

FOR IMMEDIATE RELEASE

First REIT broadens asset base in Indonesia

- *To acquire Siloam Hospitals Purwakarta at an attractive discount of 17.3%*
- *Raises total asset size to S\$1.09 billion and expands portfolio to 15 properties*
- *Attractive initial rental yield of close to 11%, higher than existing properties*

SINGAPORE – 13 March 2014 – Bowsprit Capital Corporation Limited (“Bowsprit”), the Manager of First Real Estate Investment Trust (“First REIT” or the “Trust”), announced that First REIT (through its wholly-owned subsidiary, Finura Investments Pte. Ltd.) has on 12 March 2014 entered into a conditional sale and purchase agreement with PT Purimas Elok Asri (“**PT PEA**”), an unrelated party, for the proposed acquisition of Siloam Hospitals Purwakarta (“**SHPW**”) at a purchase consideration of S\$31.0 million.

Based on the higher of two independent valuations of S\$37.5 million for SHPW, the purchase consideration represents an attractive discount of 17.3%. This acquisition will expand First REIT’s portfolio to 15 properties and broaden its asset base by 3.8% from S\$1.05 billion as at 31 December 2013 to S\$1.09 billion.

The acquisition will be financed by a combination of a drawdown from First REIT’s committed debt facility and the issuance of new units (“**Consideration Units**”). S\$26.5 million of the purchase consideration will be paid in cash and the remaining S\$4.5 million will be satisfied by the issuance of the Consideration Units. The final issue price of the Consideration Units will be determined based on the 10-Day Volume Weighted Average Price of the Units immediately preceding the date of completion of the acquisition of SHPW.

Mr Albert Cheok, Chairman of Bowsprit commented, “This investment offers a unique opportunity for First REIT to invest in a growing niche market in Purwakarta, West Java, which has a population of almost 1.0 million. It also enhances the diversification of our portfolio across locations and medical specialisations, thereby strengthening First REIT’s asset base and maintaining an attractive cash flow and yield profile.”

With an initial base rent of S\$3.4 million per annum and a current rental yield of approximately 11.0%, which is higher than the other existing properties, First REIT will be able to achieve its required rate of return.

Assuming First REIT had purchased SHPW on 1 January 2013, the pro forma financial effects for the financial year ended 31 December 2013 (“FY2013”) will result in DPU increasing by 0.02 cents to 7.54 cents from 7.52 cents and NAV per Unit increasing by 1 cent to \$0.98 from S\$0.97.

“We are heartened that the Trust has made significant progress in our yield-accretive investments in the last two years with the acquisition of four premium assets. These acquisitions have enhanced our revenue stream and enabled the Trust to deliver stable and growing distributions to our Unitholders, as evidenced by our stellar performance for FY2013. With the addition of this new acquisition, we expect continuing long-term growth for the Trust,” said Bowsprit’s Chief Executive Officer Dr Ronnie Tan.

“Purwakarta has a growing manufacturing, trading and agricultural market and a real Gross Domestic Product compound annual growth rate of 5.8% from 2008 to 2012. We believe SHPW is well-positioned to cater to the burgeoning middle income groups in the residential and industrial areas of the city. Urbanisation of densely populated Jakarta is also leading to a gradual shift to nearby cities like Cikarang, Purwakarta and Bandung to the east of Greater Jakarta. Located between Jakarta and Bandung, Purwakarta is able to attract residents from these two cities, and the Purwakarta-Bandung highway also offers good access for the rural population to SHPW,” added Dr Tan.

Impact of the Acquisition on Overall Portfolio

	Before the Acquisition (as at 31 December 2013)	After the Acquisition	Change
Asset Size	S\$1.05 billion	S\$1.09 billion	+3.8%
Total Gross Floor Area	227,376 sq m	235,630 sq m	+3.6%
Weighted Average Lease to Expiry	11.3 years	11.5 years	+1.8%
Weighted Average Age of Properties	9.6 years	9.6 years	-

Impact of the Acquisition on Indonesian Portfolio

	Before the Acquisition	After the Acquisition	Change
Total Number of Hospital Beds in Indonesia	2,318	2,521	+8.8%

The Unitholders’ Circular in relation to the acquisition of SHPW, the master lease agreement of SHPW and the proposed issuance of the SHPW Consideration Units, together with a notice of the extraordinary general meeting (“EGM”) to be convened, will be despatched to Unitholders in due course.

About Siloam Hospitals Purwakarta

SHPW comprises a three-storey hospital building and a five-storey hospital building adjoining each other. Strategically located at Jalan Bungursari No. 1, Purwakarta, West Java, Indonesia, it has a total gross floor area of about 8,254 square metres and a maximum capacity of 203 beds. The three-storey and five-storey hospital buildings were completed in 2005 and 2008 respectively, and have just been upgraded with new facilities and medical equipment. SHPW will operate under the “Siloam Hospitals” brand as part of the largest private healthcare chain in Indonesia and listed on the Jakarta Stock Exchange. SHPW is a Centre of Excellence for emergency, trauma and is registered to treat patients under the Health Ministry’s Social Security Management Agency Program.



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About First REIT

First Real Estate Investment Trust ("First REIT") is a real estate investment trust constituted by the Trust Deed entered into on 19 October 2006 between Bowsprit Capital Corporation Limited as the Manager and HSBC Institutional Trust Services (Singapore) Limited as the Trustee. First REIT was listed on the Singapore Exchange Securities Trading Limited on 11 December 2006.

First REIT is Singapore's first healthcare real estate investment trust that aims to invest in a diversified portfolio of income-producing real estate and / or real estate-related assets in Asia that are primarily used for healthcare and / or healthcare-related purposes.

Managed by Bowsprit Capital Corporation Limited, First REIT's portfolio consists of 14 properties located in Indonesia, Singapore and South Korea, namely 1) Siloam Hospitals Lippo Village, 2) Siloam Hospitals Kebon Jeruk, 3) Siloam Hospitals Surabaya, 4) Imperial Aryaduta Hotel & Country Club, 5) Mochtar Riady Comprehensive Cancer Centre, 6) Siloam Hospitals Lippo Cikarang, 7) Siloam Hospitals Manado & Hotel Aryaduta Manado, 8) Siloam Hospitals Makassar, 9) Siloam Hospitals Bali, 10) Siloam Hospitals TB Simatupang, 11) Pacific Healthcare Nursing Home @ Bukit Merah, 12) Pacific Healthcare Nursing Home II @ Bukit Panjang, 13) The Lentor Residence and 14) Sarang Hospital.

Its hospital assets in Indonesia are operated by PT Siloam International Hospitals Tbk, a subsidiary of PT Lippo Karawaci Tbk, a strong brand name in the Indonesian healthcare industry supported by a team of international healthcare professionals, whereas the Imperial Aryaduta Hotel & Country Club & Hotel Aryaduta Manado are operated by The Aryaduta Hotel & Resort Group. In Singapore, the nursing homes at Bukit Merah and Bukit Panjang are operated by Pacific Healthcare Nursing Home Pte. Ltd. and Pacific Eldercare and Nursing Pte. Ltd. respectively. The Lentor Residence is operated by First Lentor Residence Pte. Ltd. Sarang Hospital in South Korea is managed by a private doctor.

Through First REIT, investors can participate in an asset class that has a focus towards Asia's growing healthcare sector, which is boosted by an increase in life expectancy in Indonesia and the rest of Southeast Asia.

IMPORTANT NOTICE

The value of units in First REIT ("Units") and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders of First REIT may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the "SGX-ST"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This document is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of First REIT is not necessarily indicative of the future performance of First REIT. This document may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without

limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of future events.