

FOR IMMEDIATE RELEASE

First REIT strengthens growth with acquisition in Kupang, East Nusa Tenggara, Indonesia

- To acquire Siloam Hospitals Kupang and Lippo Plaza Kupang for S\$70.00 million, at a 7.19% discount to the higher of the two independent valuations
- The high quality asset will generate a rental income of S\$6.94 million per annum, which translates to an attractive 9.91% triple net yield
- Acquisition will increase First REIT's asset base by 6.84% to S\$1.25 billion

SINGAPORE – 19 November 2015 – Bowsprit Capital Corporation Limited (“Bowsprit”), the Manager of **First Real Estate Investment Trust (“First REIT” or the “Trust”)**, today announced that First REIT (through its indirect wholly-owned subsidiaries, SHKP Investment I Pte. Ltd. and SHKP Investment II Pte. Ltd.) has entered into conditional share purchase agreements with unrelated parties, PT Bumi Sarana Sejahtera (“**PT BSS**”) and PT Graha Data Nusa (“**PT GDN**”) (both wholly-owned subsidiaries of PT Metropolis Propertindo Utama (“**PT MPU**”)), to acquire the entire share capital of PT Nusa Bahana Niaga (“**PT NBN**”), who holds certain rights to Siloam Hospitals Kupang (“**SHKP**”) and Lippo Plaza Kupang (the “**Mall**”) (collectively, the “**Kupang Property**”).

The purchase of the entire share capital of PT NBN will be at a price consideration of S\$70.00 million¹, representing a discount of 7.19%² to S\$75.42 million, which is the higher of the two independent valuations.

“The proposed acquisition presents a great opportunity for the Trust to further diversify our portfolio across locations with this maiden asset in city of Kupang, East Nusa Tenggara province in Indonesia. It also aligns with our long term strategic and growth plans of bolstering our distribution per unit accretion and asset size,” said Dr Ronnie Tan, Bowsprit’s Chief Executive Officer.

Assuming the property was purchased on 1 January 2014, the pro forma distribution per unit (“**DPU**”) for First REIT’s financial year ended 31 December 2014 (“**FY2014**”) is 8.27 Singapore cents, representing an

¹ The price consideration was derived from the BOT Agreement between PT NBN (as the “Build Operate Transfer” (“**BOT**”) grantee) and the Provincial Government of Nusa Tenggara Timur (as BOT grantor) which will commence on 12 May 2011 (being the date of signing of the BOT Agreement) and expire on 11 May 2036. For further details, please refer to the announcement titled “Proposed Acquisition” made by the Manager on 19 November 2015.

² KJPP Winarta & Rekan (in association with Jones Lang LaSalle) has independently valued the property at S\$75.42 million as at 1 October 2015 and KJPP Willson & Rekan (in association with Knight Frank) has independently valued the property at S\$73.34 million as at 7 October 2015.

increase of 2.73%, and the pro forma distributable income for FY2014 is S\$61.49 million, representing an increase of 5.62%. “The Trust has been delivering consistently growing DPU for the last consecutive quarters and with this asset, we will be able to continue to maximise returns to our Unitholders,” added Dr Tan.

The acquisition will expand First REIT’s portfolio to 17 properties across Indonesia, Singapore and South Korea, as well as boost its total asset size by 6.84% from S\$1.17 billion to S\$1.25 billion. This larger asset size and portfolio will help raise the profile of First REIT among global investors and enhance its positioning and ability to pursue future acquisitions.

Concurrent with the completion of the acquisition, First REIT will enter into separate master lease agreements with PT MPU for SHKP and PT BSS for the Mall, for a lease term of 15 years, with an option to renew for a further term of 15 years. At an expected combined annual initial base rent of approximately S\$6.94 million, the properties offer an attractive triple net rental yield of 9.91%, further improving the income stream for the Trust.

Commented Mr Albert Cheok, Chairman of the Manager, “I am pleased to see the Trust making significant progress with its strategy of acquiring yield-accretive assets and delivering growing returns to our Unitholders. With its recent announcement on the asset enhancement initiative for Siloam Hospitals Surabaya and the addition of this new acquisition, we expect the Trust to continue with its growth trajectory going forward.”

Financing

The acquisition will be funded through a combination of cash, debt and the issuance of consideration units. The issue price of the consideration units will be determined based on the higher of S\$1.30 and the 10-Day Volume Weighted Average Price³ of the units immediately preceding the date of completion of the acquisition.

About the Kupang Property

Located in the capital city of Kupang in East Nusa Tenggara province, SHKP is a four-storey hospital building with one basement floor, a maximum capacity of 405 beds and 133 vehicle parking spaces. Completed in November 2014, SHKP commenced operations under Siloam Hospitals on 20 December 2014. It is a Centre

³ “10-Day Volume Weighted Average Price” refers to the volume weighted average traded price for a unit for all trades on the Singapore Exchange Securities Trading Limited (“SGX-ST”) in the ordinary course of trading on the SGX-ST for the period of 10 business days immediately preceding the relevant business day.

of Excellence for Emergency & Trauma, Mother and Child, and the various specialties offered include Internal Medicine, Anaesthesiology, Cardiology, Obstetrics & Gynaecology, Neurology and General Surgery.

The hospital is the most modern and well-equipped facility in the whole East Nusa Tenggara province. It is fitted with advanced diagnostic technologies including 128-slice dual source CT Scanner, X-ray systems, 4-Dimension USG, Mammography, Dental Panoramic system, MRI, Haemodialysis Facility, and a fully equipped medical check-up facility.

The Mall is a three-storey building with a rooftop, on which a cinema and parking lots are located. The Mall was completed in December 2014 and commenced operations in March 2015. The Mall is managed by PT Lippo Malls Indonesia, who is engaged by PT BSS.

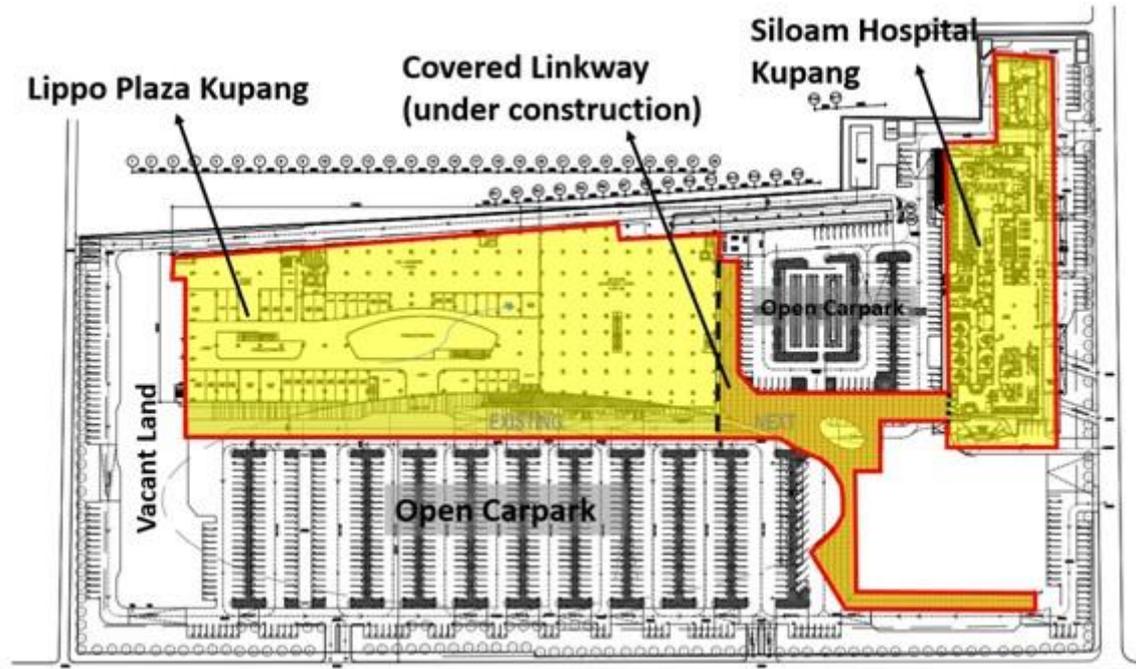
SHKP and the Mall are part of the land granted to PT NBN under the BOT Agreement between the Provincial Government of East Nusa Tenggara Timur and PT NBN for the land where both SHKP and the Mall are located. Under existing local government land regulations, it is not possible to subdivide SHKP and the Mall into two separate Right to Build (*Hak Guna Bangunan*) land titles. Hence, the Trust has to acquire the whole property which includes the Mall.

Impact of the Acquisition on Overall Portfolio

Information as at 31 December 2014	Before the Acquisition	After the Acquisition	Change
Asset Size	S\$1.17 billion	S\$1.25 billion	+6.84%
Total Gross Floor Area	251,339 sq m	306,707 sq m	+22.03%
Weighted Average Lease to Expiry	10.8 years	11.5 years	+6.48%
Weighted Average Age of Properties	10.1 years	8.3 years	-17.82%

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ANNEX



Site Plan of SHKP and the Mall



Exterior View of SHKP

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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 16 properties located in Indonesia, Singapore and South Korea, namely 1) Siloam Hospitals Lippo Village, 2) Siloam Hospitals Kebon Jeruk, 3) Siloam Hospitals Surabaya, 4) Imperial Aryaduta Hotel & Country Club, 5) Mochtar Riady Comprehensive Cancer Centre, 6) Siloam Hospitals Lippo Cikarang, 7) Siloam Hospitals Manado & Hotel Aryaduta Manado, 8) Siloam Hospitals Makassar, 9) Siloam Hospitals Bali, 10) Siloam Hospitals TB Simatupang, 11) Siloam Hospitals Purwakarta, 12) Siloam Sriwijaya, 13) Pacific Healthcare Nursing Home @ Bukit Merah, 14) Pacific Healthcare Nursing Home II @ Bukit Panjang, 15) The Lentor Residence and 16) 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 The 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.