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26-01-07 10:26 AM

To lawrence.wong@boardroomlimited.com
cc ronnetan@first-reit.com
bcc

Subject First REIT: Query on report in BT dated 26 Jan 07

History: This message has been forwarded.

Dear Lawrence,

As spoken in our phone conversation earlier, it was reported in Business Times dated 26 Jan 2007 that:

"INDONESIAN Lippo Group's First Real Estate Investment Trust (Reit) will double its portfolio size to \$500 million in the next three years and raise it further to \$1 billion in five years."

"The CEO of First Reit's manager Bowsprit Capital Corporation, Ronnie Tan, said the next acquisition will be a hospital in Medan, Indonesia, for less than \$30 million. And Lippo's property development arm Lippo Karawaci is developing three hospitals that could be injected into First Reit."

"Mr Tan said the Reit will also be looking at Malaysia, China and India for acquisitions, and he is currently in negotiations with three to four parties in China. First Reit may fund acquisitions in China through debt of up to \$50 million. This month, it established a \$90 million credit facility with OCBC Bank. Its current gearing is 16.6 per cent but this could go up to the maximum 35 per cent to fund future acquisitions, Mr Tan said."

"Mr Tan said the trust is looking at more opportunities here, including a government site in Jalan Jurong Kechil for the possible development of a nursing/retirement home. 'We are interested in the site and are currently looking for an operator,' he said. For Singapore at least, First Reit will look at acquiring more nursing homes. Mr Tan pointed out that Singapore now has about 3,200 private nursing homes."

Please confirm whether the above information reported is material and accurate.

If the information is material, please advise whether an announcement has been made. If not, kindly make the necessary announcement as soon as possible. If the company is of the view that the information is not material, kindly provide the basis for the company's views.

We would like to remind the Company that pursuant to Appendix 7.1 of the Listing Manual on the Corporate Disclosure Policy:

PART VI CLARIFICATION OR CONFIRMATION OF RUMOURS OR REPORTS

Public circulation of information, whether by an article published in a newspaper, by a broker's market letter, or by word-of-mouth, either correct or false, which has not been substantiated by the issuer and which is likely to have, or has had, an effect on the price of the issuer's listed securities or would be likely to have a bearing on investment decisions must be clarified or confirmed promptly.

If rumours indicate that material information has been leaked, a frank and explicit announcement is required. If rumours are in fact false or inaccurate, they should be promptly denied or clarified. A statement to the effect that the issuer knows of no corporate developments that could account for the unusual market activity can have a salutary effect. In

addition, a reasonable effort should be made to bring the announcement to the attention of the party that initially distributed the information (in the case of an erroneous newspaper article, for example, by sending a copy of the announcement to the newspaper's financial editor, or in the case of an erroneous market letter, by sending a copy to the broker responsible for the letter). If rumours are correct or there are developments, an immediate statement to the public as to the state of negotiations or corporate plans in the rumoured area must be made. Such statements are essential despite the business inconvenience which may result, even if the matter had yet to be presented to the issuer's board of directors for consideration.

In the case of a rumour or report predicting future sales, earnings or other data, no response from the issuer is ordinarily required. However, the issuer must make a prompt announcement so that the market remains properly informed if the rumour or report is materially incorrect and may mislead investors, or is specific enough to suggest that information came from an inside source, or the market moves in a way that appears to be referable to the rumour or report.

Should you require any clarifications, kindly contact me at 6236-8239. We would appreciate a response from the Trust asap, latest by noon today. Thank you.

Regards,
Mandy Koo
Issuer Regulation
Risk Management & Regulation Group
Singapore Exchange Limited
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Tel: 6-236-8239

Confidentiality Caution

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