



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

ANNOUNCEMENT

TAX RULINGS IN RELATION TO THE 5.680 PER CENT. SUBORDINATED PERPETUAL SECURITIES

Bowsprit Capital Corporation Limited, in its capacity as manager of First Real Estate Investment Trust ("**First REIT**") and as manager of First REIT, the "**Manager**", refers to its announcement dated 30 June 2016 relating to the issue of S\$60,000,000 in aggregate principal amount of 5.680 per cent. subordinated perpetual securities (the "**Perpetual Securities**") by HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of First REIT) pursuant to the S\$500,000,000 Multicurrency Debt Issuance Programme (the "**Programme**") and its information memorandum dated 16 July 2015 in relation to the Programme.

Based on the tax ruling received from the Inland Revenue Authority of Singapore ("**IRAS**"):

- (a) IRAS agrees that based on the features and the terms and conditions of the Perpetual Securities, the Perpetual Securities are debt instruments for Singapore income tax purposes;
- (b) IRAS is prepared to regard the Perpetual Securities as "debt securities" for the purpose of Sections 13(16) and 43N(4) of the Income Tax Act, Chapter 134 of Singapore ("**ITA**") and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations ("**QDS Regulations**") and the distributions (including the optional distributions) on the Perpetual Securities will be regarded as interest;
- (c) holders of the Perpetual Securities ("**Holders**") may be entitled to the tax exemption and concession available for qualifying debt securities ("**QDS**") on the distributions (including the optional distributions) on the Perpetual Securities, provided that all the governing conditions under the QDS Regulations, Sections 43N and 13(16) of the ITA for QDS are met; and
- (d) First REIT may be allowed a tax deduction under Section 14(1)(a) of the ITA on the distributions (including the optional distributions) on the Perpetual Securities, provided that:
 - (i) such distributions (including the optional distributions) are incurred by First REIT on capital (raised through the issuance of the Perpetual Securities) employed in acquiring the income of First REIT that is chargeable to tax; and
 - (ii) the requirements under Section 14 of the ITA are satisfied and the deduction is not prohibited under any other provisions of the ITA.

The tax rulings obtained from the IRAS are based on facts presented to the IRAS and on the IRAS' current interpretation and application of the existing tax laws.

Holders are advised to consult their own tax advisers on the tax consequences that may be applicable to them, in Singapore or in their own tax jurisdiction.

By Order of the Board

Dr Ronnie Tan Keh Poo
Chief Executive Officer
Bowsprit Capital Corporation Limited
(as manager of First Real Estate Investment Trust)
(Company registration no. 200607070D)

17 November 2016

Important Notice

The value of 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 may only deal in their Units through trading on 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.