

FOR IMMEDIATE RELEASE

First REIT continues to expand asset base in Indonesia with acquisition in Labuan Bajo

- *The purchase consideration of S\$20.0 million is at a discount of 2.6% to the average of two independent valuations*
- *The acquisition will expand First REIT's portfolio from 17 to 18 properties and broaden its asset size to S\$1.29 billion*

SINGAPORE – 7 November 2016 – Bowsprit Capital Corporation Limited (“Bowsprit”), the manager of **First Real Estate Investment Trust (“First REIT” or the “Trust”**, and as manager of First REIT, the **“Manager”**), today announced that First REIT (through its indirect wholly-owned subsidiary, PT Prima Labuan Bajo) has entered into a conditional sale and purchase agreement with PT Pancuran Intan Makmur, an indirect wholly-owned subsidiary of PT Lippo Karawaci Tbk, the sponsor of First REIT (**“Lippo Karawaci” or the “Sponsor”**) for the proposed acquisition of Siloam Hospitals Labuan Bajo (**“SHLB”** and the acquisition of SHLB, the **“Acquisition”**) at a purchase consideration of approximately S\$20.0 million.

The purchase consideration represents a discount of 2.6% to S\$20.54 million, being the average of two independent valuations of SHLB obtained¹. Upon completion, this acquisition will expand First REIT's portfolio from 17 to 18 properties and broaden its asset size by 1.6% to S\$1.29 billion from S\$1.27 billion (as at 31 December 2015).

In connection with the acquisition, a master lease over SHLB will be granted for a lease term of 15 years, commencing from the date of completion of the acquisition with an option to renew for a further term of 15 years. With an expected annual initial base rent of S\$1.85 million, the property will offer an attractive initial rental yield of 9.25%. The pro forma financial effects of the acquisition of SHLB for the financial year ended 31 December 2015, will result in distribution per unit rising from 8.30 Singapore cents to 8.33 Singapore cents.

Commenting on the proposed acquisition, Mr Albert Cheok, Chairman of Bowsprit said, “This proposed acquisition will further enhance First REIT's footprint in Indonesia and strengthen its position to tap on the

¹ KJPP Rengganis, Hamid & Rekan (in strategic alliance with CBRE) has independently valued SHLB at S\$20.50 million as at 19 October 2016 and KJPP Rinaldi, Alberth, Baroto & Partners has independently valued SHLB at S\$20.58 million as at 19 October 2016.

growing healthcare market. In addition, Unitholders can look forward to a larger and more diversified asset base that generates stronger cash flows and attractive total returns.”

The Manager intends to finance the acquisition by a combination of a drawdown from First REIT’s committed debt facilities and internal cash.

Located in the East Nusa Tenggara province of Indonesia, SHLB is a newly built stand-alone hospital in the tourism centre of Labuan Bajo. Spanning three storeys with a total gross floor area of 7,604 square metres, the hospital has a maximum capacity of 153 beds and is a Centre of Excellence for Emergency Medicine, Internal Medicine and Neuroscience. It commenced operations in January 2016.

“Once a fishing village, Labuan Bajo is now a bustling tourism centre. The town is a gateway to the famous Komodo National Park and has a developed port that connects to the neighbouring islands. SHLB will be able to leverage on its first-mover advantage, being the only hospital currently operating in the West Manggarai Regency. A modern and well-equipped hospital, SHLB is well-positioned to capitalise on the rising demand for quality healthcare from the local residents and growing tourism market,” said Dr Ronnie Tan, Bowsprit’s Chief Executive Officer.

Impact of the Acquisition on Overall Portfolio of the Trust

Information as at 31 December 2015	Before the Acquisition	After the Acquisition	Change
Asset Size	S\$1.27 billion	S\$1.29 billion	+1.6%
Total Gross Floor Area	306,707 sq m	314,311 sq m	+2.5%
Weighted Average Lease to Expiry	10.8 years	10.9 years	+0.9%
Weighted Average Age of Properties	9.3 years	9.1 years	-2.2%

The proposed acquisition is subject to, among others, the approval of unitholders of First REIT (“Unitholders”) at an extraordinary general meeting (“EGM”).

The Unitholders’ Circular in relation to the SHLB acquisition and the master lease, together with a notice of the EGM to be convened, will be despatched to Unitholders in due course.

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

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