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First REIT to acquire two Jakarta hospitals for a purchase consideration of S\$205.5 million to be funded partially by Rights Issue of 345,664,382 new units

- *At S\$0.50 each, the rights issue will raise approximately S\$172.8 million in gross proceeds for the new **Mochtar Riady Comprehensive Cancer Centre**, Indonesia's first private comprehensive cancer treatment centre with 160 beds, and the 75-bed **Siloam Hospitals Lippo Cikarang** – a Centre of Excellence for Urology, Internal Medicine and Trauma*

SINGAPORE – 9 November 2010 – Bowsprit Capital Corporation Limited, the Manager of First Real Estate Investment Trust (“**First REIT**” and as manager of First REIT, the “**Manager**”), Singapore’s first healthcare real estate investment trust, today announced that it proposes to conduct a rights issue (the “**Rights Issue**”) to part finance the acquisition of two new healthcare properties in Indonesia. The Mochtar Riady Comprehensive Cancer Centre (“**MRCCC**”) is being acquired from Wincatch Limited, an unrelated third party, for S\$170.5 million, and Siloam Hospitals Lippo Cikarang (“**SHLC**”) is being acquired from the sponsor of First REIT, PT Lippo Karawaci Tbk, for S\$35.0 million (collectively the “**Acquisitions**”).

The respective purchase prices of MRCCC and SHLC represent an attractive discount of 19.7% and 13.8% respectively to the average of the properties’ latest independent valuations. The Acquisitions will increase First REIT’s assets by 74.3% to S\$603.4 million. Further details concerning the Acquisitions

and the Rights Issue will be set out in the circular to be issued to unitholders in connection with the Acquisitions and the Rights Issue (the “**Circular**”). The Manager expects the Acquisitions to be yield accretive.¹

To part finance the Acquisitions, the Manager plans to raise approximately S\$172.8 million in gross proceeds through a fully-underwritten and renounceable rights issue of 345,664,382 new units in First REIT (“**Units**” and the new Units, the “**Rights Units**”) to eligible unitholders, on a pro rata basis of five (5) Rights Units for every four (4) existing Units, at S\$0.50 each (fractional entitlements to be disregarded). The Rights Issue books closure date will be at 5.00 p.m. on 3 December 2010. Credit Suisse and OCBC Bank are the Joint Lead Managers and Underwriters for First REIT’s Rights Issue.

The Issue Price represents a discount of 47.4% to the closing price of S\$0.95 per Unit on 4 November 2010 (the “**Closing Price**”). The Issue Price also represents a discount of 28.6% to the TERP² of S\$0.70 per Unit, based on the Closing Price.

The acquisition of MRCCC and related transaction costs will be funded in cash through a combination of the net proceeds from the Rights Issue and partially through a new term loan facility of up to S\$50.0 million. The acquisition of SHLC and related transaction costs will be fully financed in cash from the proceeds raised from the Rights Issue. Upon completion of the Acquisitions, First REIT’s sponsor, PT Lippo Karawaci Tbk, will be the master tenant of both the properties.

The proposed renounceable Rights Issue will be fully underwritten by Credit Suisse and OCBC Bank. PT Lippo Karawaci Tbk has given an irrevocable undertaking to take up its pro rata entitlement and also committed to the underwriters that it will subscribe for 50.0% of the difference between the total number of units offered in the Rights Issue and its 21.7% proportionate unitholding in First REIT.

¹ The Manager will set out its profit forecast / projection together with the accompanying assumptions in the Circular.

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$$\text{TERP} = \frac{\text{Market capitalisation of First REIT} + \text{Gross proceeds from the Rights Issue}}{\text{Units in issue after the Rights Issue}}$$

The transactions described above are subject to unitholders' approval at an extraordinary general meeting of unitholders scheduled for 29 November 2010.

Commenting on the latest acquisitions, the Chairman of the Manager Mr Albert Saychuan Cheok said, "We are very pleased with the acquisition of two very high-quality, strategically-located hospitals with specialized competencies in cancer treatment, urology, internal medicine and trauma, operating in the growing healthcare market of Indonesia. These acquisitions will enhance First REIT's growing portfolio of healthcare assets in Indonesia and Singapore."

Key benefits of the Acquisitions

The Manager believes that the Acquisitions will bring, among others, the following key benefits to the unitholders:

- (i) opportunity to purchase attractive and high quality properties at prices below valuation;
- (ii) increased income stability of First REIT through the MRCCC Master Lease Agreement and the SHLC Master Lease Agreement and increase in First REIT's weighted average lease expiry;
- (iii) unique opportunity to acquire two quality hospitals in Jakarta, Indonesia;
- (iv) increased absolute size of First REIT's asset base which may raise the profile of First REIT among global investors and increased portfolio size enhances First REIT's competitive positioning and ability to pursue future acquisitions;
- (v) increased market capitalisation and potential increased liquidity through the Rights Issue;
- (vi) yield accretive acquisitions with expected increase in distribution yield to unitholders;
- (vii) the Acquisitions would enable First REIT to grow through the acquisition of a portfolio of hospitals which enhances the diversification of First REIT's portfolio across locations and medical specialisations; and
- (viii) increase in attractiveness of the enlarged portfolio given the reduction in the weighted average age of the properties in the enlarged portfolio after the completion of the Acquisitions.

The total Gross Floor Area ("GFA") of the enlarged portfolio will increase by 58.7% from 83,638.2 sqm to 132,696.2 sqm. The total number of Indonesia hospital beds will increase by 43.8% from 537 to 772. Dr Ronnie Tan, CEO of the Manager said, "In 2007, we had set a target to increase our assets under management from S\$280 million to S\$500 million by 2010. With the acquisition of these two latest

properties, our total asset portfolio would exceed S\$600 million, well ahead of our target despite the recent global economic crisis.

Moving ahead, we will work even harder to achieve a portfolio size of S\$1 billion in the next two to three years. We will continue to look for other yield-accretive assets in these markets as well as the rest of the Asia Pacific region. Earlier in March this year, First REIT's investment policy was expanded to enable us to invest in a wider range of income-producing assets within the healthcare sector, in order to increase First REIT's diversity of income streams and stability of returns to unitholders."

About Mochtar Riady Comprehensive Cancer Centre

MRCCC, which will begin operations in December 2010, is Indonesia's first private comprehensive cancer treatment centre equipped with state of the art cancer treatment and diagnostic facilities. The 29-storey, 160-bed hospital is strategically-located close to Plaza Semanggi, the Aryaduta Suites Hotel Semanggi and other international five-star hotels in South Jakarta's central business district. Its Centre of Excellence is in comprehensive cancer treatment services. Upon the completion of the acquisition of MRCCC, First REIT will hold MRCCC under a 'Right to Build' (*Hak Guna Bangunan* or "HGB") title which will expire on 27 August 2015.³ The vendor of MRCCC, Wincatch Limited has, at its cost, initiated the process of renewal of the HGB title for another 20 or more years

About Siloam Hospital Lippo Cikarang

SHLC, which began operations in 2002, is a six-storey hospital (with a basement and a covered roof space) which will accommodate 75 beds by the end of 2010. It is situated in the growing residential and industrial areas of East Jakarta and is committed to providing a broad range of quality general and specialist services, including Accident and Emergency services with Centres of Excellence in Urology, Internal Medicine and Trauma.

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³ In Indonesia, a HGB title is the closest form of land title to the internationally recognised concept of 'leasehold' title. A holder of the HGB title has the right to erect, occupy and use buildings on the parcel of land and sell all or part of such parcel.

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 a total of eight properties (the "Existing Portfolio") with four properties located in Indonesia, namely 1) Siloam Hospitals Lippo Village, 2) Siloam Hospitals Kebon Jeruk, 3) Siloam Hospitals Surabaya, and 4) Imperial Aryaduta Hotel & Country Club, and four properties located in Singapore, namely 1) Pacific Healthcare Nursing Home @ Bukit Merah, 2) Pacific Healthcare Nursing Home II @ Bukit Panjang, 3) The Lentor Residence and 4) Pacific Cancer Centre @ Adam Road. Upon completion of the acquisition of Mochtar Riady Comprehensive Cancer Centre and Siloam Hospital Lippo Cikarang, First REIT will have 10 properties in its portfolio.

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 Pacific Cancer Centre @ Adam Road is operated by Health Promise Pte. Ltd.

Through First REIT, investors can participate in an asset class that has a focus on 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. 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 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.