

PRESS RELEASE

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First REIT posts stable 4Q 2009 distributable income of S\$5.3 million

- DPU for the period at 1.92 cents per unit
- Annualised DPU of 7.62 Singapore cents translates to distribution yield of 8.86%
- Variable rental growth component of 1.25% of total gross revenue for Indonesian assets in FY 2010
- Committed to maintaining a payout policy of 100% of distributable income for FY 2010

| <i>(S\$'000)</i> | <i>4Q 2009</i> | <i>4Q 2008</i> | <i>Change (%)</i> | <i>FY 2009</i> | <i>FY 2008</i> | <i>Change (%)</i> |
|--|----------------|----------------|-------------------|----------------|----------------|-------------------|
| Gross Revenue | 7,667 | 7,564 | 1.4 | 30,162 | 29,964 | 0.7 |
| Net Property Income | 7,580 | 7,493 | 1.2 | 29,850 | 29,750 | 0.3 |
| Distributable Amount | 5,284 | 5,318 | (0.6%) | 20,964 | 20,831 | 0.6% |
| Distribution Per Unit (cents) | 1.92 | 1.94 | (1.0%) | 7.62 | 7.62 | - |
| Distribution Yield (%) Based on closing price of S\$0.860 on 20 January 2010 | 8.86 | 17.52* | (49.4%) | 8.86 | 17.52* | (49.4%) |

*Based on closing price of S\$0.435 on 20 January 2009

SINGAPORE – 22 January 2010 – Bowsprit Capital Corporation Limited (“Bowsprit”), the **Manager of First Real Estate Investment Trust** (“**First REIT**”), Singapore’s first healthcare real estate investment trust, today reported a stable distributable income of S\$5.3 million for the fourth quarter ended 31 December 2009 (“4Q 2009”) – similar to that achieved last year.

4Q 2009 distribution per unit (“DPU”) remained steady at 1.92 Singapore cents. Based on its closing price of S\$0.860 on 20 January 2010 and the annualised DPU of 7.62 Singapore cents, First REIT registered a healthy distribution yield of 8.86% for the period.

Gross revenue and net property income inched up 1.4% and 1.2% to S\$7.7 million and S\$7.6 million respectively.

On a full-year basis, distributable income increased 0.6% to S\$21.0 million on the back of a 0.7% rise in gross revenue to S\$30.2 million.

Looking ahead

The recent global recession has demonstrated the resilience of the healthcare business, particularly in Asia which continues to perform well. The healthcare sector is set to grow, driven by three main factors:

- 1) Amidst the uncertain economic environment and with the improving standards of healthcare locally, more patients especially in Indonesia are staying back instead of travelling abroad to seek medical care;
- 2) The trend towards an ageing population; and
- 3) The increasing incidence of chronic and lifestyle illnesses.

In Indonesia, First REIT's Siloam Group of hospitals, whose brand is associated with quality healthcare of international standard, has witnessed robust growth in demand for services and higher occupancy.

As a result of the hospitals' strong performance, First REIT will enjoy a variable rental growth component of 1.25% of the total gross revenue of its four Indonesian assets in FY 2010. This is in addition to the annual escalation based on 2 times Singapore CPI (capped at 2%).

“We are heartened that our hospitals in Indonesia have continued to perform well despite the global financial crisis last year. The variable rental component, in addition to the fixed annual rental escalation, will mean higher revenue to be generated by our Indonesian assets for FY 2010,” said Dr Ronnie Tan, Bowsprit's Chief Executive Officer.

In Singapore, where First REIT owns three nursing homes, the prospects for private nursing care are bright in view of a steadily aging population and the Government's recent push to boost and raise awareness of palliative care services. All these factors will help to underscore the current and future demand for quality nursing homes and eldercare facilities for short and long-term convalescent, respite and rehabilitative care.

The Trust will continue to look at ways to enhance its nursing homes. As a first step, plans are being proposed for extension works at the Lentor Residence.

In addition, First REIT has commenced comprehensive asset enhancement works for its Adam Road Hospital since November 2009 with completion targeted for mid-2011. When completed, Adam Road Hospital will be transformed into a modern boutique cancer specialist hospital to be renamed "Pacific Cancer Centre @ Adam Road" and to be operated by Pacific Cancer Centre Pte. Ltd, a wholly-owned subsidiary of Singapore-listed Pacific Healthcare Holdings.

The cost of asset enhancement works, estimated at S\$18.6 million, will be funded through debt, and will raise First REIT's gearing from 15.5% as at 31 December 2009 to just below 20.0% upon completion – which will still be significantly lower than the regulatory limit of 35.0%.

"Our tight capital management and low gearing, coupled with the fact there is no refinancing requirements until 2012, have provided First REIT with ample headroom to pursue acquisition opportunities and carry out further asset enhancement works to provide best-in-class service for our patients. With improving market conditions, we are currently exploring acquisition opportunities with our sponsor, PT Lippo Karawaci, Tbk and other third parties to expand our portfolio of yield accretive properties and raise our overall asset base," said Dr Tan.

As at 26 December 2009, First REIT's eight properties were revalued at S\$340.9 million, representing an increase of S\$16.0 million over First REIT's book value as at 31 December 2008.

In January 2010, the Trust terminated its option agreement in relation to the proposed acquisition of Tech-Link healthcare logistics and distribution centre in Singapore, as the terms were no longer attractive in the present market environment.

Distribution Policy

First REIT is committed to maintaining a payout policy of 100% of distributable income for FY 2010.

Books Closure and Distribution Payment

For the purpose of determining each Unitholder's entitlement to First REIT's 4Q 2009 distribution, the Transfer Books and Register will be closed from 5pm on 1 February 2010. The distribution of 1.92 cents per Unit will be paid out on 26 February 2010.

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About First REIT

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 eight properties located in Indonesia and Singapore, namely, 1) Siloam Hospitals Lippo Village, 2) Siloam Hospitals Kebon Jeruk, 3) Siloam Hospitals Surabaya, 4) Imperial Aryaduta Hotel & Country Club, 5) Pacific Healthcare Nursing Home @ Bukit Merah, 6) Pacific Healthcare Nursing Home II @ Bukit Panjang, 7) The Lentor Residence, 8) Adam Road Hospital.

Its Indonesian assets are operated by PT Siloam International Hospitals, a wholly-owned subsidiary of PT Lippo Karawaci Tbk, a strong brand name in the Indonesian healthcare industry supported by a team of international healthcare professionals. 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. Both operators are companies in which Pacific Healthcare Holdings Limited have substantial interest. The Lentor Residence is operated by First Lentor Residence Pte. Ltd. while The Adam Road Hospital is operated by Health Promise Pte. Ltd.

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 and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Manager redeem or purchase 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 release may contain forward-looking statements that involve assumptions, 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 other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.