals Buton), Siloam Hospitals Lippo Cikarang and Imperial Aryaduta Hotel & Country Club.

7 Includes Pacific Healthcare Nursing Home @ Bukit Merah, Pacific Healthcare Nursing Home II @ Bukit Panjang, The Lentor Residence and Sarang Hospital.

Asset-by-Asset Breakdown

<table>
<tr><th rowspan="2">No.</th><th rowspan="2">Name</th><th rowspan="2">Valuation as at 31 Dec 2019[(1)] (S$'000)</th><th colspan="3">Market Value based on the Proposed LPKR MLA Restructuring terms and the MPU MLA Restructuring terms (As at 2 November 2020)</th></tr>
<tr><th>C&W (S$'000)</th><th>Knight Frank (S$'000)</th><th>Adopted Value (S$'000)</th></tr>
<tr><td colspan="6">(A) LPKR Hospitals affected by the Proposed LPKR MLA Restructuring</td></tr>
<tr><td>1</td><td>Siloam Hospitals Yogyakarta</td><td>27,100</td><td>19,900</td><td>19,287</td><td>19,900</td></tr>
<tr><td>2</td><td>Siloam Hospitals Buton (excluding Lippo Plaza Buton)</td><td>16,158</td><td>12,300</td><td>12,247</td><td>12,300</td></tr>
<tr><td>3</td><td>Siloam Hospitals Labuan Bajo</td><td>20,900</td><td>11,080</td><td>11,321</td><td>11,080</td></tr>
<tr><td>4</td><td>Siloam Hospitals Bali</td><td>124,400</td><td>62,460</td><td>61,602</td><td>62,460</td></tr>
<tr><td>5</td><td>Siloam Hospitals TB Simatupang</td><td>118,900</td><td>41,560</td><td>40,227</td><td>41,560</td></tr>
<tr><td>6</td><td>Siloam Hospitals Manado (excluding Hotel Aryaduta Manado)</td><td>62,965[(2)]</td><td>39,910</td><td>39,790</td><td>39,910</td></tr>
<tr><td>7</td><td>Siloam Hospitals Makassar</td><td>73,300</td><td>65,450</td><td>66,234</td><td>65,450</td></tr>
<tr><td>8</td><td>Mochtar Riady Comprehensive Cancer Centre</td><td>266,300</td><td>125,750</td><td>121,572</td><td>125,750</td></tr>
<tr><td>9</td><td>Siloam Hospitals Lippo Village</td><td>162,400</td><td>162,580</td><td>162,313</td><td>162,580</td></tr>
<tr><td>10</td><td>Siloam Hospitals Kebon Jeruk</td><td>93,700</td><td>73,160</td><td>68,576</td><td>73,160</td></tr>
<tr><td>11</td><td>Siloam Hospitals Surabaya</td><td>27,900</td><td>39,910</td><td>40,469</td><td>39,910</td></tr>
<tr><td colspan="2">LPKR Hospitals Subtotal (A)</td><td>994,023</td><td>654,060</td><td>643,638</td><td>654,060</td></tr>
<tr><td colspan="6">(B) Properties integrated with the LPKR Hospitals</td></tr>
<tr><td>6a</td><td>Hotel Aryaduta Manado</td><td>40,135[(2)]</td><td>37,200[(3)]</td><td>35,678[(3)]</td><td>37,200[(3)]</td></tr>
<tr><td colspan="2">Hotel Aryaduta Manado Subtotal (B)</td><td>40,135[(2)]</td><td>37,200[(3)]</td><td>35,678[(3)]</td><td>37,200[(3)]</td></tr>
<tr><td colspan="6">(C) MPU Hospitals affected by the MPU MLA Restructuring</td></tr>
<tr><td>12</td><td>Siloam Hospitals Kupang (excluding Lippo Plaza Kupang)</td><td>40,800</td><td>21,270</td><td>21,228</td><td>21,270</td></tr>
<tr><td>13</td><td>Siloam Sriwijaya</td><td>41,300</td><td>24,470</td><td>22,855</td><td>24,470</td></tr>
<tr><td>14</td><td>Siloam Hospitals Purwakarta</td><td>42,000</td><td>22,710</td><td>23,743</td><td>22,710</td></tr>
<tr><td colspan="2">MPU Hospitals Subtotal (C)</td><td>124,100</td><td>68,450</td><td>67,825</td><td>68,450</td></tr>
<tr><td colspan="2">LPKR Hospitals, MPU Hospitals and Hotel Aryaduta Manado Subtotal (A) + (B) + (C)</td><td>1,158,258</td><td>759,710</td><td>747,141</td><td>759,710</td></tr>
<tr><td colspan="6">(D) Other Indonesian properties of First REIT not affected by the Proposed LPKR MLA Restructuring and the MPU MLA Restructuring[(4)]</td></tr>
<tr><td>No.</td><td colspan="4">Name</td><td>Valuation as at 31 Dec 2019 (S$'000)</td></tr>
<tr><td>15</td><td colspan="4">Siloam Hospitals Lippo Cikarang</td><td>53,500</td></tr>
<tr><td>16</td><td colspan="4">Imperial Aryaduta Hotel & Country Club</td><td>41,000</td></tr>
<tr><td>2a</td><td colspan="4">Lippo Plaza Buton (excluding Siloam Hospitals Buton)</td><td>12,542</td></tr>
<tr><td>12a</td><td colspan="4">Lippo Plaza Kupang (excluding Siloam Hospitals Kupang)</td><td>32,900</td></tr>
<tr><td colspan="5">Other Properties Subtotal (D)</td><td>139,942</td></tr>
<tr><td colspan="5">Indonesia Portfolio Grand Total (A) + (B) + (C) + (D)</td><td>899,652</td></tr>
</table>

(E) Singapore and South Korea properties of First REIT not affected by the Proposed LPKR MLA Restructuring and the MPU MLA Restructuring[4]		
No.	**Name**	**Valuation as at 31 Dec 2019 (S$'000)**
17	Pacific Healthcare Nursing Home @ Bukit Merah	9,400
18	Pacific Healthcare Nursing Home II @ Bukit Panjang	9,600
19	The Lentor Residence	15,500
20	Sarang Hospital	8,080
	Singapore and South Korea Properties Subtotal (E)	**42,580**
	Adopted Value for First REIT Portfolio Grand Total[5] (A) + (B) + (C) + (D) + (E)	**942,232**

Notes:

(1) First REIT's portfolio was valued at S$1,340.8 million as at 31 December 2019, as announced on 29 January 2020.

(2) The values of Siloam Hospitals Manado and Hotel Aryaduta Manado as at 31 December 2019 are illustrated here by apportioning the value of the Manado Property which comprises Siloam Hospitals Manado and Hotel Aryaduta Manado based on their respective gross floor areas.

(3) The Independent Valuers have valued Hotel Aryaduta Manado in accordance with the terms set out in the supplemental MLA in respect of Hotel Aryaduta Manado.

(4) The valuations of the other properties of First REIT not affected by the Proposed LPKR MLA Restructuring and the MPU MLA Restructuring are premised on the FY2019 annual valuation exercise that concluded at the end of FY2019 and subsequently announced on 29 January 2020.

(5) The adopted value is based on the adopted market values of the LPKR Hospitals and Hotel Aryaduta Manado according to the Proposed LPKR MLA Restructuring terms amounting to S$654,060,000 and S$37,200,000 respectively, the adopted market values of the MPU Hospitals according to the MPU MLA Restructuring terms amounting to S$68,450,000, the other Indonesian properties of First REIT not affected by the Proposed LPKR MLA Restructuring and the MPU MLA Restructuring with a valuation of S$139,942,000 as at 31 December 2019, as well as the Singapore and South Korea properties of First REIT not affected by the Proposed LPKR MLA Restructuring and the MPU MLA Restructuring with a valuation of S$42,580,000.

Minor difference in values may exist due to rounding.

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10. *PRO FORMA* FINANCIAL EFFECTS OF THE MPU MLA RESTRUCTURING

The *pro forma* financial effects of the MPU MLA Restructuring presented below are strictly for illustrative purposes only and are prepared based on the FY2019 Audited Consolidated Financial Statements and the unaudited consolidated financial statements of First REIT and its subsidiaries for 1H2020 (the "**1H2020 Unaudited Consolidated Financial Statements**") and assuming that the accounting policies and methods of computation applied to the *pro forma* financials are consistent with those applied in the FY2019 Audited Consolidated Financial Statements and the accounting standards applicable as at the date of this Announcement.

10.1 FY2019

10.1.1 *Pro Forma* DPU

The *pro forma* financial effects of the MPU MLA Restructuring on the distributions per Unit ("**DPU**") and distribution yield for FY2019, as if the MPU MLA Restructuring was completed on 1 January 2019 are as follows:

	FY2019	
	Before the MPU MLA Restructuring[(1)]	**After the MPU MLA Restructuring**
Rental and other income (S$'000)	115,297	109,835
Net property and other income (S$'000)	112,894	107,432
Distributable Income (S$'000)	68,463	64,182
Units in issue and to be issued[(2)]	799,992,974	799,992,974
DPU (cents)[(2)]	8.60	8.02

Notes:
(1) Based on the FY2019 Audited Consolidated Financial Statements.
(2) The Units in issue and to be issued do not include the 7,213,377 Units issued from 1 January 2020 to the date preceding the date of this Announcement.

10.1.2 *Pro Forma* NAV per Unit

The *pro forma* financial effects of the MPU MLA Restructuring on the NAV per Unit as at 31 December 2019, as if the MPU MLA Restructuring was completed on 31 December 2019 are as follows:

	As at 31 December 2019	
	Before the MPU MLA Restructuring[(1)]	**After the MPU MLA Restructuring**
NAV (S$'000)	794,836	746,577
Units in issue and to be issued[(2)]	797,674,515	797,674,515
NAV per Unit (cents)	99.64	93.59
Leverage ratio	34.5%	35.9%

Notes:
(1) Based on the FY2019 Audited Consolidated Financial Statements.
(2) The Units in issue and to be issued do not include the 9,531,836 Units issued from 1 January 2020 to the date preceding the date of this Announcement.

10.1.3 *Pro Forma* Capitalisation

The following table sets out the *pro forma* capitalisation of First REIT as at 31 December 2019, as if the MPU MLA Restructuring was completed on 31 December 2019:

	As at 31 December 2019	
	Actual(1)	**As adjusted for the MPU MLA Restructuring**
	(S$'000)	(S$'000)
Short-term debt:		
Unsecured	-	-
Secured	-	-
Total short-term debt	-	-
Long-term debt:		
Unsecured	-	-
Secured	486,410	486,410
Total long-term debt	486,410	486,410
Total Debt	486,410	486,410
Unitholders funds	794,836	746,577
Perpetual securities holders' fund	60,878	60,878
Total Capitalisation	**1,342,124**	**1,293,865**

Note:

(1) Based on the FY2019 Audited Consolidated Financial Statements.

10.2 1H2020

10.2.1 *Pro Forma* DPU

The *pro forma* financial effects of the MPU MLA Restructuring on the DPU and distribution yield for 1H2020, as if the MPU MLA Restructuring was completed on 1 January 2020 are as follows:

	1H2020	
	Before the MPU MLA Restructuring(1)	**After the MPU MLA Restructuring**
Rental and other income (S$'000)	38,598	36,792
Net property and other income (S$'000)	37,528	35,722
Distributable income (S$'000)	18,435	17,100
Units in issue and to be issued(2)	804,523,401	804,523,401
DPU (cents)(2)	2.30	2.13

Notes:

(1) Based on the 1H2020 Unaudited Consolidated Financial Statements, which includes the two-month rental relief of S$19.6 million extended to all tenants for the months of May and June 2020.

(2) The Units in issue and to be issued do not include the 2,682,950 Units issued from 1 July 2020 to the date preceding the date of this Announcement.

10.2.2 *Pro Forma* NAV per Unit

The *pro forma* financial effects of the MPU MLA Restructuring on the NAV per Unit as at 30 June 2020, as if the MPU MLA Restructuring was completed on 30 June 2020 are as follows:

	As at 30 June 2020	
	Before the MPU MLA Restructuring(1)	**After the MPU MLA Restructuring**
NAV (S$'000)	778,150	729,891
Units in issue and to be issued(2)	802,343,424	802,343,424
NAV per Unit (cents)	96.98	90.97
Leverage ratio	34.9%	36.3%

Notes:

(1) Based on the 1H2020 Unaudited Consolidated Financial Statements, which includes the two-month rental relief of S$19.6 million extended to all tenants for the months of May and June 2020.

(2) The Units in issue and to be issued do not include the 4,862,927 Units issued from 1 July 2020 to the date preceding the date of this Announcement.

10.2.3 *Pro Forma* Capitalisation

The following table sets out the *pro forma* capitalisation of First REIT as at 30 June 2020, as if the MPU MLA Restructuring was completed on 30 June 2020.

	As at 30 June 2020	
	Actual(1)	**As adjusted for the MPU MLA Restructuring**
	(S$'000)	(S$'000)
Short-term debt:		
Unsecured	-	-
Secured	195,670	195,670
Total short-term debt	195,670	195,670
Long-term debt:		
Unsecured	-	-
Secured	292,917	292,917
Total long-term debt	292,917	292,917
Total Debt	488,587	488,587
Unitholders funds	778,150	729,891
Perpetual securities holders' fund	60,859	60,859
Total Capitalisation	**1,327,596**	**1,279,337**

Note:

(1) Based on the 1H2020 Unaudited Consolidated Financial Statements, which includes the two-month rental relief of S$19.6 million extended to all tenants for the months of May and June 2020.

11. *PRO FORMA* FINANCIAL EFFECTS OF THE PROPOSED LPKR MLA RESTRUCTURING

The *pro forma* financial effects of the Proposed LPKR MLA Restructuring presented below are strictly for illustrative purposes only and are prepared based on the FY2019 Audited Consolidated Financial Statements and the 1H2020 Unaudited Consolidated Financial Statements and assuming:

(i) a one-off rental restructuring cost of S$3.4 million; and

(ii) the accounting policies and methods of computation applied to the *pro forma* financials are consistent with those applied in the FY2019 Audited Consolidated Financial Statements and the accounting standards applicable as at the date of this Announcement.

11.1 FY2019

11.1.1 *Pro Forma* DPU

The *pro forma* financial effects of the Proposed LPKR MLA Restructuring on the DPU and distribution yield for FY2019, as if the Proposed LPKR MLA Restructuring was completed on 1 January 2019 are as follows:

	FY2019		
	Before the Proposed LPKR MLA Restructuring[(1)]	**After the Proposed LPKR MLA Restructuring[(3)]**	**After the MPU MLA Restructuring and the Proposed LPKR MLA Restructuring[(4)]**
Rental and other income (S$'000)	115,297	83,012	77,550
Net property and other income (S$'000)	112,894	80,609	75,147
Distributable Income (S$'000)	68,463	39,804	35,523
Units in issue and to be issued[(2)]	799,992,974	799,992,974	799,992,974
DPU (cents)[(2)]	8.60	4.98	4.44

Notes:

(1) Based on the FY2019 Audited Consolidated Financial Statements.

(2) The Units in issue and to be issued do not include the 7,213,377 Units issued from 1 January 2020 to the date preceding the date of this Announcement.

(3) Excluding the one-off rental restructuring costs of S$3.4 million, the DPU will be 5.40 cents.

(4) Excluding the one-off rental restructuring costs of S$3.4 million, the DPU will be 4.86 cents.

11.1.2 *Pro Forma* NAV per Unit

The *pro forma* financial effects of the Proposed LPKR MLA Restructuring on the NAV per Unit as at 31 December 2019, as if the Proposed LPKR MLA Restructuring was completed on 31 December 2019 are as follows:

	As at 31 December 2019		
	Before the Proposed LPKR MLA Restructuring(1)	**After the Proposed LPKR MLA Restructuring**	**After the MPU MLA Restructuring and the Proposed LPKR MLA Restructuring**
NAV (S$'000)	794,836	461,074	412,815
Units in issue and to be issued(2)	797,674,515	797,674,515	797,674,515
NAV per Unit (cents)	99.64	57.80	51.75
Leverage ratio	34.5%	45.4%	47.9%

Notes:

(1) Based on the FY2019 Audited Consolidated Financial Statements.

(2) The Units in issue and to be issued do not include the 9,531,836 Units issued from 1 January 2020 to the date preceding the date of this Announcement.

11.1.3 *Pro Forma* Capitalisation

The following table sets out the *pro forma* capitalisation of First REIT as at 31 December 2019, as if the Proposed LPKR MLA Restructuring was completed on 31 December 2019.

	As at 31 December 2019		
	Actual(1)	**As adjusted for the Proposed LPKR MLA Restructuring**	**As adjusted for the MPU MLA Restructuring and the Proposed LPKR MLA Restructuring**
	(S$'000)	(S$'000)	(S$'000)
Short-term debt:			
Unsecured	-	-	-
Secured	-	-	-
Total short-term debt	-	-	-

	As at 31 December 2019		
	Actual(1)	**As adjusted for the Proposed LPKR MLA Restructuring**	**As adjusted for the MPU MLA Restructuring and the Proposed LPKR MLA Restructuring**
	(S$'000)	(S$'000)	(S$'000)
Long-term debt:			
Unsecured	-	-	-
Secured	486,410	486,410	486,410
Total long-term debt	486,410	486,410	486,410
Total Debt	486,410	486,410	486,410
Unitholders funds	794,836	461,074	412,815
Perpetual securities holders' fund	60,878	60,878	60,878
Total Capitalisation	**1,342,124**	**1,008,362**	**960,103**

Note:
(1) Based on the FY2019 Audited Consolidated Financial Statements.

11.2 1H2020

11.2.1 *Pro Forma* DPU

The *pro forma* financial effects of the Proposed LPKR MLA Restructuring on the DPU and distribution yield for 1H2020, as if the Proposed LPKR MLA Restructuring was completed on 1 January 2020 are as follows:

	1H2020		
	Before the Proposed LPKR MLA Restructuring(1)	**After the Proposed LPKR MLA Restructuring**(3)	**After the MPU MLA Restructuring and the Proposed LPKR MLA Restructuring**(4)
Rental and other income (S$'000)	38,598	27,924	26,119
Net property and other income (S$'000)	37,528	26,854	25,049
Distributable income (S$'000)	18,435	7,195	5,860
Units in issue and to be issued(2)	804,523,401	804,523,401	804,523,401
DPU (cents)(2)	2.30	0.89	0.73

Notes:
(1) Based on the 1H2020 Unaudited Consolidated Financial Statements, which includes the two-month rental relief of S$19.6 million extended to all tenants for the months of May and June 2020.
(2) The Units in issue and to be issued do not include the Units 2,682,950 issued from 1 July 2020 to the date preceding the date of this Announcement.
(3) Excluding the one-off rental restructuring costs of S$3.4 million, the DPU will be 1.31 cents.
(4) Excluding the one-off rental restructuring costs of S$3.4 million, the DPU will be 1.15 cents.

11.2.2 *Pro Forma* NAV per Unit

The *pro forma* financial effects of the Proposed LPKR MLA Restructuring on the NAV per Unit as at 30 June 2020, as if the Proposed LPKR MLA Restructuring was completed on 30 June 2020 are as follows:

	As at 30 June 2020		
	Before the Proposed LPKR MLA Restructuring(1)	**After the Proposed LPKR MLA Restructuring**	**After the MPU MLA Restructuring and the Proposed LPKR MLA Restructuring**
NAV (S$'000)	778,150	444,388	396,129
Units in issue and to be issued(2)	802,343,424	802,343,424	802,343,424
NAV per Unit (cents)	96.98	55.39	49.37
Leverage ratio	34.9%	46.1%	48.6%

Notes:
(1) Based on the 1H2020 Unaudited Consolidated Financial Statements, which includes the two-month rental relief of S$19.6 million extended to all tenants for the months of May and June 2020.
(2) The Units in issue and to be issued do not include the 4,862,927 Units issued from 1 July 2020 to the date preceding the date of this Announcement.

[This section has been intentionally left blank.]

11.2.3 *Pro Forma* Capitalisation

The following table sets out the *pro forma* capitalisation of First REIT as at 30 June 2020, as if the Proposed LPKR MLA Restructuring was completed on 30 June 2020.

	As at 30 June 2020		
	Actual[(1)]	**As adjusted for the Proposed LPKR MLA Restructuring**	**As adjusted for the MPU MLA Restructuring and the Proposed LPKR MLA Restructuring**
	(S$'000)	(S$'000)	(S$'000)
Short-term debt:			
Unsecured	-	-	-
Secured	195,670	195,670	195,670
Total short-term debt	195,670	195,670	195,670
Long-term debt:			
Unsecured	-	-	-
Secured	292,917	292,917	292,917
Total long-term debt	292,917	292,917	292,917
Total Debt	488,587	488,587	488,587
Unitholders funds	778,150	444,388	396,129
Perpetual securities holders' fund	60,859	60,859	60,859
Total Capitalisation	**1,327,596**	**993,834**	**945,575**

Note:

(1) Based on the 1H2020 Unaudited Consolidated Financial Statements, which includes the two-month rental relief of S$19.6 million extended to all tenants for the months of May and June 2020.

12. ENGAGEMENT WITH LENDING BANKS

The Manager has engaged with the Refinancing Banks to refinance the 2018 Secured Loan Facilities with a term loan facility of up to S$260 million and has received a finalised term sheet.

The Manager has also commenced the process of seeking consents from the existing lenders of the 2018 Secured Loan Facilities and the 2019 Secured Loan to the amendments of the MLAs pursuant to the Proposed LPKR MLA Restructuring and MPU MLA Restructuring. At the same time, the Manager has also sought waivers from the existing lenders for certain loan covenants under the 2018 Secured Loan Facilities and the 2019 Secured Loan that First REIT may not be able to comply with as a result of the Proposed LPKR MLA Restructuring and MPU MLA Restructuring. For the 2019 Secured Loan, with the waivers from the existing lenders, the Manager will commence the process to amend the loan covenants and provide an additional asset as security.

13. APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Committee has appointed SAC Capital Private Limited (the "**IFA**") to advise the Independent Committee, the Audit and Risk Committee and the Trustee, as to whether the Proposed LPKR MLA Restructuring being Interested Person Transactions is on normal commercial terms and is not prejudicial to the interests of First REIT and its minority Unitholders. The Independent Committee and the Audit and Risk Committee will form their own views after reviewing the opinion of the IFA, which will be set out in the Circular.

14. FURTHER UPDATE ON SILOAM HOSPITALS SURABAYA – ROAD SUBSIDENCE ON JALAN GUBENG, SURABAYA, INDONESIA

14.1 The Manager refers to its earlier announcements dated 31 August 2020, 29 June 2020, 18 May 2020, 10 January 2020, 21 December 2018 in respect of the road subsidence that took place on 18 December 2018 along Jalan Gubeng, Surabaya, which is in close proximity to Siloam Hospitals Surabaya.

14.2 Under the LPKR MOU, the Trustee and LPKR have acknowledged and agreed that, in respect of the development works agreement entered into between PT Saputra Karya ("**PT SK**") and PT Tata Prima Indah ("**PT TPI**") dated 20 October 2015 (the "**Development Works Agreement**"):

(i) the Development Works Agreement has been terminated by PT TPI under the terms of the Development Works Agreement;

(ii) as at the date of the LPKR MOU, a sum of S$28.0 million is due and owing by PT SK to PT TPI under the Development Works Agreement, the repayment of which shall be subject to negotiations in accordance with paragraph 14.2(iv) below;

(iii) LPKR has indicated that as there are still ongoing investigations into the road subsidence incident, possible and ongoing legal action, and the pending outcome of an insurance claim, it may be difficult in the immediate term to arrive at a complete settlement in respect of the claims of PT TPI against PT SK under the Development Works Agreement;

(iv) by 30 June 2021 (or by such other date as the Trustee and LPKR may agree), LPKR will propose to the Trustee 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. The Trustee and LPKR will use their best endeavours to negotiate and reach an agreement on this plan;

(v) LPKR intends to propose a joint venture with a party in respect of the development of the new Siloam Hospitals Surabaya in due course; and

(vi) for the avoidance of doubt, all of the rights of each of PT TPI and PT SK under the Development Works Agreement remain fully reserved and nothing in the LPKR MOU shall be construed as a waiver of any of the rights of any of PT TPI and PT SK under the Development Works Agreement.

14.3 The Manager will provide an update as and when there are any material developments in accordance with the Listing Manual.

15. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager located at 333 Orchard Road #33-02 Singapore 238867 from the date of this Announcement up to and including the date falling three months after the date of this Announcement[1]:

(i) the LPKR MOU;

(ii) the MPU MOU;

(iii) the full valuation report issued by C&W in respect of the LPKR Hospitals and the MPU Hospitals;

(iv) the full valuation report issued by Knight Frank in respect of the LPKR Hospitals and the MPU Hospitals; and

(v) the Independent Market Research Report by the Independent Market Research Consultant.

The Trust Deed will also be available for inspection at the registered office of the Manager for so long as First REIT is in existence.

16. FURTHER DETAILS

Further details relating to the Proposed LPKR MLA Restructuring will be contained in the Circular and an extraordinary general meeting of First REIT will be held in due course. Unitholders are advised to refer to the Circular for any updates to the information contained in this Announcement.

The Manager wishes to advise Unitholders and potential investors to exercise caution when dealing in the Units.

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

29 November 2020

For investor relations queries relating to this Announcement, please contact:

Ang Shih Huei – sang@klarecocomms.com
Karen Yap – kyap@klarecocomms.com

1 Prior appointment with the Manager (telephone: +65 6435 0168 or email: ir@first-reit.com) must be made to schedule the inspection.

APPENDIX A

LIST OF LPKR HOSPITAL PROPERTIES

For the avoidance of doubt, in the event where the rent in respect of any LPKR Hospital is to be paid by both LPKR and a subsidiary of Siloam, the relevant rent amount stipulated in the table below in respect of such LPKR Hospital is the aggregate amount of rent payable by LPKR and such subsidiary of Siloam.

No.	Property Name	Acquisition Year	Existing Base Rent (S$'000s)	Commencement Base Rent (S$'000s)	Existing Base Rent (IDR million)	Commencement Base Rent[1] (IDR million)	Master Lessee(s)	Master Lessor
1.	Siloam Hospitals Lippo Village	2006	13,585	12,952	147,119	140,265	LPKR	PT. Sentra Dinamika Perkasa
2.	Siloam Hospitals Kebon Jeruk	2006	7,699	4,821	83,376	52,210	LPKR	PT. Graha Indah Pratama
3.	Siloam Hospitals Surabaya	2006	3,045	2,780	32,976	30,101	LPKR	PT TPI
4.	Mochtar Riady Comprehensive Cancer Centre	2010	20,383	9,967	220,738	107,941	LPKR	PT Primatama Cemerlang
5.	Siloam Hospitals Manado (excluding Hotel Aryaduta Manado)	2012	5,188[2]	3,202	56,183	34,672	LPKR	PT Menara Abadi Megah
6.	Siloam Hospitals Makassar	2012	5,815	5,251	62,974	56,861	LPKR	PT Bayutama Sukses

1 On 1 January 2021, the Singapore Dollar denominated rents for each hospital (as set out in this **Appendix A**) will be converted to Indonesian Rupiah at an exchange rate of S$1.00 to Rp.10,830.

2 Currently, Siloam Hospitals Manado and Hotel Aryaduta Manado are leased as a whole. The terms of the lease for the Manado Property are contained within one MLA dated 21 September 2012 and there is no separate MLA for Hotel Aryaduta Manado. The master lessee of Hotel Aryaduta Manado will pay a commencement base rent of S$3.307 million as at 1 January 2021 based on the terms of the supplemental MLA in respect of Hotel Aryaduta Manado. The existing base rent of Siloam Hospitals Manado is a derived number, by subtracting S$3.307 million from the total rent of the Manado Property for FY2019.

No.	Property Name	Acquisition Year	Existing Base Rent (S$'000s)	Commencement Base Rent (S$'000s)	Existing Base Rent (IDR million)	Commencement Base Rent[1] (IDR million)	Master Lessee(s)	Master Lessor
7.	Siloam Hospitals Bali	2013	9,844	5,010	106,606	54,261	LPKR	PT Dasa Graha Jaya
8.	Siloam Hospitals TB Simatupang	2013	9,413	3,334	101,938	36,111	LPKR	PT Perisai Dunia Sejahtera
9.	Siloam Hospitals Labuan Bajo	2016	1,850	884	20,035	9,578	LPKR and PT. Lintas Buana Jaya, a wholly-owned subsidiary of Siloam	PT. Prima Labuan Bajo
10.	Siloam Hospitals Yogyakarta	2017	2,430	1,580	26,316	17,113	LPKR and PT. Taruna Perkasa Megah, a wholly-owned subsidiary of Siloam	PT. Yogya Central Terpadu
11.	Siloam Hospitals Buton (excluding Lippo Plaza Buton[1])	2017	1,600	1,074	17,327	11,633	LPKR and PT. Bina Bahtera Sejati, a wholly-owned subsidiary of Siloam	PT. Buton Bangun Cipta
Total			**80,852**	**50,856**	**875,588**	**550,746**		

1 The master lessee of Lippo Plaza Buton will continue to pay rental in accordance with existing master lease agreement terms.

LIST OF NON-HOSPITAL PROPERTIES

No.	Property Name	Acquisition Year	Commencement Base Rent[1] (S$'000s)	Commencement Base Rent[2] (IDR million)	Master Lessee	Master Lessor
1.	Hotel Aryaduta Manado	2012	3,307	35,814	LPKR	PT Menara Abadi Megah

1 Currently, Siloam Hospitals Manado and Hotel Aryaduta Manado are leased as a whole. The terms of the lease for the Manado Property are contained within one MLA dated 21 September 2012 and there is no separate MLA for Hotel Aryaduta Manado. The master lessee of Hotel Aryaduta Manado will pay a commencement base rent of S$3.307 million as at 1 January 2021 based on the terms of the supplemental MLA in respect of Hotel Aryaduta Manado.

2 The commencement base rent for Hotel Aryaduta Manado is S$3.307 million (Rp.35,814 billion at an illustrative exchange rate of S$1 = Rp.10,830).

APPENDIX B

SUMMARY OF THE VARIABLE RENT FORMULA UNDER EACH EXISTING LPKR MLA

All capitalised terms not defined herein shall have the same meanings as given to them in the relevant LPKR MLAs.

<table>
<tr><th>No.</th><th>Indonesia Hospital Name</th><th>Acquisition Year</th><th>Variable Rent</th><th>Note(s)</th></tr>
<tr><td>1.</td><td>Siloam Hospitals Yogyakarta</td><td>2017</td><td rowspan="3">No Variable Rent shall be payable for each of the First Year, the Second Year, the Third Year, the Fourth Year, and the Fifth Year.

In respect of each Year of the Term from and including the Sixth Year, the Variable Rent payable by the Lessee shall be computed as follows:

(i) where the audited Gross Operating Revenue[1] for the Preceding Financial Year exceeds the audited Gross Operating Revenue for the Further Preceding Financial Year by an amount that is 5% or more of the audited Gross Operating Revenue for the Further Preceding Financial Year but less than 15% of the audited Gross Operating Revenue for the Further Preceding Financial Year, the Variable Rent payable by the Lessee shall be equivalent to 0.75% of such excess amount;
(ii) where the audited Gross Operating Revenue for the Preceding Financial Year exceeds the audited Gross Operating Revenue for the Further Preceding Financial Year by an amount that is 15% or more of the audited Gross Operating Revenue for the Further Preceding Financial Year but less than 30% of the audited Gross Operating</td><td rowspan="3">Note:
(1) “Gross Operating Revenue” means with respect to a Fiscal Year, the gross operating revenue of Siloam derived specifically from Siloam’s healthcare and/or healthcare-related business carried on at the Premises, as audited for such Fiscal Year. In the case of Siloam Hospitals Buton, for the avoidance of doubt, “Gross Operating Revenue” does not include the gross operating revenue derived from any business or operations carried on at the Ancillary</td></tr>
<tr><td>2.</td><td>Siloam Hospitals Buton</td><td>2017</td></tr>
<tr><td>3.</td><td>Siloam Hospitals Labuan Bajo</td><td>2016</td></tr>
</table>

No.	Indonesia Hospital Name	Acquisition Year	Variable Rent	Note(s)
			Revenue for the Further Preceding Financial Year, the Variable Rent payable by the Lessee shall be equivalent to 1.25% of such excess amount; and (iii) where the audited Gross Operating Revenue for the Preceding Financial Year exceeds the audited Gross Operating Revenue for the Further Preceding Financial Year by an amount that is 30% or more of the audited Gross Operating Revenue for the Further Preceding Financial Year, the Variable Rent payable by the Lessee shall be equivalent to 2.00% of such excess amount. In respect of each Year of the Term from and including the Sixth Year, for the avoidance of doubt, where the audited Gross Operating Revenue for the Preceding Financial Year does not exceed the audited Gross Operating Revenue for the Further Preceding Financial Year by 5% or more of the audited Gross Operating Revenue for the Further Preceding Financial Year, no Variable Rent is payable.	Healthcare-related Premises.
4.	Siloam Hospitals Bali	2013	No Variable Rent shall be payable for each of the First Year, the Second Year and the Third Year. In respect of the Fourth Year, the Variable Rent payable by the Tenant shall be computed as follows: (i) where the audited Gross Operating Revenue[1] for the Preceding Financial Year exceeds the audited Gross Operating Revenue for the Further Preceding Financial Year by an amount that is 5% or more of the audited Gross Operating Revenue for the Further Preceding Financial Year but less than 15% of the audited Gross Operating	**Notes**: (1) "**Gross Operating Revenue**" means with respect to a Fiscal Year, the gross operating revenue of the Tenant derived specifically from the Tenant's healthcare and/or healthcare-related business carried on at the Property, as audited for such Fiscal Year. In
5.	Siloam Hospitals TB Simatupang	2013		

No.	Indonesia Hospital Name	Acquisition Year	Variable Rent	Note(s)
			Revenue for the Further Preceding Financial Year, the Variable Rent payable by the Tenant shall be equivalent to 0.75% of such excess amount; (ii) where the audited Gross Operating Revenue for the Preceding Financial Year exceeds the audited Gross Operating Revenue for the Further Preceding Financial Year by an amount that is 15% or more of the audited Gross Operating Revenue for the Further Preceding Financial Year but less than 30% of the audited Gross Operating Revenue for the Further Preceding Financial Year, the Variable Rent payable by the Tenant shall be equivalent to 1.25% of such excess amount; and (iii) where the audited Gross Operating Revenue for the Preceding Financial Year exceeds the audited Gross Operating Revenue for the Further Preceding Financial Year by an amount that is 30% or more of the audited Gross Operating Revenue for the Further Preceding Financial Year, the Variable Rent payable by the Tenant shall be equivalent to 2.00% of such excess amount. In respect of the Fourth Year, for the avoidance of doubt, where the audited Gross Operating Revenue for the Preceding Financial Year does not exceed the audited Gross Operating Revenue for the Further Preceding Financial Year by 5% or more of the audited Gross Operating Revenue for the Further Preceding Financial Year, no Variable Rent is payable. In respect of each Year of the Term from and including the Fifth Year:	the case of Siloam Hospitals Bali, the "**Gross Operating Revenue**" shall also include the Shops GOR as audited for such Financial Year. (2) "**Other Property**" means the property known as Siloam Hospitals TB Simatupang (in the case of Siloam Hospitals Bali) or Siloam Hospitals Bali (in the case of Siloam Hospitals TB Simatupang). (3) "**Other Tenant**" means the tenant for the time being of the Other Property. (4) "**Preceding Combined Gross Operating Revenue**" means the aggregate of (a) the audited Gross Operating Revenue for the financial year of the Tenant immediately preceding the relevant Rent Revision Date and (b)

No.	Indonesia Hospital Name	Acquisition Year	Variable Rent	Note(s)
			(a) the Variable Rent payable by the Tenant shall be computed as follows: VR x Tenant Preceding Year Rent/Combined Preceding Year Rent Where: "**VR**" means the amount as determined in accordance with the provisions of Clause (b) below, based on the aggregate Gross Operating Revenue derived from the Property and the Other Property(2); "**Tenant Preceding Year Rent**" means the sum of the total Base Rent and Variable Rent payable by the Tenant hereunder in the preceding Year; and "**Combined Preceding Year Rent**" means the sum of (a) the Tenant Preceding Year Rent and (b) the total base rent and variable rent payable by the Other Tenant(3) under the lease in respect of the Other Property in the preceding Year; (b) in the event the Preceding Combined Gross Operating Revenue(4) exceeds the Further Preceding Combined Gross Operating Revenue(5) by: (1) an amount that is 5% or more of the Further Preceding Combined Gross Operating Revenue but less than 15% of the Further Preceding Combined Gross Operating Revenue, the VR shall be equivalent to 0.75% of such excess amount;	the audited Other Tenant Gross Operating Revenue for the financial year of the Other Tenant immediately preceding the relevant Rent Revision Date. "**Rent Revision Date**" means the third anniversary date of the Commencement Date and thereafter each subsequent anniversary date of the Commencement Date. (5) "**Further Preceding Combined Gross Operating Revenue**" means the aggregate of (a) the Gross Operating Revenue for the financial year of the Tenant preceding the Preceding Financial Year and (b) the audited Other Tenant Gross Operating Revenue for the financial year of the Other Tenant immediately preceding the financial year of the Other Tenant

No.	Indonesia Hospital Name	Acquisition Year	Variable Rent	Note(s)
			(2) an amount that is 15% or more of the Further Preceding Combined Gross Operating Revenue but less than 30% of the Further Preceding Combined Gross Operating Revenue, the VR shall be equivalent to 1.25% of such excess amount; and (3) an amount that is 30% or more of the Further Preceding Combined Gross Operating Revenue, the VR payable shall be equivalent to 2.00% of such excess amount; (c) for the avoidance of doubt, where the Preceding Combined Gross Operating Revenue does not exceed the Further Preceding Combined Gross Operating Revenue by 5% or more of the Further Preceding Combined Gross Operating Revenue, no VR is payable.	immediately preceding the relevant Rent Revision Date.
6.	Siloam Hospitals Manado and Hotel Aryaduta Manado	2012	No Variable Rent shall be payable for each of the First Year, the Second Year and the Third Year. In respect of the Fourth Year, the Variable Rent payable by the Tenant shall be computed as follows: (i) where the audited Gross Operating Revenue[(1)] for the Preceding Financial Year exceeds the audited Gross Operating Revenue for the Further Preceding Financial Year by an amount that is 5% or more but less than 15%, the Variable Rent payable by the Tenant shall be equivalent to 0.75% of such excess amount; (ii) where the audited Gross Operating Revenue for the Preceding Financial Year exceeds the audited Gross Operating Revenue for the Further Preceding Financial	**Notes**: (1) "**Gross Operating Revenue**" means with respect to a Fiscal Year, the gross operating revenue of the Tenant derived specifically from the Tenant's healthcare and/or healthcare-related hospitality business carried on at the Property, as audited for such Fiscal Year. (2) "**Other Property**" means the property known as
7.	Siloam Hospitals Makassar	2012		

No.	Indonesia Hospital Name	Acquisition Year	Variable Rent	Note(s)
			Year by an amount that is 15% or more but less than 30%, the Variable Rent payable by the Tenant shall be equivalent to 1.25% of such excess amount; and (iii) where the audited Gross Operating Revenue for the Preceding Financial Year exceeds the audited Gross Operating Revenue for the Further Preceding Financial Year by an amount of 30% or more, the Variable Rent payable by the Tenant shall be equivalent to 2.00% of such excess amount. In respect of the Fourth Year, for the avoidance of doubt, where the audited Gross Operating Revenue for the Preceding Financial Year does not exceed the audited Gross Operating Revenue for the Further Preceding Financial Year by more than 5%, no Variable Rent is payable. In respect of each Year of the Term from and including the Fifth Year: (a) the Variable Rent payable by the Tenant shall be computed as follows: VR x Tenant Preceding Year Rent/Combined Preceding Year Rent Where: "**VR**" means the amount as determined in accordance with the provisions of Clause (b) below, based on the aggregate Gross Operating Revenue derived from the Property and the Other Property(2);	Siloam Hospitals Makassar (in the case of Siloam Hospitals Manado and Hotel Aryaduta Manado) or Siloam Hospitals Manado and Hotel Aryaduta Manado (in the case of Siloam Hospitals Makassar). (3) "**Other Tenant**" means the tenant for the time being of the Other Property. (4) "**Preceding Combined Gross Operating Revenue**" means the aggregate of (a) the audited Gross Operating Revenue for the financial year of the Tenant immediately preceding the relevant Rent Revision Date and (b) the audited Other Tenant Gross Operating Revenue for the financial year of the Other Tenant immediately preceding the relevant Rent

No.	Indonesia Hospital Name	Acquisition Year	Variable Rent	Note(s)
			"**Tenant Preceding Year Rent**" means the sum of the total Base Rent and Variable Rent payable by the Tenant hereunder in the preceding Year; and "**Combined Preceding Year Rent**" means the sum of (a) the Tenant Preceding Year Rent and (b) the total base rent and variable rent payable by the Other Tenant(3) under the lease in respect of the Other Property in the preceding Year; (b) in the event the Preceding Combined Gross Operating Revenue(4) exceeds the Further Preceding Combined Gross Operating Revenue(5) by: (1) an amount that is more than 5% but less than 15%, the VR shall be equivalent to 0.75% of such excess amount; (2) an amount that is 15% or more but less than 30%, the VR shall be equivalent to 1.25% of such excess amount; and (3) an amount that is 30% or more, the VR payable shall be equivalent to 2.00% of such excess amount; (c) for the avoidance of doubt, where the Preceding Combined Gross Operating Revenue does not exceed the Further Preceding Combined Gross Operating Revenue by more than 5%, no VR is payable.	Revision Date. "**Rent Revision Date**" means the third anniversary date of the Commencement Date and thereafter each subsequent anniversary date of the Commencement Date. (5) "**Further Preceding Combined Gross Operating Revenue**" means the aggregate of (a) the Gross Operating Revenue for the financial year of the Tenant preceding the Preceding Financial Year and (b) the audited Other Tenant Gross Operating Revenue for the financial year of the Other Tenant immediately preceding the financial year of the Other Tenant immediately preceding the relevant Rent Revision Date.

No.	Indonesia Hospital Name	Acquisition Year	Variable Rent	Note(s)
8.	Mochtar Riady Comprehensive Cancer Centre	2010	No Variable Rent shall be payable in the First Year. In respect of the Second Year, Third Year and Fourth Year, the Variable Rent payable by the Tenant shall be determined as follows: (i) the amount equivalent to 0.75% of the audited Tenant Gross Revenue[(1)] for the financial year of the Tenant immediately preceding the relevant Rent Revision Date[(2)] (the "**Preceding Financial Year**") where the audited Tenant Gross Revenue for the Preceding Financial Year exceeds the audited Tenant Gross Revenue for the financial year of the Tenant preceding the Preceding Financial Year ("**Further Preceding Financial Year**") by more than 5% but less than 15%; (ii) the amount equivalent to 1.25% of the audited Tenant Gross Revenue for the Preceding Financial Year where the audited Tenant Gross Revenue for the Preceding Financial Year exceeds the audited Tenant Gross Revenue for the Further Preceding Financial Year by 15% or more but less than 30%; and (iii) the amount equivalent to 2.00% of the audited Tenant Gross Revenue for the Preceding Financial Year where the audited Tenant Gross Revenue for the Preceding Financial Year exceeds the audited Tenant Gross Revenue for the Further Preceding Financial Year by 30% or more. In respect of the Second Year, Third Year and Fourth Year, for the avoidance of doubt, where the audited Tenant Gross Revenue for the Preceding Financial Year does not exceed the audited Tenant Gross Revenue for the Further Preceding Financial Year by more than 5%, no Variable Rent is payable.	**Notes**: (1) "**Tenant Gross Revenue**" means with respect to a Fiscal Year, the gross revenue of the Tenant derived specifically from the Tenant's healthcare and/or healthcare-related hospitality business carried on at the Property, as audited for the relevant Fiscal Year. (2) "**Rent Revision Date**" means the first anniversary date of the Commencement Date and each subsequent anniversary date of the Commencement Date. (3) "**Other Property**" means the property known as Siloam Hospitals Lippo Cikarang. (4) "**Other Tenant**" means the tenant for the time being of the Other Property. (5) "**Preceding Combined Gross Revenue**" means

No.	Indonesia Hospital Name	Acquisition Year	Variable Rent	Note(s)
			In respect of each Year of the Term from and including the Fifth Year: (a) the Variable Rent payable by the Tenant shall be computed as follows: Combined VR x MRCCC Pre-Y Rent / Combined Pre-Y Rent Where: "**Combined VR**" means the amount as determined in accordance with the provisions of Clause (b) below, based on the aggregate gross revenue derived from the Property and the Other Property(3); "**MRCCC Pre-Y Rent**" means the sum of the total Base Rent and Variable Rent payable by the Tenant hereunder in the preceding Year; and "**Combined Pre-Y Rent**" means the sum of the total Base Rent and Variable Rent payable by the Tenant hereunder, and the total base rent and variable rent payable by the Other Tenant(4) under the lease in respect of the Other Property, in the preceding Year;	the aggregate of (a) the audited Tenant Gross Revenue for the financial year of the Tenant immediately preceding the relevant Rent Revision Date and (b) the audited Other Tenant Gross Revenue for the financial year of the Other Tenant immediately preceding the relevant Rent Revision Date. "**Other Tenant Gross Revenue**" means with respect to a Fiscal Year, the gross revenue of the Other Tenant derived specifically from the Other Tenant's healthcare and/or healthcare-related hospitality business carried on at the Other Property, as audited for the relevant Fiscal Year. (6) "**Further Preceding Combined Gross Revenue**" means the

<table>
<tr><th>No.</th><th>Indonesia Hospital Name</th><th>Acquisition Year</th><th>Variable Rent</th><th>Note(s)</th></tr>
<tr><td></td><td></td><td></td><td>(b) in the event the Preceding Combined Gross Revenue[5] exceeds the Further Preceding Combined Gross Revenue[6] by:

(1) more than 5% but less than 15%, the Combined VR payable shall be an amount equivalent to 0.75% of the Preceding Combined Gross Revenue;
(2) 15% or more but less than 30%, the Combined VR payable shall be an amount equivalent to 1.25% of the Preceding Combined Gross Revenue; and
(3) 30% or more, the Combined VR payable shall be an amount equivalent to 2.00% of the Preceding Combined Gross Revenue;

(c) for the avoidance of doubt, where the Preceding Combined Gross Revenue does not exceed the Further Preceding Combined Gross Revenue by more than 5%, no Combined VR is payable.</td><td>aggregate of (a) the audited Tenant Gross Revenue for the financial year of the Tenant preceding the Preceding Financial Year and (b) the audited Other Tenant Gross Revenue for the financial year of the Other Tenant immediately preceding the financial year of the Other Tenant immediately preceding the relevant Rent Revision Date.</td></tr>
<tr><td>9.</td><td>Siloam Hospitals Lippo Village</td><td>2006</td><td rowspan="3">Save for the First Year (which shall be a fixed rent of A[1] billion Rp.), the Variable Rent shall be:

(i) the amount equivalent to 0.75% of the Tenant Gross Revenue[1] of the Preceding Calendar Year where the Tenant Gross Revenue of the Preceding Calendar Year exceeds the Tenant Gross Revenue of the Calendar Year (“Further Preceding Calendar Year”) preceding the Preceding Calendar Year by more than 5% but less than 15%;
(ii) the amount equivalent to 1.25% of the Tenant Gross Revenue of the Preceding Calendar Year where the Tenant</td><td rowspan="3">Notes:
(1) “Tenant Gross Revenue” means with respect to a Fiscal Year, the gross revenue of the Tenant from the Tenant’s healthcare and/or healthcare-related hospitality business carried on at Siloam Hospitals Lippo Village, Siloam Hospitals Kebon</td></tr>
<tr><td>10.</td><td>Siloam Hospitals Kebon Jeruk</td><td>2006</td></tr>
<tr><td>11.</td><td>Siloam Hospitals Surabaya</td><td>2006</td></tr>
</table>

No.	Indonesia Hospital Name	Acquisition Year	Variable Rent	Note(s)
			Gross Revenue of the Preceding Calendar Year exceeds the Tenant Gross Revenue of the Further Preceding Calendar Year by 15% or more but less than 30%; and (iii) the amount equivalent to 2.00% of the Tenant Gross Revenue of the Preceding Calendar Year where the Tenant Gross Revenue of the Preceding Calendar Year exceeds the Tenant Gross Revenue of the Further Preceding Calendar Year by 30% or more. For the avoidance of doubt, where the Tenant Gross Revenue of the Preceding Calendar Year does not exceed the Tenant Gross Revenue of the Further Preceding Calendar Year by more than 5%, no Variable Rent is payable.	Jeruk, Siloam Hospitals Surabaya and Imperial Aryaduta & Country Club, as audited for the relevant Fiscal Year. (2) In the case of Siloam Hospitals Lippo Village, A = 65.776; in the case of Siloam Hospitals Kebon Jeruk, A = 37.279; in the case of Siloam Hospitals Surabaya, A = 14.742.

APPENDIX C

LIST OF MPU HOSPITAL PROPERTIES

No.	Property Name	Acquisition Year	Existing Base Rent (S$'000s)	Commencement Base Rent[1] (S$'000s)	Existing Base Rent (IDR million)	Commencement Base Rent (IDR million)	Master Lessee	Master Lessor
1.	Siloam Hospitals Purwakarta	2014	3,456	1,767	37,427	19,142	MPU	PT. Eka Dasa Parinama
2.	Siloam Sriwijaya	2014	3,941	2,016	42,679	21,828	MPU	PT. Sriwijaya Mega Abadi
3.	Siloam Hospitals Kupang	2015	3,867	1,978	41,878	21,418	MPU	PT. Nusa Bahana Niaga
		Total	**11,264**	**5,761**	**121,984**	**62,388**		

1 On 1 January 2021, the Singapore Dollar denominated rents for each hospital (as set out in this **Appendix C**) will be converted to Indonesian Rupiah at an exchange rate of S$1.00 to Rp.10,830.

APPENDIX D

SUMMARY OF THE VARIABLE RENT FORMULA UNDER EACH EXISTING MPU MLA

All capitalised terms not defined herein shall have the same meanings as given to them in the relevant MPU MLAs.

No.	Indonesia Hospital Name	Acquisition Year	Variable Rent	Note
1.	Siloam Hospitals Purwarkata	2014	No Variable Rent shall be payable for each of the First Year, the Second Year and the Third Year. In respect of each Year of the Term from and including the Fourth Year, the Variable Rent payable by the Tenant (or, in the case of Siloam Hospitals Kupang, the Lessee) shall be computed as follows: (i) where the audited Gross Operating Revenue[1] for the Preceding Financial Year exceeds the audited Gross Operating Revenue for the Further Preceding Financial Year by an amount that is 5% or more of the audited Gross Operating Revenue for the Further Preceding Financial Year but less than 15% of the audited Gross Operating Revenue for the Further Preceding Financial Year, the Variable Rent payable by the Tenant (or, in the case of Siloam Hospitals Kupang, the Lessee) shall be equivalent to 0.75% of such excess amount; (ii) where the audited Gross Operating Revenue for the Preceding Financial Year exceeds the audited Gross Operating Revenue for the Further Preceding Financial Year by an amount that is 15% or more of the audited Gross Operating Revenue for the Further Preceding Financial Year but less than 30% of the audited Gross Operating Revenue for the Further Preceding Financial Year, the	**Note**: (1) "**Gross Operating Revenue**" means with respect to a Fiscal Year, the gross operating revenue of the Tenant (or, in the case of Siloam Hospitals Kupang, the Lessee) derived specifically from the Tenant's (or, in the case of Siloam Hospitals Kupang, the Lessee's) healthcare and/or healthcare-related business carried on at the Property, as audited for such Fiscal Year. In the event the Property is sub-let by the Tenant (or, in the case of Siloam Hospitals Kupang, the Lessee) to a sub-tenant (or, in the case of Siloam
2.	Siloam Sriwijaya	2014		
3.	Siloam Hospitals Kupang	2015		

No.	Indonesia Hospital Name	Acquisition Year	Variable Rent	Note
			Variable Rent payable by the Tenant (or, in the case of Siloam Hospitals Kupang, the Lessee) shall be equivalent to 1.25% of such excess amount; and (iii) where the audited Gross Operating Revenue for the Preceding Financial Year exceeds the audited Gross Operating Revenue for the Further Preceding Financial Year by an amount that is 30% or more of the audited Gross Operating Revenue for the Further Preceding Financial Year, the Variable Rent payable by the Tenant (or, in the case of Siloam Hospitals Kupang, the Lessee) shall be equivalent to 2.00% of such excess amount. In respect of each Year of the Term from and including the Fourth Year, for the avoidance of doubt, where the audited Gross Operating Revenue for the Preceding Financial Year does not exceed the audited Gross Operating Revenue for the Further Preceding Financial Year by 5% or more of the audited Gross Operating Revenue for the Further Preceding Financial Year, no Variable Rent is payable.	Hospitals Kupang, a sub-lessee), the Gross Operating Revenue shall mean with respect to a Fiscal Year, the gross operating revenue of the sub-tenant (or, in the case of Siloam Hospitals Kupang, the sub-lessee) derived specifically from the sub-tenant's (or, in the case of Siloam Hospitals Kupang, the sub-lessee's) healthcare and/or healthcare-related business carried on at the Property as audited for such Fiscal Year.

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