

Offer Information Statement dated 6 December 2010

(Lodged with the Monetary Authority of Singapore on 6 December 2010)

THIS OFFER INFORMATION STATEMENT IS IMPORTANT. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser.

The collective investment scheme offered in this Offer Information Statement is an authorised scheme under the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"). A copy of this Offer Information Statement, together with the application form for the new units in First Real Estate Investment Trust ("First REIT") to be issued for the purpose of the Rights Issue (as defined herein) ("Rights Units") and Excess Rights Units (as defined herein) ("ARE") and the application form for Rights Units to be issued to purchasers of the Rights Entitlements (as defined herein) ("ARS") under the Rights Issue traded on the Singapore Exchange Securities Trading Limited (the "SGX-ST") under the book-entry (scripless) settlement system, has been lodged with the Monetary Authority of Singapore (the "Authority"). The Authority assumes no responsibility for the contents of this Offer Information Statement, the ARE and the ARS. Lodgement of this Offer Information Statement with the Authority does not imply that the SFA or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the merits of the units being offered, or in respect of which an invitation is made, for investment.

Approval in-principle has been obtained from the SGX-ST for the listing of and quotation for the Rights Units on the Main Board of the SGX-ST. The SGX-ST's in-principle approval is not an indication of the merits of the Rights Issue, the Rights Units, First REIT and/or its subsidiaries. The SGX-ST assumes no responsibility for the accuracy of any statements made, reports contained or opinions expressed in this Offer Information Statement. No units in First REIT ("Units") shall be allotted on the basis of this Offer Information Statement later than the date falling six months from the date of lodgement of this Offer Information Statement.

This Offer Information Statement may not be sent to any person or any jurisdiction in which it would not be permissible to deliver or make an offer of Rights Units and the "nil-paid" provisional allotments of Rights Units to Eligible Unitholders (as defined herein) under the Rights Issue ("Rights Entitlements"), and the Rights Units and the Rights Entitlements may not be offered, sold, resold, transferred or delivered, directly or indirectly, to any such person or in any of such jurisdictions. In particular, this Offer Information Statement should not be distributed in or sent to the United States or to a U.S. person (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act")). The Rights Units and Right Entitlements have not been and will not be registered under the Securities Act or under the securities laws of any state or other jurisdiction of the United States and accordingly, may not be offered, sold, resold, granted, delivered, allotted, taken up, exercised, pledged, transferred or renounced, directly or indirectly, in the United States or to or by U.S. persons, except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Right Units and the Rights Entitlements are being offered, sold or delivered only outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act. Please refer to the Section entitled "Transfer and Selling Restrictions" of this Offer Information Statement.

FIRST REIT

FIRST REAL ESTATE INVESTMENT TRUST

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

MANAGED BY

BOWSPRIT CAPITAL CORPORATION LIMITED

FULLY UNDERWRITTEN RENOUNCEABLE RIGHTS ISSUE (THE "RIGHTS ISSUE") OF 345,664,382 RIGHTS UNITS AT AN ISSUE PRICE OF S\$0.50 FOR EACH RIGHTS UNIT (THE "ISSUE PRICE"), ON THE BASIS OF FIVE (5) RIGHTS UNITS FOR EVERY FOUR (4) EXISTING UNITS (THE "RIGHTS RATIO") HELD BY ELIGIBLE UNITHOLDERS AS AT 3 DECEMBER 2010 AT 5.00 P.M. (THE "RIGHTS ISSUE BOOKS CLOSURE DATE")

Joint Lead Managers and Underwriters for the Rights Issue

**IMPORTANT DATES AND TIMES**

(The following is qualified by, and should be read in conjunction with, the section entitled "Timetable of Key Events")

Last date and time for trading of Rights Entitlements	:	16 December 2010 at 5.00 p.m.
Last date and time for acceptance of Rights Entitlements and payment for Right Units	:	22 December 2010 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of Participating Banks (each as defined herein))
Last date and time for application and payment for Excess Rights Units	:	22 December 2010 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)

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NOTICE TO UNITHOLDERS AND INVESTORS

No person has been authorised to give any information or make any representations other than those contained in this Offer Information Statement in connection with the Rights Issue and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of First REIT, Bowsprit Capital Corporation Limited, in its capacity as manager of First REIT (the “**Manager**”), HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of First REIT (the “**Trustee**”), Oversea-Chinese Banking Corporation Limited (“**OCBC Bank**”) and Credit Suisse (Singapore) Limited (“**Credit Suisse**”) as the Joint Lead Managers and Underwriters for the Rights Issue (the “**Joint Lead Managers and Underwriters**”). Save as expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of First REIT or the Manager. Neither the delivery of this Offer Information Statement nor the issue of the Rights Units shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no material change in the affairs of First REIT or in any of the information contained herein since the date of this Offer Information Statement. Where such changes occur after the date of this Offer Information Statement and are material and required to be disclosed by law and/or the SGX-ST, the Manager will announce such changes via SGXNET¹, and if required, lodge a supplementary or replacement document with the Authority. All holders of Units (“**Unitholders**”) and investors should take note of any such announcement and, upon the release of such announcement or lodgement of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

For Eligible Unitholders, acceptances of the Rights Entitlements and (if applicable) applications for Excess Rights Units may be made through The Central Depository (Pte) Limited (“**CDP**”) or through an ATM of a Participating Bank in accordance with the terms and conditions of this Offer Information Statement (“**Electronic Application**”).

Central Provident Fund (“CPF”) Investment Scheme (“CPFIS”) investors, Supplementary Retirement Scheme (“SRS”) investors and investors who hold Units through a finance company and/or Depository Agent (as defined herein) should see the section entitled “Important Notice to (A) CPFIS Investors, (B) SRS Investors and (C) Investors Who Hold Units Through a Finance Company and/or Depository Agent” of this Offer Information Statement for important details relating to the offer procedure for them.

This Offer Information Statement, the ARE and the ARS may not be used for the purpose of, and does not constitute, an offer, invitation or solicitation in any jurisdiction or in any circumstances in which such offer, invitation or solicitation is unlawful or unauthorised, or to any person to whom it is unlawful to make such offer, invitation or solicitation. In addition, no action has been or will be taken in any jurisdiction (other than Singapore) that would permit a public offering of the Rights Units or the possession, circulation or distribution of this Offer Information Statement or any other material relating to First REIT or the Rights Units in any jurisdiction (other than Singapore) where action for that purpose is required. The Rights Units may not be offered or sold, directly or indirectly, and neither this Offer Information Statement nor any other offering material or advertisements in connection with the Rights Units may be distributed or published in or from any country or jurisdiction, except, in each case, under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. No information in this Offer Information Statement should be considered to be business, financial, legal or tax advice regarding an investment in the Rights Units and/or Units.

The Manager, the Trustee and the Joint Lead Managers and Underwriters and their respective officers and employees make no representation, warranty or recommendation whatsoever as to the merits of the Rights Issue, the Rights Units, the Rights Entitlements or First REIT, or any other matter related thereto or in connection therewith. Nothing in this Offer Information Statement or the accompanying documents shall be construed as a recommendation to subscribe for the Rights Units. Prospective subscribers of the Rights Units should rely on their own investigation, appraisal and determination of the merits of investing in First REIT and shall be deemed to have done so.

¹ An internet-based corporate announcement submission system maintained by the SGX-ST.

This Offer Information Statement and the accompanying documents have been prepared solely for the purposes of the Rights Issue and may not be relied upon for any other purposes.

This Offer Information Statement may not be sent to any person or any jurisdiction in which it would not be permissible to deliver or make an offer of Rights Units and Rights Entitlements, and the Rights Units and the Rights Entitlements may not be offered, sold, resold, transferred or delivered, directly or indirectly, to any such person or in any of such jurisdictions. In particular, this Offer Information Statement should not be distributed in or sent to the United States or to a U.S. person (as defined in Regulation S under the Securities Act). The Rights Units and Right Entitlements have not been and will not be registered under the Securities Act or under the securities laws of any state or other jurisdiction of the United States and accordingly, may not be offered, sold, resold, granted, delivered, allotted, taken up, exercised, pledged, transferred or renounced, directly or indirectly, in the United States or to or by U.S. persons, except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Right Units and the Rights Entitlements are being offered, sold or delivered only outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act. Please refer to the Section entitled “Transfer and Selling Restrictions” of this Offer Information Statement. The distribution of this Offer Information Statement and/or its accompanying documents may be prohibited or restricted by law (either absolutely or subject to various requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant laws of these jurisdictions. Entitled Unitholders or any other persons having possession of this Offer Information Statement and/or its accompanying documents are advised to keep themselves informed of and observe such prohibitions and restrictions at their own expense and without liability to the Manager, the Trustee or the Joint Lead Managers and Underwriters. Please refer to the Sections entitled “Eligibility of Unitholders to Participate in the Rights Issue” and “Transfer and Selling Restrictions” of this Offer Information Statement.

Selected financial data from the audited financial statements of First REIT and its subsidiaries (the “**Group**”) for the financial period from 19 October 2006 (being the date of constitution of First REIT) to 31 December 2007 (“**FP2007**”, and the audited financial statements of the Group for FP2007, the “**FP2007 Audited Financial Statements**”), the audited financial statements of the Group for the financial year ended 31 December 2008 (“**FY2008**”, and the audited financial statements of the Group for FY2008, the “**FY2008 Audited Financial Statements**”), the audited financial statements of the Group for the financial year ended 31 December 2009 (“**FY2009**”, and the audited financial statements of the Group for FY2009, the “**FY2009 Audited Financial Statements**”), the unaudited financial statements of the Group for the nine months ended 30 September 2009 (“**9M2009**”, and the unaudited financial statements of the Group for 9M2009, the “**9M2009 Unaudited Financial Statements**”) and the unaudited financial statements of the Group for the nine months ended 30 September 2010 (“**9M2010**”, and the unaudited financial statements of the Group for 9M2010, the “**9M2010 Unaudited Financial Statements**”) (collectively, the “**Financial Statements**”), is set out in **Appendix A**. Financial data relating to distribution per Unit (“**DPU**”), earnings per Unit and net asset value (“**NAV**”) per Unit before and after any adjustment to reflect (i) the Acquisitions (as defined herein) and the Rights Issue and (ii) the Transactions (as defined herein) is set out respectively in the section entitled “Pro Forma Financial Information”.

Such selected financial data should be read together with the relevant notes to the Financial Statements, where applicable, which are available for inspection during normal business hours at the registered office of the Manager at 1 Phillip Street, #15-00, Singapore 048692, from the date of this Offer Information Statement up to and including the date falling six months after the date of this Offer Information Statement¹.

Prospective investors are advised to obtain and read the Financial Statements (including the relevant notes, where applicable) before making any investment decision in relation to the Rights Entitlements and the Rights Units.

¹ Prior appointment with the Manager will be appreciated.

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 or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. None of the Manager or any of its affiliates guarantees the performance of First REIT or the repayment of capital from First REIT, or any particular rate of return.

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 Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of First REIT is not necessarily indicative of the future performance of First REIT.

Forward-Looking Statements

This Offer Information Statement 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. The Manager, the Trustee and the Joint Lead Managers and Underwriters do not represent or warrant that the actual future performance, outcomes or results of First REIT will be as discussed in those statements. 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 property expenses and operating expenses, and governmental and public policy changes. (See the section entitled "Risk Factors" for a discussion of certain factors to be considered in connection with an investment in the Rights Entitlements and the Rights Units)

You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events. Investors should read the whole of this Offer Information Statement and make their own assessment of the future performance of First REIT before deciding whether to subscribe for the Rights Units. Investors should also make their own independent investigations of any bases and assumptions upon which financial projections, if any, are made or based, and carefully consider this Offer Information Statement in the light of their personal circumstances. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded off.

**IMPORTANT NOTICE TO (A) CPFIS INVESTORS, (B) SRS INVESTORS AND
(C) INVESTORS WHO HOLD UNITS THROUGH A FINANCE COMPANY
AND/OR DEPOSITORY AGENT**

Unitholders who have subscribed for or purchased Units under the CPFIS, the SRS or through a finance company and/or Depository Agent can only accept their Rights Entitlements and (if applicable) apply for Excess Rights Units by instructing the relevant banks, finance company and/or Depository Agent in which they hold their CPFIS accounts and/or SRS accounts to do so on their behalf.

ANY APPLICATION MADE DIRECTLY BY THE ABOVE-MENTIONED UNITHOLDERS THROUGH CDP OR THROUGH ATMS WILL BE REJECTED.

The above-mentioned Unitholders, where applicable, will receive notification letter(s) from their respective approved bank, finance company and/or Depository Agent and should refer to such notification letter(s) for details of the last date and time to submit acceptances of the Rights Entitlements and (if applicable) applications for Excess Rights Units to their respective approved bank, finance company and/or Depository Agent.

(i) Use of CPF Funds

Unitholders participating in the CPFIS — Ordinary Account must use, subject to applicable CPF rules and regulations, monies standing to the credit of their respective CPF Investment Accounts to pay for the acceptance of their Rights Entitlements and (if applicable) application for Excess Rights Units, if they have previously bought their Units using their CPF Investible Savings (“**CPF Funds**”).

Such Unitholders who wish to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units using CPF Funds must have sufficient funds in their CPF Investment Accounts and must instruct their respective approved banks, where such Unitholders hold their CPF Investment Accounts, to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf in accordance with this Offer Information Statement.

Such Unitholders who have insufficient funds in their CPF Investment Accounts may deposit cash into their CPF Investment Accounts with their approved banks to enable them to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units. CPF Funds may not, however, be used for the purchase of the Rights Entitlements directly from the market.

(ii) Use of SRS Funds

Unitholders with SRS accounts must use, subject to applicable SRS rules and regulations, monies standing to the credit of their respective SRS accounts to pay for the acceptance of their Rights Entitlements and (if applicable) application for Excess Rights Units.

Such Unitholders who wish to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units using SRS monies, must instruct the relevant banks in which they hold their SRS accounts to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf in accordance with this Offer Information Statement. Such Unitholders who have insufficient funds in their SRS accounts may, subject to the SRS contribution cap, deposit cash into their SRS accounts with their approved banks to enable them to subscribe for their Rights Entitlements and (if applicable) apply for Excess Rights Units.

(iii) Holdings through Finance Company and/or Depository Agent

Unitholders who hold Units through a finance company and/or Depository Agent must instruct the relevant finance company and/or Depository Agent to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf in accordance with this Offer Information Statement.

ELIGIBILITY OF UNITHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

ELIGIBLE UNITHOLDERS

Eligible Unitholders are Unitholders with Units standing to the credit of their securities account with CDP (“**Securities Account**”) (but do not include securities sub-accounts) and whose registered addresses with CDP are in Singapore as at the Rights Issue Books Closure Date or who have, at least three Market Days¹ prior to the Rights Issue Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents and such Unitholders who the Manager, on behalf of First REIT, and in consultation with the Joint Lead Managers and Underwriters determine, may be offered Rights Units without breaching applicable securities laws (“**Eligible Unitholders**”).

Eligible Unitholders will receive their Rights Entitlements under the Rights Issue on the basis of their unitholdings in First REIT as at the Rights Issue Books Closure Date and are entitled to participate in the Rights Issue and to receive this Offer Information Statement (including the ARE) at their respective Singapore addresses. Eligible Unitholders who do not receive this Offer Information Statement and the ARE may obtain them from CDP for the period up to the Closing Date (as defined herein).

Eligible Unitholders are at liberty to accept in part or in full, decline or otherwise renounce or trade (during the Rights Entitlements trading period prescribed by the SGX-ST) their Rights Entitlements and are eligible to apply for Excess Rights Units.

The Rights Units represented by the provisional allotments (A) of (i) Eligible Unitholders who decline, do not accept, and elect not to renounce or sell their Rights Entitlements under the Rights Issue (during the Rights Entitlements trading period prescribed by the SGX-ST) and/or (ii) Ineligible Unitholders (as defined herein) which have not been sold during the Rights Entitlements trading period or (B) that have not been validly taken up by the original allottees, renounees of the Rights Entitlements or the purchasers of Rights Entitlements (collectively, “**Excess Rights Units**”) will be issued to satisfy Excess Rights Units applications as the Manager may, in its absolute discretion, deem fit.

In the allotment of Excess Rights Units, preference will be given to the rounding of odd lots (if any) and directors of the Manager (“**Directors**”) and Substantial Unitholders (as defined herein) will rank last in priority.

All dealings in and transactions of the Rights Entitlements through the SGX-ST will be effected under the book-entry (scripless) settlement system.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the Rights Entitlements and for the applications for Excess Rights Units, including the different modes of acceptance and application and payment, are contained in **Appendices C** and **D** and in the ARE and the ARS.

INELIGIBLE UNITHOLDERS

No Rights Entitlements will be provisionally allotted to Unitholders other than Eligible Unitholders (“**Ineligible Unitholders**”) and no purported acceptance thereof or application for Excess Rights Units therefore by Ineligible Unitholders will be valid.

This Offer Information Statement and its accompanying documents (including the ARE) will not be despatched to Ineligible Unitholders. This Offer Information Statement and its accompanying documents (including the ARE) relating to the Rights Issue have not been and will not be lodged, registered or filed in any jurisdiction other than Singapore.

¹ “**Market Day**” refers to any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading.

The offer, sale and delivery of the Rights Entitlements and the Rights Units may be prohibited or restricted in certain jurisdictions under their relevant securities laws. Thus, for practical reasons and in order to avoid any violation of the securities legislation or other relevant laws applicable in countries (other than in Singapore) where Unitholders may have as their addresses registered with CDP, the Rights Issue will not be extended to Ineligible Unitholders.

This Offer Information Statement and its accompanying documents will also not be despatched to persons purchasing the Rights Entitlements, whose registered addresses with CDP are outside Singapore (“**Foreign Purchasers**”). Foreign Purchasers who wish to accept the Rights Entitlements credited to their Securities Accounts should ensure that they comply with the applicable rules, regulations and make the necessary arrangements with CDP, their Depository Agents or stockbrokers in Singapore. Foreign Purchasers may not accept the Rights Entitlements credited to their Securities Accounts unless the Manager and its counsel are satisfied that such action would not result in contravention of any registration or other legal requirement in any jurisdiction. Purchasers are also advised to note the offer, selling and transfer restrictions set forth in the section entitled “Transfer and Selling Restrictions” of this Offer Information Statement.

The Manager reserves the right, but shall not be obliged, to treat as invalid any application or purported application, or decline to register such application or purported application which (i) appears to the Manager or its agents to have been executed in any jurisdiction outside Singapore or which the Manager believes may violate any applicable legislation of such jurisdiction, or (ii) purports to exclude any deemed representation or warranty.

Please refer to the Section entitled “Transfer and Selling Restrictions” of this Offer Information Statement. The Manager, the Trustee and the Joint Lead Managers and Underwriters reserve absolute discretion in determining whether to allow participation in the Rights Issue as well as the identity of the persons who may be allowed to do so. Each recipient or purchaser of the Rights Entitlements and the Rights Units will be deemed to have represented and agreed, among other things, that the recipient or purchaser (a) is, and the person, if any, for whose account it is acquiring such Rights Entitlements and Rights Units is, outside the United States and is not a U.S. person, and (b) is acquiring the Rights Entitlements and the Rights Units in an offshore transaction meeting the requirements of Regulation S under the Securities Act.

Notwithstanding the above, Unitholders and any other person having possession of this Offer Information Statement are advised to inform themselves of and to observe all legal requirements applicable thereto. No person in any territory outside Singapore receiving this Offer Information Statement may treat the same as an offer, invitation or solicitation to subscribe for any Rights Units unless such offer, invitation or solicitation could lawfully be made without violating any regulation or legal requirements in such territory.

If it is practicable to do so, the Manager may, in its absolute discretion, arrange for Rights Entitlements which would otherwise have been allotted to Ineligible Unitholders to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the Rights Entitlements commence. Such sales may, however, only be effected if the Manager, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto.

Where such Rights Entitlements are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Manager, may, in its absolute discretion, decide and no Ineligible Unitholder, persons in the United States, U.S. persons or persons acting for the account or benefit of any such persons, shall have any claim whatsoever against the Manager, the Joint Lead Managers and Underwriters, the Trustee, CDP or CPF Board or their respective officers in respect of such sales or the proceeds thereof, the Rights Entitlements or the Rights Units represented by such provisional allotments.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Ineligible Unitholders in proportion to their respective unitholdings determined as at the Rights Issue Books Closure Date and sent to them by means of a crossed cheque drawn on a bank in Singapore via ordinary post to their mailing address as maintained with CDP, at their own risk, or such other manner as they may have agreed with CDP for the payment of any cash distributions, provided that where the amount to be distributed to any Ineligible Unitholder, persons in the United States, U.S. persons or persons acting for the account or benefit of any such persons, is less than S\$10.00, the Manager

shall be entitled to retain or deal with such net proceeds as the Manager may, in its absolute discretion, deem fit for the sole benefit of First REIT and no Ineligible Unitholder shall have any claim whatsoever against the Manager, the Joint Lead Managers and Underwriters, the Trustee, CDP or CPF Board or their respective officers in connection herewith.

If such Rights Entitlements cannot be or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the Rights Entitlements, the Rights Units represented by such Rights Entitlements will be issued to satisfy applications for Excess Rights Units or dealt with in such manner as the Manager may, in its absolute discretion, deem fit in the interest of First REIT and no Ineligible Unitholder, persons in the United States, U.S. persons or persons acting for the account or benefit of any such persons, shall have any claim whatsoever against the Manager, the Joint Lead Managers and Underwriters, the Trustee, CDP, CPF Board and their respective officers in connection therewith.

Unitholders should note that the special arrangement described above will apply only to Ineligible Unitholders.

TRANSFER AND SELLING RESTRICTIONS

GENERAL

Investors are advised to consult their legal counsel prior to making any offer, sale, resale, pledge or other transfer of the Rights Entitlements and the Rights Units. No action has been or will be taken to permit the Rights Issue in any jurisdiction or the possession, circulation, or distribution of this Offer Information Statement, its accompanying documents or any other material relating to First REIT, its subsidiaries, the Manager, the Trustee, the Rights Entitlements and the Rights Units in any jurisdiction where action would be required for that purpose, except that this Offer Information Statement has been lodged with the Authority. Accordingly, the Rights Entitlements and the Rights Units may not be offered, sold or delivered, directly or indirectly, and none of this Offer Information Statement, its accompanying documents, or any offering materials or advertisements in connection with the Rights Entitlements and the Rights Units may be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction.

This Offer Information Statement and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

United States

For the Rights Issue, the Manager on behalf of First REIT is relying upon the exemption from registration of the Rights Units and Rights Entitlements provided by Regulation S under the Securities Act. The Rights Entitlements and the Rights Units have not been, and will not be, registered under the Securities Act or under the securities laws of any state of the United States and may be offered, sold, resold, granted, delivered, allotted, taken up, exercised, pledged, transferred or renounced only outside the United States to non-U.S. persons in accordance with Regulation S under the Securities Act. Unitholders acting on a non-discretionary basis for the account or benefit of a person located in the United States may not take up or purchase the Rights Entitlements or the Rights Units. Distribution of the Offer Information Statement in the United States or to a U.S. person is not authorised, and any person in the United States or a U.S. person outside the United States who obtains a copy of this Offer Information Statement is requested to disregard the contents of this Offer Information Statement.

The Rights Entitlements and the Rights Units have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Rights Issue or the accuracy or adequacy of this Offer Information Statement. Any representation to the contrary is a criminal offence in the United States.

Each recipient or purchaser of the Rights Entitlements and/or the Rights Units will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Regulation S under the Securities Act are used herein as defined therein):

- (a) the recipient or purchaser (i) is, and the person, if any, for whose account it is acquiring such Rights Entitlements and/or the Rights Units is, outside the United States and is not a U.S. person, and (ii) is acquiring the Rights Entitlements and/or the Rights Units in an offshore transaction meeting the requirements of Regulation S under the Securities Act;
- (b) the recipient or purchaser is aware that the Rights Entitlements and the Rights Units have not been and will not be registered under the Securities Act and are being distributed and offered only outside the United States in reliance on Regulation S under the Securities Act; and
- (c) the recipient or purchaser acknowledges that First REIT, the Manager, the Trustee, the Joint Lead Managers and Underwriters, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.

Such recipients or purchasers may also be required to observe the selling restrictions set out below.

European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), offers of any of the Rights Entitlements or the Rights Units which are the subject of the offering contemplated by this Offer Information Statement may not be made to the public in that Relevant Member State except that an offer to the public in that Relevant Member State of an offering of the Rights Entitlements or the Rights Units may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- to any legal entity which has two or more of: (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43,000,000; and (iii) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- by the underwriter to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospective Directive); or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the Rights Entitlements or the Rights Units shall require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression “an offer of the Rights Entitlements and the Rights Units to the public” in relation to any of the Rights Entitlements and the Rights Units in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Rights Entitlements and the Rights Units to be offered so as to enable an investor to decide to purchase or subscribe for the Rights Entitlements or the Rights Units, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, and the expression “**Prospectus Directive**” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

First REIT is a collective investment scheme as defined in the Financial Services and Markets Act 2000 (“**FSMA**”) of the United Kingdom (“**UK**”). It has not been authorised, or otherwise recognised or approved by the UK Financial Services Authority (“**FSA**”) and, as an unregulated collective investment scheme, accordingly cannot be marketed in the UK to the general public.

The issue or distribution of this Offer Information Statement in the UK, (a) if made by a person who is not an authorised person under FSMA, is being made only to, or directed only at, persons who (i) have professional experience in matters relating to investments; or (ii) are high net worth companies (and certain other entities) falling within Article 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 and who meet the requirements thereunder (all such persons together being referred to as “**FPO persons**”); and (b) if made by a person who is an authorised person under FSMA, is being made only to, or directed only at, (i) persons who have professional experience in participating in unregulated collective investment schemes; or (ii) high net worth companies (and certain other entities) falling within Article 22 of the FSMA (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the “**CIS Order**”) who meet the requirements thereunder; or (iii) persons to whom it may otherwise lawfully be distributed under the CIS Order or Section 4.12 of the FSA’s Conduct of Business Sourcebook (all such persons together being referred to as Promotion of Collective Investment Schemes persons and, together with the FPO persons, the “**relevant persons**”). This Offer Information Statement must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offer Information Statement relates, including the Rights Entitlements and the Rights Units, is available only to relevant persons and will be engaged in only with relevant persons.

Potential investors in the UK are advised that all, or most, of the protections afforded by the UK regulatory system will not apply to an investment in First REIT and that compensation will not be available under the UK Financial Services Compensation Scheme.

Australia

Any offer, invitation, transfer or issue of the Rights Entitlements or the Rights Units to any Person located in, or a resident of, Australia may not occur unless the Person is a wholesale client for the purposes of section 761G(7) of the Australian Corporations Act. This document is not a product disclosure statement or a prospectus for the purposes of Australian law and is not required to, and does not, contain all the information which would be required in a product disclosure statement or prospectus under Australian law. Neither this document nor any offer document in relation to the Rights Entitlements or the Rights Units in First REIT has been or will be lodged with the Australian Securities and Investments Commission or the Australian Securities Exchange. First REIT has not been and will not be registered as a managed investment scheme under Chapter 5C of the Australian Corporations Act. Neither First REIT, the Manager, the Trustee nor the Joint Lead Managers and Underwriters holds an Australian financial services licence and they are not licensed to provide financial product advice in relation to the Rights Entitlements and the Rights Units in First REIT. Investors in First REIT do not have “cooling off” rights under Australian law. Before making a decision to acquire the Rights Entitlements or the Rights Units, professional advice as to whether the acquisition of the Rights Entitlements or the Rights Units is appropriate in the context of the prospective investor’s investment needs, objectives and financial and taxation circumstances should be obtained.

Switzerland

The Rights Entitlements or the Rights Units may not be publicly offered, distributed or re-distributed on a professional basis in or from Switzerland and neither this document nor any other solicitation for investments in First REIT may be communicated or distributed in Switzerland in any way that could constitute a public offering within the meaning of Articles 1156/652a of the Swiss Code of Obligations (“**CO**”). This document may not be copied, reproduced, distributed or passed on to others without the offeror’s prior written consent. This document is not a prospectus within the meaning of Articles 1156/652a CO and the Rights Entitlements and the Rights Units will not be listed on the SIX Swiss Exchange. Therefore, this document may not comply with the disclosure standards of the CO and/or the listing rules (including any prospectus schemes) of the SIX Swiss Exchange set forth in art. 27 et seq. of the SIX Listing Rules. In addition, it cannot be excluded that the offeror could qualify as a foreign collective investment scheme pursuant to Article 119 para. 2 Swiss Federal Act on Collective Investment Schemes (“**CISA**”). The Rights Entitlements and the Rights Units will not be licensed for public distribution in and from Switzerland. Therefore, the Rights Entitlements and the Rights Units may only be offered and sold to so-called “qualified investors” in accordance with the private placement exemptions pursuant to applicable Swiss law (in particular, Article 10 para. 3 CISA and Article 6 of the implementing ordinance to the CISA). The offeror has not been licensed and is not subject to the supervision of the Swiss Financial Market Supervisory Authority (“**FINMA**”). Accordingly, investors in the Rights Entitlements and the Rights Units do not benefit from the specific investor protection provided by CISA and the supervision of the FINMA.

Hong Kong

The Rights Entitlements or the Rights Units may not be offered or sold in Hong Kong, by means of this Offer Information Statement or any other document other than to “professional investors” as defined in the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong) (“**SFO**”) and any rules made under the SFO, or in other circumstances which do not constitute an offer or invitation to the public for the purposes of the SFO.

No person has issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Rights Entitlements or the Rights Units which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Rights Entitlements or the Rights Units which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Netherlands

In the Netherlands, the Rights Entitlements or the Rights Units may only be offered or sold, directly or indirectly, to qualified investors as defined in section 1:1 of the Netherlands Act on Financial Supervision (*Wet op het financieel toezicht*) (“**AFS**”), all within the meaning of section 1:12 and section 5:2 of the AFS.

In respect of the offer, the offeror and First REIT are not required to obtain a licence pursuant to the AFS and are not subject to supervision of Conduct of Business Supervision of Financial Undertakings of the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*). In subscribing for or purchasing the Rights Entitlements and the Rights Units, each investor in the Netherlands represents and agrees that it is a qualified investor as defined in article 1:1 of the AFS.

Malaysia

No approval from the Securities Commission of Malaysia (“**SC**”) has been applied for or will be obtained for the offer or invitation in respect of the Rights Issue under the Capital Markets and Services Act 2007. Neither has a prospectus been or will be registered with the SC in connection with the Rights Issue in Malaysia. Accordingly, this Offer Information Statement or any amendment or supplement hereto or any other offering document in relation to First REIT may not be distributed in Malaysia directly or indirectly for the purpose of any offer of the Rights Entitlements or the Rights Units and no person may offer for subscription or purchase any of the Rights Entitlements or the Rights Units directly or indirectly to anyone in Malaysia.

CORPORATE INFORMATION

Directors of the Manager	Mr Albert Saychuan Cheok (Chairman and Independent Director) Mr Goh Tiam Lock (Independent Director) Mr Markus Parmadi (Non-Executive Director) Mr Mag Rainer Silhavy (Non-Executive Director) Mr Douglas Chew (Alternate Director to Mr Mag Rainer Silhavy) Dr Ronnie Tan Keh Poo (Chief Executive Officer and Director)
Registered office of the Manager	1 Phillip Street #15-00 Singapore 048692
Trustee of First REIT	HSBC Institutional Trust Services (Singapore) Limited 21 Collyer Quay #14-01 HSBC Building Singapore 049320
Legal Adviser for the Rights Issue and to the Manager	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Joint Lead Managers and Underwriters for the Rights Issue	Oversea-Chinese Banking Corporation Limited 65 Chulia Street #26-00 OCBC Centre Singapore 049513 Credit Suisse (Singapore) Limited One Raffles Link #03/#04-01 Singapore 039393
Legal Adviser to the Joint Lead Managers and Underwriters as to Singapore Law and U.S. Federal Law	Allen & Overy LLP 24 Raffles Place #22-00 Clifford Centre Singapore 048621
Legal Adviser to the Trustee	Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542
Independent Reporting Accountants	RSM Chio Lim LLP 8 Wilkie Road #04-08 Wilkie Edge Singapore 228095
Independent Valuers	KJPP Willson & Rekan Wisma Nugra Santana #17-08, Jl. Jend. Sudirman Kav. 7-8, Jakarta 10220, Indonesia (appointed by the Manager for the valuation of Mochtar Riady Comprehensive Cancer Centre)

KJPP Damianus Ambur
Kawasan Bisnis Granadha
Lt.12B Jl.Jenderal Sudirman
Kav. 50. Jakarta 12930, Indonesia
(appointed by the Manager for the valuation of Siloam
Hospitals Lippo Cikarang)

KJPP Rengganis, Hamid & Rekan
Menara Kuningan
8th Floor, Jl. HR. Rasuna said Blok X-7
Kav. 5. Jakarta 12940, Indonesia
(appointed by the Trustee for the valuation of Mochtar
Riady Comprehensive Cancer Centre)

KJPP Willson & Rekan
Wisma Nugra Santana
#17-08, Jl. Jend. Sudirman
Kav. 7-8, Jakarta 10220, Indonesia
(appointed by the Trustee for the valuation of Siloam
Hospitals Lippo Cikarang)

Unit Registrar and Unit Transfer Office

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

SUMMARY

The following summary is qualified in its entirety by, and is subject to, the more detailed information contained or referred to elsewhere in this Offer Information Statement.

1. OVERVIEW OF FIRST REIT

Listed on the Main Board of the SGX-ST on 11 December 2006, First REIT's investment policy is 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 purposes¹.

(See the section entitled "Information Relating to First REIT" for details on the general development of First REIT)

2. THE EXTRAORDINARY GENERAL MEETING

The Manager has obtained the approval of Unitholders at the extraordinary general meeting held on 29 November 2010 (the "**Extraordinary General Meeting**") in respect of:

- (i) the proposed acquisition of Mochtar Riady Comprehensive Cancer Centre, which is located at Jalan Garnisun Dalam RT. 010/001 Kelurahan Karet Semanggi, Kecamatan Setiabudi, South Jakarta, Indonesia ("**MRCCC**", and the proposed acquisition of MRCCC, the "**MRCCC Acquisition**") for a purchase consideration of S\$170.5 million (the "**MRCCC Purchase Consideration**") from Wincatch Limited ("**Wincatch**"), which wholly-owns MRCCC. Wincatch is not related to any of the Manager, the Sponsor of First REIT, PT Lippo Karawaci Tbk ("**Lippo**") or the Trustee². The acquisition of MRCCC will be carried out by First REIT indirectly via the acquisition of Gold Capital Pte. Ltd., a company incorporated in Singapore on 27 July 2007 ("**Gold**") which, directly and through its wholly-owned subsidiary, Higrade Capital Pte. Ltd., a company incorporated in Singapore on 31 July 2007 ("**Higrade**"), wholly-owns PT Primatama Cemerlang, a company incorporated in Indonesia on 19 June 2007 ("**PC**") which in turn holds MRCCC;
- (ii) the proposed acquisition of Siloam Hospitals Lippo Cikarang, which is located at Jalan Mohammad Husni Thamrin Kav.105, Lippo Cikarang, Bekasi 17550, Indonesia ("**SHLC**", and the proposed acquisition of SHLC, the "**SHLC Acquisition**") for a purchase consideration of S\$35.0 million (the "**SHLC Purchase Consideration**") from PT East Jakarta Medika ("**EJM**"), which is 90.8% owned by Lippo. First REIT will acquire SHLC through its indirect wholly-owned subsidiary, PT Graha Pilar Sejahtera, a company incorporated in Indonesia on 23 March 2007 ("**GPS**") which is held by Platinum Strategic Investments Pte. Ltd., a company incorporated in Singapore on 31 July 2007 ("**Platinum**") which, directly and through its wholly-owned subsidiary, Ultra Investments Pte. Ltd., a company incorporated in Singapore on 6 August 2007 ("**Ultra**"), wholly-owns GPS;
- (iii) the Rights Issue; and
- (iv) the Whitewash Resolution (as defined herein).

Gold, Higrade, Platinum, Ultra as well as First REIT's subsidiaries that are incorporated in Singapore are collectively referred to in this Offer Information Statement as the "**Singapore SPCs**". PC, GPS as well as First REIT's subsidiaries that are incorporated in Indonesia are collectively referred to in this Offer Information Statement as the "**Indonesian SPCs**".

¹ Including, but not limited to, hospitals, nursing homes, medical clinics, pharmacies, laboratories, diagnostic/imaging facilities and real estate and/or real estate related assets used in connection with healthcare research, education, lifestyle and wellness management, manufacture, distribution or storage of pharmaceuticals, drugs, medicine and other healthcare goods and devices and such other ancillary activities relating to the primary objective, whether wholly or partially owned, and whether directly or indirectly held through the ownership of special purpose vehicles whose primary purpose is to hold or own real estate.

² The beneficial owner of Wincatch is Werner Robert Seitschek who is also a 50.0% shareholder of Grunberger & Seitschek Group which specialises in the field of planning, development and commercialisation of high quality office buildings and is located at Fischmarkt 1, 6300 Zug, Switzerland.

3. THE MRCCC ACQUISITION

MRCCC, which will begin operations in December 2010, is expected to be Indonesia's first international standard private comprehensive cancer treatment centre. It will be a 29-storey, 160-bed hospital with two basement levels, situated near Plaza Semanggi, the Aryaduta Suites Hotel Semanggi and other international five-star hotels in the central business district, South Jakarta. Its Centre of Excellence¹ in comprehensive cancer services will be equipped with state of the art cancer treatment and diagnostic facilities.

The total cost of the MRCCC Acquisition, comprising the MRCCC Purchase Consideration, the acquisition fee in relation to the MRCCC Acquisition (the "**MRCCC Acquisition Fee**") payable to the Manager pursuant to the Trust Deed² (which shall be payable in the form of cash and/or Units (the "**MRCCC Acquisition Fee Units**")) as well as the professional and other fees and expenses in connection with the MRCCC Acquisition, is estimated to be approximately S\$174.6 million (the "**MRCCC Acquisition Cost**").

The Manager intends to finance the MRCCC Acquisition Cost in cash through a combination of the net proceeds from the Rights Issue and a new term loan facility of up to S\$50.0 million from OCBC Bank.

First REIT will, upon acquiring MRCCC³, hold MRCCC under a 'Right to Build' (*Hak Guna Bangunan* or "**HGB**") title which will expire on 27 August 2015. 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. A HGB title is granted for a maximum initial term of 30 years. By application to the relevant local land office upon the expiration of this initial term, a HGB title may be extended for an additional term not exceeding 20 years.

In relation to the MRCCC Acquisition, a conditional master lease agreement (the "**MRCCC Master Lease Agreement**") has been entered into between PC and Lippo (as the MRCCC master lessee) on 8 November 2010 pursuant to which a master lease in relation to MRCCC will be granted to Lippo (the "**MRCCC Master Lease**") for a lease term of 15 years (subject to renewal of MRCCC's HGB title), with an option to renew for a further term of 15 years.

(See the section entitled "Information Relating to the Acquisitions" for further details relating to the MRCCC Acquisition)

4. THE SHLC ACQUISITION

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 2010⁴. 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.

¹ The term "Centre of Excellence" is used to describe a particular area of medical specialization, proficiency and excellence, with the relevant specialist doctors, nursing staff and state-of-the-art medical equipment and facilities, at a hospital.

² "**Trust Deed**" refers to the trust deed dated 19 October 2006 constituting First REIT (as amended).

³ As mentioned earlier, First REIT will be acquiring MRCCC through the acquisition of Gold. The Manager currently expects the date of completion of the acquisition of Gold (the "**Gold Completion Date**") to be 31 December 2010. The HGB title of MRCCC is currently subject to certain encumbrances in favour of PT. Bank Negara Indonesia (Persero) Tbk ("**BNI**") pursuant to the Deed of Credit Agreement No. 28 dated 23 October 2009 entered into between BNI and PC under which BNI extended a loan of approximately Rp. 350.5 billion (approximately S\$51.2 million based on the exchange rate of S\$1.00 to Rp. 6,839 as at the Latest Practicable Date) (the "**Loan**") to PC. As it may take a period of approximately up to two weeks from the Gold Completion Date for such encumbrances to be discharged, the Trustee will be retaining a withholding sum equivalent to approximately S\$50.0 million on the Gold Completion Date. Such withholding sum will be released to Wincatch only upon the discharge of the encumbrances over the HGB title of MRCCC.

⁴ SHLC's current capacity is 58 beds. Asset enhancement is currently underway to expand SHLC's capacity to 75 beds by the end of 2010.

The total cost of the SHLC Acquisition, comprising the SHLC Purchase Consideration, the acquisition fee in relation to the SHLC Acquisition (the “**SHLC Acquisition Fee**”)¹ payable to the Manager pursuant to the Trust Deed as well as the professional and other fees and expenses in connection with the SHLC Acquisition, is estimated to be approximately S\$35.9 million (the “**SHLC Acquisition Cost**”).

The Manager intends to finance the SHLC Acquisition Cost in cash from net proceeds from the Rights Issue.

First REIT will, upon acquiring SHLC, hold SHLC under a HGB title which will expire on 5 May 2023².

In relation to the SHLC Acquisition, a conditional master lease agreement (the “**SHLC Master Lease Agreement**”) has been entered into between GPS and Lippo (as the SHLC master lessee) on 8 November 2010 pursuant to which a master lease in relation to SHLC will be granted to Lippo (the “**SHLC Master Lease**”) for a lease term of 15 years (subject to renewal of SHLC’s HGB title), with an option to renew for a further term of 15 years.

(See the section entitled “Information Relating to the Acquisitions” for further details relating to the SHLC Acquisition)

5. THE RIGHTS ISSUE

The Rights Issue comprises an offer of 345,664,382 Rights Units on a renounceable and fully underwritten basis to Eligible Unitholders on a basis of the Rights Ratio at the Issue Price. The Manager expects to raise gross proceeds of approximately S\$172.8 million.

The Issue Price represents a discount of 47.37% to the closing price (the “**Closing Price**”) of S\$0.95 per Unit on the SGX-ST on 4 November 2010, being the latest practicable date prior to the issue of the circular to Unitholders dated 10 November 2010 (the “**Unitholders’ Circular**”).

The Issue Price also represents a discount of 28.57% to the theoretical ex-rights price (“**TERP**”) of S\$0.70 per Unit. The TERP is calculated as follows:

$$\text{TERP} = \frac{\text{Market capitalisation of First REIT}^3 + \text{Gross proceeds from the Rights Issue}}{\text{Units in issue after the Rights Issue}^4}$$

(See the section entitled “The Rights Issue” for further details)

The Rights Issue also offers Eligible Unitholders who do not wish to subscribe for the Rights Units the opportunity to sell their Rights Entitlements during the Rights Entitlements trading period to renounce the value of their Rights Entitlements.

(See **Appendix C** and **D** for further details relating to the procedures for acceptance, payment, renunciation and application for Rights Units and/or Excess Rights Units by Eligible Unitholders)

¹ As the SHLC Acquisition will constitute an Interested Party Transaction under the guidelines for real estate investment trusts (“**REITs**”) as found in Appendix 2 of the Code on Collective Investment Schemes (the “**Property Funds Appendix**”), the SHLC Acquisition Fee payable to the Manager will be in the form of Units (the “**SHLC Acquisition Fee Units**”), which shall not be sold within one year from the date of issuance, in accordance with Paragraph 5.6 of the Property Funds Appendix.

² The HGB titles in respect of MRCCC and SHLC were granted by the Badan Pertanahan Nasional, (national land office of Indonesia) (the “**National Land Office**”) at different times. In addition, the National Land Office has the discretion to determine the tenure of the HGB titles to be granted subject to the relevant maximum limit. For the above reasons, the tenure of the HGB titles for SHLC and MRCCC are not the same. A HGB title is granted for a maximum initial term of 30 years. By application to the relevant local land office upon the expiration of this initial term, a HGB title may be extended for an additional term not exceeding 20 years. The Manager understands from its experience that this is the standard industry practice for properties in Indonesia like MRCCC and SHLC.

³ Based on the Closing Price.

⁴ Comprising Existing Units as at the Latest Practicable Date and the Rights Units.

The Manager intends to utilise the proceeds from the Rights Issue as follows:

Use of Proceeds	Gross Proceeds		Net Proceeds	
	Total	Per S\$1.00	Total	% of Net Proceeds
	(S\$ million)	(cents)	(S\$ million)	(%)
Fully finance the SHLC Acquisition Cost	35.5	20.5	35.5	21.1
Part finance the MRCCC Acquisition Cost..	132.5	76.7	132.5	78.9
Costs and expenses relating to the Rights Issue	4.8	2.8	–	–
Total	172.8	100.0	168.0	100.0

Notwithstanding the above, the Manager reserves the right to deploy the proceeds of the Rights Issue at its absolute discretion based on the potential uses as mentioned above.

(See the section entitled “Use of Proceeds” for further details)

6. THE NEW LOAN

The Trustee had on 8 November 2010 accepted a letter of offer from OCBC Bank for a transferable term loan of up to S\$50.0 million for a term of four years (the “**New Loan**”). The Manager intends to draw down an estimated S\$40.4 million¹ of the New Loan to part finance the MRCCC Acquisition Cost.

The details of the New Loan are as follows:

- (i) the New Loan bears an interest margin of 3.25% per annum plus the bank’s swap cost; and
- (ii) the New Loan shall mature four years from the date of first drawdown.

7. RATIONALE FOR THE TRANSACTIONS²

The Manager believes that a rights issue is the most appropriate method of part financing the MRCCC Acquisition and the SHLC Acquisition (collectively, the “**Acquisitions**”)³. By using the proceeds from the Rights Issue for the Acquisitions, First REIT will be able to broaden its capital base and provide greater financial flexibility to pursue opportunities including asset enhancements as well as future potential acquisitions.

Unitholders who do not wish to subscribe for the Rights Units may choose to renounce their Rights Entitlements during the “nil-paid” rights trading period to realise the value of their Rights Entitlements. In addition, Unitholders are entitled to apply for Excess Rights Units.

The Manager believes that the Transactions will bring the following key benefits to 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 to expiry;
- (iii) unique opportunity to acquire two quality hospitals in Jakarta, Indonesia;

¹ The actual amount drawn down may vary.

² “**Transactions**” refer to the MRCCC Acquisition, the SHLC Acquisition and the Rights Issue, collectively.

³ The net proceeds of the Rights Issue will be used to fully finance the SHLC Acquisition Cost and part finance the MRCCC Acquisition Cost.

- (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 acquisition with expected increase in distribution yield to Unitholders for the full financial year from 1 January 2011 to 31 December 2011 (the "**Projection Year 2011**") (see the section entitled "Profit Forecast and Profit Projection" for further details);
- (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 Portfolio¹ given the reduction in the weighted average age of the properties in the Enlarged Portfolio after the completion of the Acquisitions.

8. UNDERWRITING OF THE RIGHTS ISSUE

The Rights Issue is fully underwritten by the Joint Lead Managers and Underwriters on the terms and subject to the conditions of an underwriting agreement entered into between the Manager and the Joint Lead Managers and Underwriters on 8 November 2010 (the "**Underwriting Agreement**").

Pursuant to the Underwriting Agreement, the Joint Lead Managers and Underwriters have agreed, subject to the terms and conditions of that agreement to subscribe for and/or procure the subscription for, at the Issue Price, the Rights Units for which valid applications have not been submitted.

It should be noted that the Underwriting Agreement may be terminated upon the occurrence of certain events, including breaches by the Manager of certain terms of the Underwriting Agreement, certain material adverse changes relating to First REIT and events of a *force majeure* nature. However, the Joint Lead Managers and Underwriters will not be entitled to rely on *force majeure* to terminate the Underwriting Agreement on or after the date on which ex-rights trading commences, in compliance with Rule 818 of the Listing Manual of the SGX-ST (the "**Listing Manual**").

(See the section entitled "The Rights Issue" for further details)

9. COMMITMENT OF LIPPO

To demonstrate its support for First REIT and the Rights Issue, Lippo, which owns an aggregate indirect interest in 60,131,506 Units² (comprising approximately 21.74% of the total number of Units in issue) as at 30 November 2010, being the latest practicable date prior to the date of lodgement of this Offer Information Statement (the "**Latest Practicable Date**"), has:

- (i) provided an irrevocable undertaking to the Manager and the Joint Lead Managers and Underwriters on 8 November 2010 (the "**Irrevocable Undertaking**"), that it will take up its *pro rata* entitlement of 75,164,382 Rights Units, representing 21.74% of the total number of Rights Units in proportion to its unitholdings as at the date of the Irrevocable Undertaking (the "**Proportionate Rights Units**"), subject to the passing of the Whitewash Resolution; and
- (ii) entered into a commitment agreement with the Joint Lead Managers and Underwriters on 8 November 2010 (the "**Commitment Agreement**"), pursuant to which Lippo agrees either directly or indirectly through one or more of the existing subsidiaries of Lippo (including Bowsprit Capital Corporation Limited) and/or new subsidiaries set up by Lippo to hold Units, (collectively, the "**Subscribing Subsidiaries**" and together with Lippo, the "**Lippo Entities**") to subscribe for up to approximately 135,250,000 Rights Units representing 50.0% of the

¹ "**Enlarged Portfolio**" consists of MRCCC, SHLC and the Existing Portfolio (as defined herein).

² Lippo is deemed to be interested in (i) 55,000,000 Units held by its indirect wholly-owned subsidiary, Bridgewater International Ltd and (ii) 5,131,506 Units held by the Manager.

difference between the total number of Units under the Rights Issue¹ and the number of Proportionate Rights Units (the “**Commitment Rights Units**”), subject to the passing of the Whitewash Resolution.

The Joint Lead Managers and Underwriters will pay certain fees to Lippo pursuant to the Commitment Agreement.

(See the section entitled “The Rights Issue” for further details)

10. STATUS OF THE RIGHTS UNITS

The Rights Units will, upon allotment and issue, rank *pari passu* in all respects with the Existing Units in issue as at the date of issue of the Rights Units, including the right to any distributions which may accrue for the period from 1 October 2010 to 31 December 2010 as well as all distributions thereafter.

Eligible Unitholders who decide not to accept in full their Rights Entitlements can, where applicable, make arrangements to trade them on the SGX-ST under the book-entry (scripless) settlement system. The Manager may also, at its absolute discretion, make arrangements for the Rights Entitlements which would otherwise have been allotted to Ineligible Unitholders to be sold “nil-paid” on the SGX-ST under the book-entry (scripless) settlement system.

For Ineligible Unitholders, the Manager may, at its absolute discretion and if it is practicable to do so, arrange for the Rights Entitlements which would otherwise have been provisionally allotted to Ineligible Unitholders to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the Rights Entitlements commence. Such sales may, however, only be effected if the Manager, in its absolute discretion, determines that the proceeds from such sales can at least cover the expenses to be incurred in relation thereto.

11. THE WHITEWASH RESOLUTION

The Securities Industry Council (the “**SIC**”) has on 4 November 2010 granted a waiver (the “**SIC Waiver**”) of the requirement by Lippo and parties acting in concert with Lippo to make a mandatory offer (“**Mandatory Offer**”) for the remaining Units not owned or controlled by Lippo and parties acting in concert with Lippo, in the event that they incur an obligation to make a Mandatory Offer pursuant to Rule 14 of the Singapore Code of Take-overs and Mergers (the “**Code**”) as a result of:

- (i) the Lippo Entities taking up the Proportionate Rights Units allotted and issued to them pursuant to the Irrevocable Undertaking; and/or
- (ii) the Lippo Entities subscribing for the Commitment Rights Units pursuant to the Commitment Agreement; and/or
- (iii) the Lippo Entities acquiring Rights Units through, if applicable:
 - (a) applying for any Excess Rights Units under the Rights Issue (the “**Lippo Excess Application**”) and the Excess Rights Units applied for under the Lippo Excess Application, the “**Lippo Excess Rights Units**”); and/or
 - (b) acquiring any Lippo Nil-Paid Rights Units² under the Rights Issue; and/or
- (iv) the receipt by the Manager in its own capacity of the SHLC Acquisition Fee Units and/or the MRCCC Acquisition Fee Units,

¹ Based on the 345,664,382 Rights Units which are fully underwritten by the Joint Lead Managers and Underwriters under the terms and conditions of the Underwriting Agreement.

² “**Lippo Nil-Paid Rights Units**” means the “nil-paid” rights entitlements acquired by Lippo on the open market during the “nil-paid” rights trading period or otherwise by way of private arrangement and the subsequent exercise of the “nil-paid” rights entitlements to acquire Rights Units.

subject to the satisfaction of the conditions specified in the SIC Waiver including the approval of the Whitewash Resolution by Independent Unitholders (as defined herein) at a general meeting of Unitholders.

For the avoidance of doubt, the Lippo Excess Rights Units and the purchase of Lippo Nil-Paid Rights Units would be offset against the Proportionate Rights Units and the Commitment Rights Units which Lippo has committed to subscribe for pursuant to the Irrevocable Undertaking and the Commitment Agreement.

Approval from Unitholders other than Lippo, parties acting in concert with Lippo and parties which are not independent of Lippo (the “**Independent Unitholders**”) has been successfully obtained at the Extraordinary General Meeting held on 29 November 2010 for a waiver of their right to receive a Mandatory Offer from Lippo and parties acting in concert with Lippo for the remaining issued Units not owned or controlled by Lippo and parties acting in concert with Lippo, in the event that they incur an obligation to make a Mandatory Offer as a result of:

- (i) the Lippo Entities taking up the Proportionate Rights Units allotted and issued to them pursuant to the Irrevocable Undertaking; and/or
- (ii) the Lippo Entities subscribing for the Commitment Rights Units pursuant to the Commitment Agreement; and/or
- (iii) the Lippo Entities acquiring Rights Units through, if applicable:
 - (a) applying for the Lippo Excess Rights Units pursuant to the Lippo Excess Application; and/or
 - (b) acquiring any Lippo Nil-Paid Rights Units under the Rights Issue; and/or
- (iv) the receipt by the Manager in its own capacity of the SHLC Acquisition Fee Units and/or the MRCCC Acquisition Fee Units,

(the “**Whitewash Resolution**”).

TIMETABLE OF KEY EVENTS

The indicative timetable for the Rights Issue is set out below.

Event	Date and Time
Last day of “cum-rights” trading for the Rights Issue	: 30 November 2010
First day of “ex-rights” trading for Rights Issue	: 1 December 2010
Rights Issue Books Closure Date	: 3 December 2010 at 5.00 p.m.
Despatch of this Offer Information Statement (together with the ARE) to Eligible Unitholders	: By 8 December 2010
Commencement of trading of Rights Entitlements	: 8 December 2010 from 9.00 a.m.
Close of trading of Rights Entitlements	: 16 December 2010 at 5.00 p.m.
Closing Date:	
Last date and time for acceptance of the Rights Entitlements and payment for Rights Units ⁽¹⁾	: 22 December 2010 at 5.00 p.m. ⁽²⁾ (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)
Last date and time for application and payment for Excess Rights Units ⁽¹⁾	: 22 December 2010 at 5.00 p.m. ⁽²⁾ (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)
Last date and time for acceptance of and payment by the renounee ⁽¹⁾	: 22 December 2010 at 5.00 p.m. ⁽³⁾
Completion of the issue of the Rights Units	: 30 December 2010
Commencement of trading of Rights Units on the SGX-ST	: 31 December 2010 from 9.00 a.m.
Completion of the MRCCC Acquisition and the SHLC Acquisition	: 31 December 2010

Notes:

- (1) This does not apply to CPFIS investors, SRS investors and investors who hold Units through a finance company and/or Depository Agent. CPFIS investors, SRS investors and investors who hold Units through a finance company and/or Depository Agent should see the section entitled “Important Notice to (A) CPFIS Investors, (B) SRS Investors and (C) Investors who hold Units through a Finance Company and/or Depository Agent”. Any application made by these investors directly through CDP or through ATMs will be rejected. Such investors, where applicable, will receive notification letter(s) from their respective approved bank, finance company and/or Depository Agent and should refer to such notification letter(s) for details of the last date and time to submit applications to their respective approved bank, finance company and/or Depository Agent.
- (2) If acceptances of the Rights Entitlements and (if applicable) applications for Excess Rights Units, as the case may be, are made through CDP in accordance with the ARE and the ARS.
- (3) Eligible Unitholders who wish to renounce their Rights Entitlements in favour of a third party should note that CDP requires at least three Market Days to effect such renunciation. As such, Eligible Unitholders who wish to renounce are advised to do so early to allow sufficient time for the renounee to accept his Rights Entitlements and make payment for Rights Units.

The Manager may, in consultation with the Joint Lead Managers and Underwriters and with the approval of the SGX-ST, modify the above timetable subject to any limitation under any applicable laws. In such an event, the Manager will announce the same via the SGXNET. However, as at the date of this Offer Information Statement, the Manager does not expect the above timetable to be modified.

RESULTS OF THE ALLOTMENT

The Manager will announce the results of the Rights Issue through an SGXNET announcement to be posted on the SGX-ST website at www.sgx.com.

CREDITING OF RIGHTS UNITS

The Rights Units will be allotted to Eligible Unitholders on or about 30 December 2010.

In the case of Eligible Unitholders with valid acceptances and (where applicable) successful applications for Excess Rights Units, a notification letter representing such number of Rights Units will be sent by CDP within 10 Market Days after the Closing Date. Such notification letter shall be deemed to be documentary evidence of title to the Rights Units issued, and CDP will thereafter credit such number of Rights Units to the relevant Securities Accounts.

(See **Appendix C** and **D** for further details relating to the procedures for acceptance, payment, renunciation and application for Rights Units and/or Excess Rights Units by Eligible Unitholders)

THE RIGHTS ISSUE

The following principal terms and conditions of the Rights Issue are derived from, and should be read in conjunction with, the full text of this Offer Information Statement, and are qualified in their entirety by reference to information appearing elsewhere in this Offer Information Statement.

- Issue Size : The Rights Issue is expected to raise gross proceeds of approximately S\$172.8 million. The number of Rights Units to be issued under the Rights Issue is 345,664,382, which will be fully underwritten by the Joint Lead Managers and Underwriters on the terms and conditions set out in the Underwriting Agreement.
- Basis of Provisional Allotments : Each Eligible Unitholder is entitled to subscribe for five (5) Rights Units for every four (4) Existing Units standing to the credit of his Securities Account with CDP as at the Rights Issue Books Closure Date, fractional entitlements to be disregarded.
- Issue Price : S\$0.50 per Rights Unit. The Rights Units are payable in full upon acceptance and/or application.
- The Issue Price represents a discount of approximately 47.37% to the Closing Price and a discount of approximately 28.57% to the TERP per Unit.
- Administrative Fee : An administrative fee of S\$1.00 to S\$2.00 will be payable by applicants for each Electronic Application made through the ATMs of the Participating Banks.
- Status of Rights Units : The Rights Units will, upon allotment and issue, rank *pari passu* in all respects with the Existing Units in issue as at the date of issue of the Rights Units, including the right to any distributions which may accrue for the period from 1 October 2010 to 31 December 2010 as well as all distributions thereafter.
- Eligible Unitholders who decide not to accept in full their Rights Entitlements can, where applicable, make arrangements to trade them on the SGX-ST under the book-entry (scripless) settlement system. The Manager may also, at its absolute discretion, make arrangements for the Rights Entitlements which would otherwise have been allotted to Ineligible Unitholders to be sold “nil-paid” on the SGX-ST under the book-entry (scripless) settlement system.
- For Ineligible Unitholders, the Manager may, at its absolute discretion and if it is practicable to do so, arrange for the Rights Entitlements which would otherwise have been provisionally allotted to Ineligible Unitholders to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the Rights Entitlements commence. Such sales may, however, only be effected if the Manager, in its absolute discretion, determines that the proceeds from such sales can at least cover the expenses to be incurred in relation thereto.
- Other than the Rights Entitlements, none of the Unitholders has pre-emptive rights to subscribe for or purchase the Rights Units.

Eligible Unitholders : Eligible Unitholders are Unitholders with Units standing to the credit of their Securities Account and whose registered addresses with CDP are in Singapore as at the Rights Issue Books Closure Date or who have, at least three Market Days prior to the Rights Issue Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents and such Unitholders who the Manager, on behalf of First REIT, and in consultation with the Joint Lead Managers and Underwriters determine, may be offered Rights Units without breaching applicable securities laws.

Notwithstanding the foregoing, investors should note that the offer and sale of, or exercise or acceptance of, or subscription for, the Rights Entitlements and the Rights Units to or by persons located or resident in jurisdictions other than Singapore may be restricted or prohibited by the laws of the relevant jurisdiction.

(See the section entitled “Eligibility of Unitholders to Participate in the Rights Issue” and “Transfer and Selling Restrictions” for details)

Entitlement of Eligible Unitholders : Eligible Unitholders are at liberty to accept in part or in full, decline, renounce or trade on the SGX-ST (during the “nil-paid” rights trading period prescribed by the SGX-ST) their Rights Entitlements and are eligible to apply for the Excess Rights Units.

Eligible Unitholders who wish to renounce their Rights Entitlements in favour of a third party should note that CDP requires three Market Days to effect such renunciation. As such, Eligible Unitholders who wish to renounce are advised to do so early to allow sufficient time for the renounee to accept his Rights Entitlements and make payment for the Rights Units.

Each Eligible Unitholder may, among other things, choose to:

- (i) accept all or a portion of his Rights Entitlements;
- (ii) renounce all or a portion of Rights Entitlements in favour of a third party; and/or
- (iii) trade all or a portion of his Rights Entitlements.

In addition, each Eligible Unitholder may also apply for Excess Rights Units.

The procedures for acceptance, payment, renunciation and application for Rights Units and/or Excess Rights Units by Eligible Unitholders are set out in **Appendix C** and **D**.

Ineligible Unitholders : No provisional allotments of Rights Units will be made to Ineligible Unitholders and no purported acceptance thereof or application for Excess Rights Units thereof by Ineligible Unitholders will be valid.

Ineligible Unitholders should refer to the section entitled “Eligibility of Unitholders to Participate in the Rights Issue – Ineligible Unitholders”.

- Trading of the Rights Units/
Rights Entitlements : Eligible Unitholders who wish to trade all or part of their Rights Entitlements on the SGX-ST can do so for the period commencing on 8 December 2010 from 9.00 a.m., being the date and time of commencement of the Rights Entitlements trading, and ending on 16 December 2010 at 5.00 p.m., being the last date and time of the Rights Entitlements trading.
- The Rights Units and the Rights Entitlements will be traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system. For the purposes of trading on the Main Board of the SGX-ST, each board lot of Units and Rights Entitlements will comprise 1,000 Units or Rights Entitlements (as the case may be). All dealings in and transactions (including transfers) of the Rights Units effected through the SGX-ST and/or CDP shall be made in accordance with the “Terms and Conditions for Operation of Securities Accounts with CDP”, as the same may be amended from time to time, copies of which are available from CDP.
- Trading of Odd Lots of Units : Eligible Unitholders who hold odd lots of Units (that is, lots other than board lots of 1,000 Units) and who wish to trade in odd lots are able to trade odd lots of Units on the SGX-ST’s Unit Share Market. The Unit Share Market is a ready market for trading of odd lots of Units with a minimum size of one Unit.
- Underwriting of the Rights Issue : The Rights Issue is fully underwritten by the Joint Lead Managers and Underwriters on the terms and subject to the conditions of the Underwriting Agreement.
- Further, under the terms of the Commitment Agreement, Lippo will sub-underwrite up to approximately 60.9% of the Rights Issue.
- (See the sections entitled “The Rights Issue – Underwriting of the Rights Issue” and “The Rights Issue – Commitment of Lippo” for details)
- Listing of the Rights Units : Approval in-principle has been obtained from the SGX-ST on 3 November 2010 for the listing and quotation of, *inter alia*, the Rights Units on the Main Board of the SGX-ST.
- The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Units, First REIT and/or its subsidiaries.
- Unitholders who are CPFIS investors, SRS investors or who hold Units through a finance company and/or Depository Agent : CPFIS investors, SRS investors and investors who hold Units through a finance company and/or Depository Agent should see the section entitled “Important Notice to (A) CPFIS investors, (B) SRS Investors and (C) Investors who Hold Units Through a Finance Company and/or Depository Agent” for important details.
- Governing Law : Laws of the Republic of Singapore.

AS THE RIGHTS ISSUE IS MADE ON A RENOUNCEABLE BASIS, THE RIGHTS ENTITLEMENTS CAN BE RENOUNCED IN FAVOUR OF A THIRD PARTY OR TRADED ON THE SGX-ST DURING THE RIGHTS ENTITLEMENTS TRADING PERIOD.

UNDERWRITING OF THE RIGHTS ISSUE

The Rights Issue will be fully underwritten by the Joint Lead Managers and Underwriters on the terms and subject to the conditions of the Underwriting Agreement. Pursuant to the Underwriting Agreement, the Joint Lead Managers and Underwriters have agreed, subject to the terms and conditions of that agreement to subscribe for and/or procure the subscription for, at the Issue Price, the Rights Units for which valid applications have not been submitted.

The table below sets out the total number of Rights Units that each Joint Lead Manager and Underwriter has agreed to underwrite.

Joint Lead Manager and Underwriter	Number of Rights Units
Oversea-Chinese Banking Corporation Limited.....	224,681,848
Credit Suisse (Singapore) Limited	120,982,534
Total	345,664,382

The Joint Lead Managers and Underwriters will be entitled to the following:

- (i) 0.50% of the total gross proceeds raised from the Rights Issue as management commission;
- (ii) 1.50% of the Issue Price multiplied by the number of Proportionate Rights Units of 75,164,382 Units representing approximately 21.74% of the Rights Units (which is equivalent to approximately S\$0.56 million);
- (iii) 2.00% of the Issue Price multiplied by the number of Commitment Rights Units of 135,250,000 Units representing approximately 39.13% of the Rights Units (which is equivalent to approximately S\$1.35 million); and
- (iv) 2.00% of the Issue Price multiplied by the difference between the total number of Rights Units and the sum of the number of Proportionate Rights Units and Commitment Rights Units of 135,250,000 Units representing approximately 39.13% of the Rights Units (which is equivalent to approximately S\$1.35 million),

together with any goods and services tax payable thereon (paragraphs (ii), (iii) and (iv) above are collectively referred to as the “**Underwriting Commission**”).

The Underwriting Agreement may be terminated upon the occurrence of certain events, including those of a *force majeure* nature, but the Joint Lead Managers and Underwriters will not be entitled to rely on *force majeure* to terminate the Underwriting Agreement after the date on which ex-rights trading commences, in compliance with Rule 818 of the Listing Manual.

COMMITMENT OF LIPPO

To demonstrate its support for First REIT and the Rights Issue, Lippo, which owns an aggregate indirect interest in 60,131,506 Units¹ (comprising approximately 21.74% of the total number of Units in issue) as at the Latest Practicable Date), has:

- (i) provided the Irrevocable Undertaking, pursuant to which Lippo will procure that the Subscribing Subsidiaries subscribe for the Proportionate Rights Units, subject to the passing of the Whitewash Resolution; and
- (ii) entered into the Commitment Agreement with the Joint Lead Managers and Underwriters, pursuant to which Lippo agrees, either directly or indirectly through one or more of the Subscribing Subsidiaries, to subscribe for the Commitment Rights Units, subject to the passing of the Whitewash Resolution.

¹ Lippo is deemed to be interested in (i) 55,000,000 Units held by its indirect wholly-owned subsidiary, Bridgewater International Ltd and (ii) 5,131,506 Units held by the Manager.

Under the terms of the Irrevocable Undertaking and the Commitment Agreement, the Lippo Entities may subscribe for up to 210,414,382 Rights Units being approximately 60.9% of the total number of Rights Units.

Pursuant to the Commitment Agreement, the Joint Lead Managers and Underwriters agree to pay to Lippo from the Underwriting Commission:

- (a) a fee of 1.50% of the Issue Price multiplied by the number of Proportionate Rights Units of 75,164,382 Units, representing approximately 21.74% of the Rights Units (which is equivalent to approximately S\$0.56 million); and
- (b) a fee of 1.50% of the Issue Price multiplied by the number of Commitment Rights Units of approximately 135,250,000 Units, representing 39.13% of the Rights Units (which is equivalent to approximately S\$1.01 million),

together with any goods and services tax payable thereon (the “**Sub-Underwriting Fee**”).

The Sub-Underwriting Fee payable to Lippo will be paid by the Joint Lead Managers and Underwriters from the Underwriting Commission and the percentage level of the commission payable by the Joint Lead Managers and Underwriters to Lippo pursuant to the Commitment Agreement will not be more than the percentage level of the commission which the Joint Lead Managers and Underwriters will receive pursuant to the Underwriting Agreement.

EXCESS RIGHTS UNITS

Lippo may directly and/or through the Subscribing Subsidiaries, choose to apply for Excess Rights Units. In the allotment of Excess Rights Units, preference will be given to the rounding of odd lots, followed by allotment to the Unitholders who are neither Substantial Unitholders nor Directors. Lippo, the Subscribing Subsidiaries, other Substantial Unitholders and Directors will rank last in priority.

NIL-PAID RIGHTS

The Lippo Entities may acquire the Lippo Nil-Paid Rights Units.

For the avoidance of doubt, the Lippo Excess Rights Units and the purchase of Lippo Nil-Paid Rights would be offset against the Proportionate Rights Units and the Commitment Rights Units which Lippo has committed to subscribe for pursuant to the Irrevocable Undertaking and the Commitment Agreement.

LOCK-UP ARRANGEMENT

Pursuant to the Commitment Agreement, Lippo has agreed that, unless required by applicable laws and regulations, it will not, without the prior written consent of the Joint Lead Managers and Underwriters, offer, pledge, sell or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate or encumber or otherwise transfer or dispose of (whether directly or indirectly) any Units held as at the settlement date of the Rights Issue by it and/or any of its associates, existing subsidiaries and/or new subsidiaries to be set up by Lippo to hold any of the Rights Units to or in favour of any party other than its wholly-owned subsidiaries, enter into a transaction (including a derivative transaction) with a similar economic effect to the foregoing and make any announcements in connection with any of the foregoing transactions, from the date of the Commitment Agreement until the date falling 180 days after the date on which the Rights Units are listed on the SGX-ST. The restrictions set out in this paragraph do not apply to the pledge or grant of any security over the Units subject to the lock-up for Lippo's general financing purposes, provided that the person in whose favour such pledge or security is made has executed and delivered to the Joint Lead Managers and Underwriters an undertaking that the restrictions described in this paragraph will remain in effect for the remainder of the lock-up period.

Pursuant to the Underwriting Agreement, the Manager has agreed that it will not, without the prior written consent of the Joint Lead Managers and Underwriters, directly or indirectly offer, issue, contract to issue, grant any option to purchase any Units (or any securities convertible into or exchangeable for Units or which carry rights to subscribe for Units), enter into a transaction (including a derivative transaction) with a similar economic effect to the foregoing or publicly announce any intention to do any of the above, during the period commencing from the date of the Underwriting Agreement until the date falling 180 days

after the date on which the Rights Units are listed on the SGX-ST, other than as required by applicable laws and regulations. The restrictions set out in this paragraph do not apply to the Rights Units to be offered under the Rights Issue and the Units to be issued to the Manager in full or part payment of the Manager's fees under the Trust Deed.

USE OF PROCEEDS

OFFER PROCEEDS AND USE OF PROCEEDS

The Manager expects to raise gross proceeds of approximately S\$172.8 million with the net proceeds from the Rights Issue (after taking into account, among other things, the estimated fees and expenses (including professional fees and expenses) incurred or to be incurred by First REIT in connection with the Rights Issue) being approximately S\$168.0 million.

The Manager intends to use the gross and net proceeds raised from the Rights Issue as follows:

Use of Proceeds	Gross Proceeds		Net Proceeds	
	Total (S\$ million)	Per S\$1.00 (cents)	Total (S\$ million)	% of Net Proceeds (%)
Fully finance the SHLC Acquisition Cost	35.5	20.5	35.5	21.1
Part finance the MRCCC Acquisition Cost....	132.5	76.7	132.5	78.9
Costs and expenses relating to the Rights Issue	4.8	2.8	–	–
Total	172.8	100.0	168.0	100.0

Notwithstanding the above, the Manager reserves the right to deploy the proceeds from the Rights Issue at its absolute discretion based on the potential uses as mentioned above.

Pending deployment, the net proceeds from the Rights Issue may be deposited with banks and/or financial institutions, or used for any other purpose on a short-term basis as the Manager may, in its absolute discretion, deem fit.

The Manager will make periodic announcements on the utilisation of the proceeds from the Rights Issue via SGXNET as and when such funds are materially utilised.

Costs of the Rights Issue

First REIT will have to bear the following costs and expenses in relation to the Rights Issue:

- (i) management, underwriting and selling commissions and related expenses of S\$4.1 million (excluding goods and services tax payable); and
- (ii) estimated advisory, professional and other fees and expenses of approximately S\$0.7 million (excluding goods and services tax payable),

together with any goods and services tax payable thereon.

ADDITIONAL DETAILS ON THE USE OF PROCEEDS

Acquisition or Refinancing the Acquisition of an Asset other than in the Ordinary Course of Business

None of the proceeds from the Rights Issue will be used to acquire or refinance the acquisition of an asset other than in the ordinary course of business. Part of the net proceeds from the Rights Issue will be used to fully finance the SHLC Acquisition Cost and part finance the MRCCC Acquisition Cost, which is being made by First REIT in its ordinary course of business while the balance of the net proceeds will be used for costs and expenses relating to the Rights Issue.

Acquisition or Refinancing the Acquisition of a Business

None of the proceeds from the Rights Issue will be used to finance or refinance the acquisition of a business.

Discharge, Reduction or Retirement of the Indebtedness of First REIT

None of the proceeds from the Rights Issue will be used to discharge, reduce or retire the indebtedness of First REIT. Information on the indebtedness of First REIT is set out in the section entitled “Information Relating to First REIT – Indebtedness”.

WORKING CAPITAL

The Manager is of the view that, in its reasonable opinion, after taking into consideration First REIT’s internal resources and its available loan facilities, the working capital available to First REIT, as at the date of lodgement of this Offer Information Statement, is sufficient for First REIT’s present requirements.

COMMISSION

The details of the commission payable to the Joint Lead Managers and Underwriters are set out in the section entitled “The Rights Issue – Underwriting of the Rights Issue”.

INFORMATION RELATING TO THE ACQUISITIONS

The Manager has obtained the approval of Unitholders at the Extraordinary General Meeting in respect of the MRCCC Acquisition, the SHLC Acquisition, the Rights Issue and the Whitewash Resolution. The Manager is proposing to use the net proceeds of the Rights Issue for the purpose of fully financing the SHLC Acquisition Cost and part financing the MRCCC Acquisition Cost.

THE MRCCC ACQUISITION

Description of MRCCC

MRCCC, which is located at Jalan Garnisun Dalam RT. 010/001 Kelurahan Karet Semanggi, Kecamatan Setiabudi, South Jakarta, Indonesia, will begin operations in December 2010. It is expected to be Indonesia's first private comprehensive cancer treatment centre and will be able to treat a wide range of cancer types.

MRCCC will be a 29-storey, 160-bed hospital with two basement levels, situated near Plaza Semanggi, the Aryaduta Suites Hotel Semanggi and other international five-star hotels in the central business district, South Jakarta. It covers a total gross floor area 37,933 sq m (excluding parking area of 14,769 sq m) and has an emergency unit, an emergency helipad on the roof level, a polyclinic as well as offices. MRCCC has full facilities for cancer diagnosis and therapy and is a Centre of Excellence for comprehensive cancer services operated by Siloam Hospitals as part of PT Lippo Karawaci Tbk.

The centre is Indonesia's first international standard private cancer centre and treatment facilities with the most complete state of the art equipments and the latest generation of smart IT-systems. It is the first facility in Indonesia to offer Positron Emission Tomography (PET) scanning, High Intensity Focused Ultrasound (HIFU) and Radio-immunotherapy (RIT). Amongst the other firsts for the MRCCC are palliative care & oncology wellness, a preventative focus through health screening, high intensity focused ultrasound therapy (HIFU), brachytherapy and radio-immunotherapy, molecular imaging with cyclotron, advanced diagnostic equipment such as PET/CT and SPECT/ CT, in-house clinical trials and research facilities and integrated IT and Picture Archiving & Communication System / Radiology Information System (PACS/RIS).

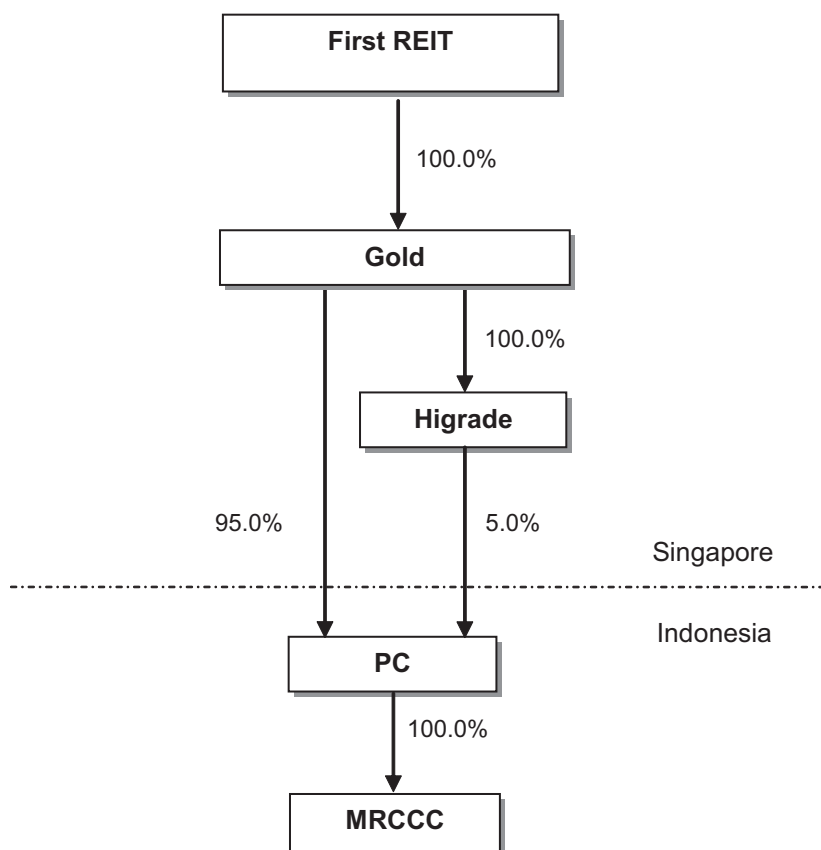
Structure of the MRCCC Acquisition

MRCCC is 100.0% owned by PC which is a special purpose vehicle incorporated in Indonesia for the purpose of holding MRCCC. PC is in turn 95.0% and 5.0% owned by Gold and Higrade respectively¹. Gold and Higrade are companies incorporated in Singapore. Higrade is a wholly-owned subsidiary of Gold, and Gold is wholly-owned by Wincatch. First REIT proposes to acquire MRCCC through the acquisition of the entire issued share capital of Gold from Wincatch.

On 8 November 2010, the Trustee entered into a conditional sale and purchase agreement with Wincatch ("MRCCC SPA") pursuant to which First REIT proposes to acquire Gold at the MRCCC Purchase Consideration.

¹ Pursuant to Indonesian Company Law article 7(1) an Indonesian company must be held by two or more individuals and/or companies. The proposed holding structure of MRCCC is consistent with those of First REIT's Existing Portfolio.

The following chart sets out the structure under which MRCCC will be held by First REIT upon completion of the MRCCC Acquisition, as well as the resulting shareholding and ownership interest in the entities set out below.



Valuation and Purchase Consideration

The MRCCC Purchase Consideration was arrived at on a willing-buyer willing-seller basis after taking into account the two independent valuations of MRCCC by KJPP Willson & Rekan (“**W&R**”) and KJPP Rengganis, Hamid & Rekan (“**Rengganis**”) which were commissioned by the Manager and the Trustee respectively. The valuations were derived by W&R and Rengganis using the “Income Method” of valuation utilising discounted cash flow analysis as the subject property will be under a master lease agreement with the hospital operator as the master tenant. This method considers the subject property as an income producing property.

Property	Appraised Value		Purchase Consideration
	By W&R as at 6 September 2010	By Rengganis as at 6 September 2010	
	(S\$ million)	(S\$ million)	(S\$ million)
MRCCC	216.0	208.5	170.5

The MRCCC Purchase Consideration of S\$170.5 million is below the two independent valuations obtained in relation to MRCCC and represents a discount of 19.7% to S\$212.3 million, which is the average of the two independent valuations of MRCCC.

Cost of the MRCCC Acquisition

The MRCCC Acquisition Cost is currently estimated to be approximately S\$174.6 million, comprising the following:

- (i) the MRCCC Purchase Consideration of S\$170.5 million;
- (ii) the MRCCC Acquisition Fee of approximately S\$1.7 million payable to the Manager pursuant to Clause 14.2.1 of the Trust Deed which shall be payable in the form of cash and/or the MRCCC Acquisition Fee Units; and
- (iii) the estimated professional and other fees and expenses of approximately S\$2.4 million¹ incurred by First REIT in connection with the MRCCC Acquisition.

In the event that the Manager elects to receive any part or all of the MRCCC Acquisition Fee in the form of the MRCCC Acquisition Fee Units, while Clause 14.2.1(i) of the Trust Deed allows the Manager to receive any MRCCC Acquisition Fee Units which may be issued to the Manager at the Issue Price of S\$0.50 per Unit, the Manager has elected to receive the MRCCC Acquisition Fee Units at the higher TERP of S\$0.70 per Unit instead. The issue price for any MRCCC Acquisition Fee Units which may be issued to the Manager will be based on the TERP of S\$0.70 per Unit calculated using the Closing Price.

Method of Financing the MRCCC Acquisition

The Manager intends to finance the MRCCC Acquisition Cost in cash from a combination of the net proceeds from the Rights Issue and a new term loan facility of up to S\$50.0 million from OCBC Bank.

(See the section entitled “Information Relating to First REIT – Indebtedness” for details on First REIT’s debt financing)

Conditions Precedent for the Completion of the MRCCC Acquisition

Completion of the sale and purchase of MRCCC under the MRCCC SPA is conditional upon the fulfilment or waiver (as the case may be) of, among others, the following:

- (i) First REIT securing sufficient financing to undertake the Acquisitions and the agreements for such financing not having been terminated and being unconditional in all respects;
- (ii) Wincatch having obtained from the National Land Office, the in-principle approval for the renewal of the HGB title in relation to MRCCC; and
- (iii) no adverse change to the financial condition of Lippo (as the MRCCC master lessee) or its ability to make payment to First REIT under the MRCCC Master Lease Agreement.

Indemnity in relation to the MRCCC SPA

The Trustee has also entered into a deed of indemnity with PT Metropolis Propertindo Utama pursuant to which PT Metropolis Propertindo Utama will, subject to certain conditions, indemnify the Trustee against liabilities or damages suffered by the Trustee arising from the MRCCC SPA.

MRCCC Master Lease Agreement

In relation to the MRCCC Acquisition, the MRCCC Master Lease Agreement has been entered into between PC and Lippo (as the MRCCC master lessee) on 8 November 2010 pursuant to which the MRCCC Master Lease will be granted to Lippo for a lease term of 15 years (subject to renewal of MRCCC’s HGB title), with an option to renew for a further term of 15 years.

Lippo, as master lessee, may sublet MRCCC to sub-tenants of good repute and sound financial standing, subject to such conditions as PC may reasonably impose. PC’s prior written consent is required for any assignment of the MRCCC Master Lease by Lippo, except in the case of an assignment by Lippo to its

¹ It is expected that most of the professional and other fees and expenses in connection with the MRCCC Acquisition will be incurred by First REIT even if the Manager does not proceed with the MRCCC Acquisition.

subsidiary. In an assignment by Lippo to its subsidiary, PC's consent is not required but such assignment shall be subject to a condition that, in the event of default by the assignee, the lease will revert to Lippo as the lessee.

The costs of maintenance and operating expenses in relation to MRCCC will be borne by Lippo, as the master tenant, as is the case with the properties in First REIT's Existing Portfolio¹. Accordingly, First REIT will not be affected by any cost escalation in Indonesia of maintenance and operating expenses in relation to MRCCC.

Completion of the MRCCC Master Lease Agreement is conditional upon the fulfilment or waiver (as the case may be) of, among others, the following:

- (i) First REIT securing sufficient financing to undertake the Acquisitions and the agreements for such financing not having been terminated and being unconditional in all respects; and
- (ii) no adverse change to the financial condition of Lippo (as the MRCCC master lessee) or its ability to make payment to First REIT under the MRCCC Master Lease Agreement.

Renewal of HGB Title

The renewal of the HGB title is an administrative procedure. In this regard, two HGB titles relating to the land on which one of the properties of First REIT's Existing Portfolio, Siloam Hospitals Surabaya, was built, expired on 1 February 2009 and 19 September 2010 and the Manager had successfully renewed both titles to 31 January 2029 and 18 September 2030 respectively.

The application for an extension of an HGB title is required to be made no later than two years prior to the expiration of the initial term, at the National Land Office. Application for such extension is usually applied for closer to two years prior to the expiration of the relevant HGB title. Upon the expiration of the extension, a new HGB title relating to the same land parcel may be granted.

The National Land Office tends to grant an extension of HGB titles, subject to there being no changes in zoning policies by the government, abandonment of the land, destruction of land, egregious breaches to the conditions of the current HGB title by the owners of the land, and revocation of the HGB title due to public interest considerations. Under the MRCCC SPA, Wincatch has, at its cost, initiated the process of renewal of the HGB title for at least 20 years. Wincatch has also undertaken under the MRCCC SPA to pay all fees, premiums, commissions, charges, taxes and other costs incurred in relation to this renewal which would include, *inter alia*, payments to the local Indonesian land authority and any other related fees².

In addition to the above, the MRCCC Master Lease Agreement also provides for termination in the event a renewal of the HGB title in relation to MRCCC is not obtained.

The MRCCC Master Lease Agreement is subject to the renewal of MRCCC's HGB title.

¹ "Existing Portfolio" refers to the portfolio of properties currently held by First REIT, consisting of Siloam Hospitals Lippo Village, Siloam Hospitals Kebon Jeruk, Siloam Hospitals Surabaya, Imperial Aryaduta Hotel & Country Club, Pacific Healthcare Nursing Home @ Bukit Merah, Pacific Healthcare Nursing Home II @ Bukit Panjang, The Lentor Residence and the proposed Pacific Cancer Centre @ Adam Road.

² The application for an extension of an HGB title is required to be made no later than two years prior to the expiration of the initial term, at the National Land Office. Upon the expiration of the extension, a new HGB title may be granted on the same land. The National Land Office tends to grant an extension of HGB titles, subject to no changes in zoning policies by the government, abandonment of the land, destruction of land, egregious breaches to the conditions of the current HGB title by the owners of the land, and revocation of the HGB title due to public interest considerations.

Completion

Completion of the sale and purchase of MRCCC under the MRCCC SPA is expected to take place after the date of issue of the Rights Units and after the conditions precedent set out in the MRCCC SPA have been fulfilled¹.

Interested Person Transaction² and Interested Party Transaction³

As at 4 November 2010, being the latest practicable date prior to the issue of the Unitholders' Circular, Lippo directly and/or through its subsidiaries and through its interest in the Manager, has deemed interests of (i) 21.74% in First REIT and (ii) 80.0% in the Manager, and is therefore regarded as a "controlling unitholder/shareholder" of First REIT as well as the Manager, under the Listing Manual.

For the purposes of Chapter 9 of the Listing Manual, Lippo (being a controlling Unitholder of First REIT and a controlling shareholder of the Manager) is an Interested Person⁴ of First REIT. As such, the MRCCC Master Lease will constitute an Interested Person Transaction under Chapter 9 of the Listing Manual for which Unitholders' approval is required. Accordingly, the approval of Unitholders was sought for the MRCCC Acquisition.

For the avoidance of doubt, the MRCCC Acquisition is not an Interested Person Transaction or an Interested Party Transaction under the Listing Manual and the Property Funds Appendix issued by the Authority in relation to REITs, respectively. The MRCCC Acquisition is also not a major transaction under Chapter 10 of the Listing Manual as it is within First REIT's ordinary course of business. Nonetheless, the Manager had sought the approval of the MRCCC Acquisition so as to take Unitholders' views of the MRCCC Acquisition into account.

The MRCCC Acquisition had been approved by Unitholders at the Extraordinary General Meeting.

THE SHLC ACQUISITION

Description of the Property

Siloam Hospitals Lippo Cikarang, is located at Jalan Mohammad Husni Thamrin Kav.105, Lippo Cikarang, Bekasi 17550, Indonesia. 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 2010⁵. 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. Its Centres of Excellence are in Urology, Internal Medicine and Trauma.

In late 2007, an Extracorporeal Shock Wave Lithotripsy unit was commissioned to treat patients with kidney stones. SHLC is also well respected for its Pediatric Neonatal Intensive Care Unit which treats premature babies and sick babies.

The Jakarta-Cikampek toll road and Cikarang industrial areas has made Siloam Hospitals Lippo Cikarang an ideal hospital in providing trauma services and is supported by 24-hours Accident and Emergency department and ambulance services with medical evacuation facilities which includes daytime helicopter evacuation. SHLC also provides general surgery, orthopaedic surgery, neurology surgery, urology surgery, thorax and cardiovascular surgery and is dedicated to handling and helping patients with trauma.

¹ As mentioned earlier, First REIT will be acquiring MRCCC through the acquisition of Gold. The Manager currently expects the Gold Completion Date to be 31 December 2010. The HGB title of MRCCC is currently subject to certain encumbrances in favour of BNI pursuant to the Deed of Credit Agreement No. 28 dated 23 October 2009 entered into between BNI and PC under which BNI extended the Loan to PC. As it may take a period of approximately up to two weeks from the Gold Completion Date for such encumbrances to be discharged, the Trustee will be retaining a withholding sum equivalent to approximately S\$50.0 million on the Gold Completion Date. Such withholding sum will be released to Wincatch only upon the discharge of the encumbrances over the HGB title of MRCCC.

² "Interested Person Transaction" has the meaning ascribed to it in the Listing Manual.

³ "Interested Party Transaction" has the meaning ascribed to it in the Property Funds Appendix.

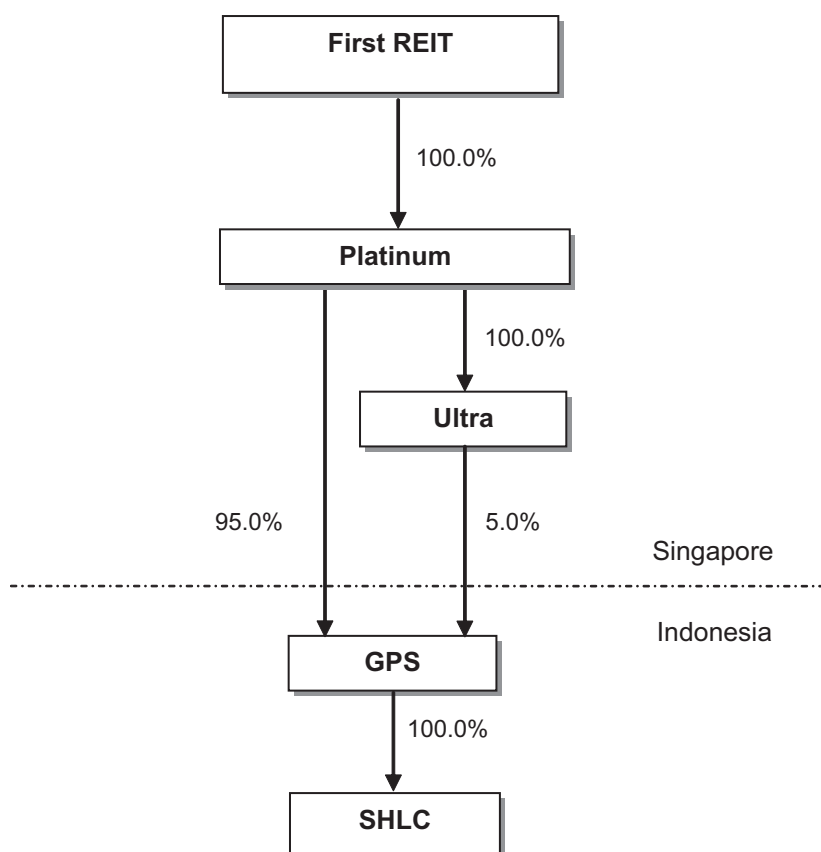
⁴ "Interested Person" has the meaning ascribed to it in the Listing Manual.

⁵ SHLC's current capacity is 58 beds. Asset enhancement is currently underway to expand SHLC's capacity to 75 beds by the end of 2010.

Structure of the SHLC Acquisition

First REIT will acquire SHLC through its indirect wholly-owned subsidiary, GPS, which is 95.0% and 5.0% held by Platinum and Ultra (Platinum's wholly-owned subsidiary), respectively¹. Platinum is wholly-owned by First REIT. On 8 November 2010, GPS entered into a conditional sale and purchase agreement with EJM, which is 90.8% owned by Lippo ("SHLC SPA") pursuant to which First REIT proposes to acquire SHLC at the SHLC Purchase Consideration.

The following chart sets out the structure under which SHLC will be held by First REIT upon completion of the SHLC Acquisition, as well as the resulting shareholding and ownership interest in the entities set out below.



Valuation and Purchase Consideration

The SHLC Purchase Consideration was arrived at on a willing-buyer willing-seller basis after taking into account the two independent valuations of SHLC by KJPP Damianus Ambur ("Damianus", and together with W&R and Rengganis collectively, the "Independent Valuers") and W&R which were commissioned by the Manager and the Trustee respectively. The valuations were derived by Damianus and W&R using the "Income Method" of valuation utilising discounted cash flow analysis as the subject property will be under a master lease agreement with the hospital operator as the master tenant. This method considers the subject property as an income producing property.

Property	Appraised Value		Purchase Consideration
	By W&R as at 6 September 2010	By Damianus as at 6 September 2010	
	(S\$ million)	(S\$ million)	(S\$ million)
SHLC.....	40.0	41.3	35.0

¹ Pursuant to Indonesian Company Law article 7(1) an Indonesian company must be held by 2 or more individuals and/or companies. The proposed holding structure of SHLC is consistent with those of First REIT's Existing Portfolio.

The SHLC Purchase Consideration of S\$35.0 million is below the two independent valuations obtained in relation to SHLC and represents a discount of 13.8% to S\$40.6 million, which is the average of the two independent valuations of SHLC.

Cost of the SHLC Acquisition

The SHLC Acquisition Cost is currently estimated to be approximately S\$35.9 million, comprising:

- (i) the SHLC Purchase Consideration of S\$35.0 million;
- (ii) the SHLC Acquisition Fee of approximately S\$350,000 payable to the Manager pursuant to Clause 14.2.1 of the Trust Deed which shall be payable in the form of the SHLC Acquisition Fee Units¹; and
- (iii) the estimated professional and other fees and expenses of approximately S\$550,000² incurred by First REIT in connection with the SHLC Acquisition.

While Clause 14.2.1(i) of the Trust Deed allows the Manager to receive the SHLC Acquisition Fee Units at the Issue Price of S\$0.50 per Unit, the Manager has elected to receive the SHLC Acquisition Fee Units at the higher TERP of S\$0.70 per Unit instead. The issue price for the SHLC Acquisition Fee Units has been based on the TERP of S\$0.70 per Unit calculated using the Closing Price.

Method of Financing the SHLC Acquisition

The Manager intends to pay the SHLC Acquisition Cost in cash from the net proceeds of the Rights Issue.

Conditions Precedent for the Completion of the SHLC Acquisition

Completion of the sale and purchase of SHLC under the SHLC SPA is conditional upon the fulfilment or waiver (as the case may be) of, among others, the following:

- (i) First REIT securing sufficient financing to undertake the Acquisitions and the agreements for such financing not having been terminated and being unconditional in all respects; and
- (ii) no adverse change to the financial condition of Lippo (as the SHLC master lessee) or its ability to make payment to First REIT under the SHLC Master Lease Agreement.

Indemnity in relation to the SHLC SPA

The Trustee has also entered into a deed of indemnity with Lippo pursuant to which Lippo will, subject to certain conditions, indemnify the Trustee against liabilities or damages suffered by the Trustee arising from the SHLC SPA.

SHLC Master Lease Agreement

In relation to the SHLC Acquisition, the SHLC Master Lease Agreement has been entered into between GPS and Lippo (as the SHLC master lessee) on 8 November 2010 pursuant to which the SHLC Master Lease will be granted to Lippo for a lease term of 15 years (subject to renewal of SHLC's HGB title) with an option to renew for a further term of 15 years.

Lippo, as master lessee, may sublet SHLC to sub-tenants of good repute and sound financial standing, subject to such conditions as GPS may reasonably impose. GPS's prior written consent is required for any assignment of the SHLC Master Lease by Lippo, except in the case of an assignment by Lippo to its subsidiary. In an assignment by Lippo to its subsidiary, GPS's consent is not required but such assignment shall be subject to a condition that in the event of default by the assignee, the lease will revert to Lippo as the lessee.

The costs of maintenance and operating expenses in relation to SHLC will be borne by Lippo, as the master tenant, as is the case with the properties in First REIT's Existing Portfolio. Accordingly, First REIT will not be affected by any cost escalation in Indonesia of maintenance and operating expenses in relation to SHLC.

¹ As the SHLC Acquisition will constitute an Interested Party Transaction under the Property Funds Appendix, the SHLC Acquisition Fee payable to the Manager will be in the form of the SHLC Acquisition Fee Units, which shall not be sold within one year from the date of issuance, in accordance with Paragraph 5.6 of the Property Funds Appendix.

² It is expected that most of the professional and other fees and expenses in connection with the SHLC Acquisition will be incurred by First REIT even if the Manager does not proceed with the SHLC Acquisition.

Completion of the SHLC Master Lease Agreement is conditional upon the fulfilment or waiver (as the case may be) of, among others, the following:

- (i) other approvals (if required) of the SHLC Master Lease including those of the Authority and the SGX-ST;
- (ii) First REIT securing sufficient financing to undertake the Acquisitions and the agreements for such financing not having been terminated and being unconditional in all respects; and
- (iii) no adverse change to the financial condition of Lippo (as the SHLC master lessee) or its ability to make payment to First REIT under the SHLC Master Lease Agreement.

HGB Title

First REIT will, upon acquiring SHLC, hold SHLC under a HGB title which will expire on 5 May 2023¹.

The SHLC Master Lease Agreement is subject to the renewal of SHLC's HGB title.

Completion

Completion of the sale and purchase of SHLC under the SHLC SPA is expected to take place after the date of issue of the Rights Units and after the conditions precedent set out in the SHLC SPA have been fulfilled. The deed of sale and purchase of land should be executed before the land deed officer. Further, the deed of sale and purchase of land and other supporting documents should be submitted to the relevant local land office to be verified and to be registered under the new owner over the land. In practice, such verification by the land office would take approximately 21 days and the registration would be completed approximately 100 days after the completion of the necessary verification conducted by the land office.

Interested Person Transaction and Interested Party Transaction

As at 4 November 2010, being the latest practicable date prior to the issue of the Unitholders' Circular, Lippo directly and/or through its subsidiaries and through its interest in the Manager, has deemed interests of (i) 90.8% in EJM (being the vendor of SHLC), (ii) 21.74% in First REIT and (iii) 80.0% in the Manager, and is therefore regarded as a "controlling unitholder/shareholder" of EJM, First REIT as well as the Manager, under both the Listing Manual and the Property Funds Appendix.

For the purposes of Chapter 9 of the Listing Manual, EJM, being a subsidiary of (i) a controlling Unitholder of First REIT and (ii) a controlling shareholder of the Manager, is an Interested Person and an Interested Party² of First REIT.

As such, the SHLC Acquisition will constitute an Interested Person Transaction under Chapter 9 of the Listing Manual and also an Interested Party Transaction under paragraph 5 of the Property Funds Appendix for which Unitholders' approval was required. The SHLC Master Lease will also constitute an Interested Person Transaction under Chapter 9 of the Listing Manual for which Unitholders' approval was required.

The SHLC Acquisition had been approved by Unitholders at the Extraordinary General Meeting.

Following the completion of the Transactions and assuming of S\$40.4 million is drawn down from the New Loan, First REIT's Aggregate Leverage³ is expected to be 17.25%⁴.

¹ The HGB titles in respect of MRCCC and SHLC were granted by the National Land Office at different times. In addition, the National Land Office has the discretion to determine the tenure of the HGB titles to be granted subject to the relevant maximum limit. For the above reasons, the tenure of the HGB titles for SHLC and MRCCC are not the same. A HGB title is granted for a maximum initial term of 30 years. By application to the relevant local land office upon the expiration of this initial term, a HGB title may be extended for an additional term not exceeding 20 years. The Manager understands from its experience that this is the standard industry practice for properties in Indonesia like MRCCC and SHLC.

² "Interested Party" has the meaning ascribed to it in the Property Funds Appendix.

³ "Aggregate Leverage" refers to the ratio of the value of total borrowings and deferred payments (if any) to the value of the Deposited Property (as defined herein).

⁴ Paragraph 9.2 of the Property Funds Appendix states that the aggregate leverage of a property fund should not exceed 35.0% of the fund's deposited property. The aggregate leverage of a property fund may exceed 35.0% of the fund's deposited property (up to a maximum of 60.0%) only if a credit rating of the property fund from Fitch Inc., Moody's or Standard and Poor's is obtained and disclosed to the public. The property fund should continue to maintain and disclose a credit rating so long as its aggregate leverage exceeds 35.0% of the fund's deposited property. First REIT is currently not rated.

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

*This section should be read together with the selected financial data from the Financial Statements which are set out in **Appendix A**. Such selected financial data should also be read together with the relevant notes to the Financial Statements, which are available on the website of First REIT at www.first-reit.com and are also available for inspection during normal business hours at the registered office of the Manager at 1 Phillip Street, #15-00, Singapore 048692, from the date of this Offer Information Statement up to and including the date falling six months after the date of this Offer Information Statement¹.*

The information contained in the website of First REIT does not constitute part of this Offer Information Statement.

STATEMENTS OF TOTAL RETURN AND DISTRIBUTION STATEMENTS

Selected financial data from the FP2007 Audited Financial Statements, the FY2008 Audited Financial Statements, the FY2009 Audited Financial Statements, the 9M2009 Unaudited Financial Statements and the 9M2010 Unaudited Financial Statements is set out in **Appendix A**. Financial data relating to (i) DPU (ii) earnings per Unit and (iii) earnings per Unit after adjustment for the issuance of the Rights Units, amongst others, are also set out in **Appendix A**.

Such selected financial data should be read together with the relevant notes to the Financial Statements where applicable.

Balance Sheets and Cash Flow Statements

Selected financial data from the FY2009 Audited Financial Statements and the 9M2010 Unaudited Financial Statements, including the line items in the consolidated balance sheets and cash flow statements of First REIT, NAV per Unit, and NAV per Unit after any adjustment to reflect the issuance of the Rights Units is also set out in **Appendix A**.

Such selected financial data should be read together with the relevant notes to the Financial Statements.

FINANCIAL REVIEW

The following sets out the management's discussion and analysis on significant factors, including any unusual or infrequent event or new development, which materially affected income available for distribution to Unitholders after tax, including significant components of revenue or expenditure relating to distribution to Unitholders after tax for the financial periods referred to below.

Management's Discussion and Analysis of Financial Condition and Results of Operations

FY2008 compared against FP2007

Gross Revenue (as defined herein) increased by 6.8% in FY2008 mainly due to increased rental from the Group's four Indonesia properties, being Siloam Hospitals Lippo Village, Siloam Hospitals Kebon Jeruk, Siloam Hospitals Surabaya, Imperial Aryaduta Hotel & Country Club, acquired in 2006 and the rentals received from the four Singapore properties, being Pacific Healthcare Nursing Home @ Bukit Merah, Pacific Healthcare Nursing Home II @ Bukit Panjang, The Lentor Residence and the proposed Pacific Cancer Centre @ Adam Road, newly acquired in 2007.

Finance costs for FY2008 also increased by 14.8% compared to FP2007 due to loans taken up in the second and third quarters of the financial quarter ended 30 June 2007 and the financial quarter ended 30 September 2007 to acquire the four Singapore properties.

The Manager's management fees increased by 10.6% in FY2008 compared to FP2007. This was mainly due to higher Net Property Income (as defined herein).

Other expenses for FY2008 also increased by 23.5% compared to FP2007 mainly due to increase in professional fees.

¹ Prior appointment with the Manager will be appreciated.

Income tax for FY2008 was 97.4% lower than FP2007. The higher income tax expenses for FP2007 was due to recognition of deferred tax liabilities on gain of revaluation of investment properties.

Total return for FY2008 excluding the gain/(loss) on revaluation of investment properties net of deferred tax increased by 6.5% compared to FP2007 largely due to increase in rental income partly offset by increase in management fees and finance costs.

FY2009 compared against FY2008

Gross Revenue for FY2009 remained stable at S\$30.2 million compared to FY2008. The Group's interest income for FY2009 also decreased by 79.9% to S\$43,000 compared to FY2008, reflecting substantially lower market interest rates for fixed deposits.

The Manager's management fees decreased by 4.4% for FY2009 to S\$2.8 million compared to FY2008 mainly due to lower total assets value.

Trustee's fees increased by 14.0% to S\$122,000 in FY2009 compared to FY2008 as the Trustee's fees are presently fixed at a minimum amount of S\$10,000 per month from December 2008 onwards.

Finance costs for FY2009 increased by 7.3% to S\$2.0 million compared to FY2008 mainly due to the higher interest cost for the loan facility refinanced in June 2009.

Other expenses for FY2009 decreased by 54.2% to S\$275,000 compared to FY2008 mainly due to the write back of provision for professional fees and exchange gain.

Income tax for FY2009 increased by 235.4% to S\$2.7 million compared to FY2008 following the increased provision for deferred taxation on gain on revaluation of investment properties.

Total return for FY2009 increased by 56.7% to S\$36.0 million which was mainly attributable to the increase in fair value of our Indonesian properties.

9M2010 compared against 9M2009

Gross Revenue for 9M2010 increased slightly by 0.6% to S\$22.6 million compared 9M2009. Higher rental income from the Indonesia properties was partly offset by the deferment of rental income from the proposed Pacific Cancer Centre @ Adam Road as the property is currently under redevelopment. Including the deferred rental income from the proposed Pacific Cancer Centre @ Adam Road, would have increased the Group's Gross Revenue by 4.6% to S\$23.5 million compared to 9M2009.

Property operating expenses for 9M2010 increased by 37.3% to S\$309,000 compared to 9M2009 mainly due to higher property tax for The Lantor Residence.

Interest income for 9M2010 decreased by 40.0% to S\$21,000 compared to 9M2009 mainly due to lower market interest rates for fixed deposits.

The Manager's management fee increased by 2.6% to S\$2.2 million in 9M2010 compared to 9M2009 mainly due to higher total assets value.

Finance costs for 9M2010 increased by 22.8% to S\$1.7 million compared to 9M2009 mainly due to the higher interest cost for the loan facility refinanced in June 2009.

Other expenses for 9M2010 increased by 30.1% to S\$372,000 compared to 9M2009. Other expenses were lower in 9M2009 because of a write back of professional fees.

Income tax for 9M2010 increased by 5.4% to S\$3.7 million compared to 9M2009 mainly due to higher rental income from Indonesia properties.

Total return for 9M2010 decreased by 4.1% to S\$14.3 million compared to 9M2009 mainly due to the deferment of the rental income from the proposed Pacific Cancer Centre @ Adam Road. Including the deferred rental income, Total return for 9M2010 would have increased by 2.0% to S\$15.2 million compared to 9M2009.

LIQUIDITY AND CAPITAL RESOURCES

FY2009

The Group's cash balance decreased from S\$12.4 million as at 31 December 2008 to S\$11.5 million as at 31 December 2009. The decrease was mainly due to payment for the redevelopment of the proposed Pacific Cancer Centre @ Adam Road and distribution to the Unitholders partly offset by increase in borrowings from OCBC Bank.

9M2010

The Group's cash balance decreased from S\$11.5 million as at 31 December 2009 to S\$10.8 million as at 30 September 2010. The decrease was mainly due to payment for the redevelopment of the proposed Pacific Cancer Centre @ Adam Road and distribution to the Unitholders partly offset by increase in borrowings from OCBC Bank.

BUSINESS PROSPECTS AND TREND INFORMATION

Business and Financial Prospects of First REIT

The book value of First REIT's portfolio of investment properties would be S\$603.4 million if the Acquisitions are completed on 30 September 2010. This is a 74.3% increase compared to actual balance of investment properties of S\$346.1 million as at 30 September 2010. The book value of First REIT's Deposited Property¹ would be S\$615.6 million if the Acquisitions are completed on 30 September 2010. This is a 71.3% increase compared to actual balance of Deposited Property of S\$359.3 million as at 30 September 2010.

There will also be a 58.7% increase in the total gross floor area to 132,696.2 sq m after the completion of the Acquisitions from 83,638.2 sq m before the Acquisitions. The total number of hospital beds for the Indonesian properties will increase by 43.8% from 537 to 772.

The larger asset base is expected to enhance First REIT's overall capital management flexibility, which will, among others, facilitate future acquisitions by First REIT.

Upon completion of the Transactions, First REIT's Aggregate Leverage will be lowered from 18.60% to 17.25% for the Projection Year 2011. Accordingly, First REIT's statement of financial position will be strengthened, leaving sufficient capability for debt financing should the need for such financing arise in the future.

Currently, the master leases of the properties in the Existing Portfolio are between 10 to 15 years. With the Acquisitions, First REIT will benefit from the increase in the Enlarged Portfolio's weighted average lease to expiry based on secured Gross Rental Income with MRCCC being the main contributor to the total Gross Rental Income under the MRCCC Master Lease Agreement. The weighted average lease to expiry of the Enlarged Portfolio will increase to approximately 12.4 years after the completion of the Acquisitions from approximately 10.6 years from that of the Existing Portfolio as at 30 September 2010.

The economy in the Asia-Pacific region is recovering, after experiencing a global economic recession in 2008. Although First REIT did not acquire any properties during the downturn, the Manager believes its resilient REIT structure and prudent capital management strategy have ensured a stable and sustainable distribution income for Unitholders.

Going forward, First REIT will continue to be on the lookout for new yield-accretive healthcare and/or healthcare-related properties.

First REIT will also focus on asset enhancements to drive growth and improve quality of its healthcare properties. Asset enhancement works is underway at Adam Road Hospital to redevelop it as a cancer centre to be known as Pacific Cancer Centre. The investment for these works is estimated at around S\$18.6 million, and is slated for completion in second half of 2011.

¹ "Deposited Property" refers to the gross assets of First REIT, including the Properties and the Authorised Investments (as defined herein) for the time being held or deemed to be held upon the trusts under the Trust Deed.

First REIT will also add a new extension block to The Lantor Residence, estimated to cost about S\$4.5 million. This asset enhancement is expected to commence after it receives the necessary regulatory approvals from the authorities.

First REIT will endeavour to deliver greater Unitholder value by expanding its portfolio and improving the quality of its assets whilst improving its capital management.

(See the section entitled “Risk Factors” for a discussion of certain factors to be considered in connection with an investment in the Rights Entitlements and the Rights Units)

PRO FORMA FINANCIAL INFORMATION

It should be noted that the pro forma financial information in this Offer Information Statement has not been prepared in connection with an offering registered with the U.S. Securities and Exchange Commission (“SEC”) under the Securities Act and consequently is not compliant with the SEC’s rules on presentation of the pro forma financial statements. Furthermore, the preparation and presentation of pro forma financial information has not been carried out in accordance with accounting standards generally accepted in the U.S. and accordingly should not be relied upon as if it has been carried out in accordance with these standards.

PRO FORMA FINANCIAL EFFECTS OF THE TRANSACTIONS

The pro forma financial effects of the Transactions presented below are strictly for illustrative purposes only and were prepared based on:

- (i) the FY2009 Audited Consolidated Financial Statements;
- (ii) the 9M2010 Unaudited Financial Statements,

and assuming:

- (a) MRCCC and SHLC (collectively, the “**Properties**”) will be acquired for an aggregate purchase consideration of S\$205.5 million;
- (b) 345,664,382 Rights Units are issued at an Issue Price of S\$0.50 per Rights Unit;
- (c) First REIT will upon completion of the Acquisitions, revalue the Properties to the fair value of S\$257.3 million, based on the valuation of the Properties by the Independent Valuers appointed by the Manager¹;
- (d) approximately 2.9 million new Units are issued as payment for the MRCCC Acquisition Fee and the SHLC Acquisition Fee payable to the Manager based on the TERP of S\$0.70 per Unit;
- (e) a four year loan of S\$40.4 million is required to part finance the MRCCC Acquisition and will be repaid on maturity of the loan; and
- (f) borrowing costs of S\$1.0 million is amortised over term of loan.

¹ The Manager appointed W&R to value MRCCC and Damianus to value SHLC.

FINANCIAL YEAR ENDED 31 DECEMBER 2009

PRO FORMA DPU AND DISTRIBUTION YIELD AND EARNINGS PER UNIT

The pro forma financial effects of the Transactions on the DPU and distribution yield and earnings per Unit for FY2009 as if First REIT had purchased the Properties and completed the Rights Issue on 1 January 2009, and held and operated the Properties through to 31 December 2009, are as follows.

DPU and Distribution Yield

	FY2009	
	Before the Transactions ⁽¹⁾	After the Transactions
Distributable income (S\$'000)	20,964	38,542
Units in issue and to be issued ('000).....	275,474	624,104
DPU (cents).....	7.62	6.18
Distribution yield (%)	8.02 ⁽²⁾	8.83 ⁽³⁾

Notes:

- (1) Based on the FY2009 Audited Consolidated Financial Statements.
- (2) Based on the actual DPU divided by the Closing Price.
- (3) Based on the adjusted DPU divided by the TERP of S\$0.70 per Unit.

Earnings per Unit

	FY2009	
	Actual ⁽¹⁾	After the Transactions
Earnings per Unit (cents)		
- Basic	13.09	13.39
- Diluted	13.09	13.39

Note:

- (1) Based on the FY2009 Audited Financial Statements.

Pro Forma NAV per Unit

The pro forma financial effects of the Transactions on the NAV per Unit as at 31 December 2009, as if First REIT had purchased the Properties and completed the Rights Issue on 31 December 2009 are as follows:

	As at 31 December 2009	
	Before the Transactions ⁽¹⁾	After the Transactions
NAV (S\$'000).....	271,027	474,200
Units in issue and to be issued ('000).....	275,474	624,104
NAV per Unit (S\$).....	0.98	0.76

Note:

- (1) Based on the FY2009 Audited Consolidated Financial Statements.

Pro Forma Capitalisation

The following table sets forth the pro forma capitalisation of First REIT as at 31 December 2009, as if First REIT had purchased the Properties and completed the Rights Issue on 31 December 2009.

	As at 31 December 2009	
	Actual	As Adjusted for the Transactions
	(S\$ '000)	(S\$ '000)
Short-term debt:		
Unsecured	–	–
Secured	–	–
Total short-term debt	–	–
Long-term debt:		
Unsecured	–	–
Secured	52,301	91,723
Total long-term debt	52,301	91,723
Total debt.....	52,301	91,723
Unitholders funds	271,027	474,200
Total Capitalisation.....	323,328	565,923

NINE MONTHS ENDED 30 SEPTEMBER 2010

Pro Forma DPU and Distribution Yield and Earnings per Unit

The pro forma financial effects of the Transactions on the DPU and distribution yield and earnings per Unit for 9M2010, as if First REIT had purchased the Properties and completed the Rights Issue on 1 January 2010, and held and operated the Properties through to 30 September 2010, are as follows:

DPU and Distribution Yield

	9M2010	
	Before the Transactions⁽¹⁾	After the Transactions
Distributable amount (S\$'000)	15,900	29,579
Units in issue and to be issued ('000)	276,281	624,911
DPU (cents)	5.76	4.73
Distribution yield (%)	6.06 ⁽²⁾	6.76 ⁽³⁾

Notes:

- (1) Based on the 9M2010 Unaudited Financial Statements.
- (2) Based on the actual DPU divided by the Closing Price.
- (3) Based on the adjusted DPU divided by the TERP of S\$0.70 per Unit.

Earnings per Unit

	9M2010	
	Actual ⁽¹⁾	Pro forma after the Transactions
Earnings per Unit (cents)		
- Basic	5.17	9.31
- Diluted	5.17	9.31

Note:

(1) Based on the 9M2010 Unaudited Financial Statements.

Pro Forma NAV per Unit

The pro forma financial effects of the Transactions on the NAV per Unit as at 30 September 2010, as if First REIT had purchased the Properties and completed the Rights Issue on 30 September 2010, are as follows:

	As at 30 September 2010	
	Before the Transactions ⁽¹⁾	After the Transactions
NAV (S\$ '000).....	270,122	473,295
Units in issue and to be issued ('000).....	276,281	624,911
NAV per Unit (S\$).....	0.98	0.76

Note:

(1) Based on the 9M2010 Unaudited Financial Statements.

Pro Forma Capitalisation

The following table sets forth the pro forma capitalisation of First REIT as at 30 September 2010, as if First REIT had purchased the Properties and completed the Rights Issue on 30 September 2010.

	As at 30 September 2010	
	Actual	As Adjusted for the Transactions
	(S\$ '000)	(S\$ '000)
Short-term debt:		
Unsecured	–	–
Secured	–	–
Total short-term debt	–	–
Long-term debt:		
Unsecured	–	–
Secured	56,847	96,269
Total long-term debt	56,847	96,269
Total debt.....	56,847	96,269
Unitholders funds	270,122	473,295
Total Capitalisation.....	326,969	569,564

PROFIT FORECAST AND PROFIT PROJECTION

ASSUMPTIONS

Statements contained in this section that are not historical facts may be forward-looking statements. Such statements are based on the assumptions set forth in this section and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecasted and projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by any of First REIT, the Manager, the Trustee, the Joint Lead Managers and Underwriters or any other person, nor that these results will be achieved or are likely to be achieved. Investors in the Units or the Rights Units are cautioned not to place undue reliance on these forward-looking statements which are made only as of the date of this Offer Information Statement.

None of First REIT, the Manager, the Trustee or the Joint Lead Managers and Underwriters guarantees the performance of First REIT, the repayment of capital or the payment of any distributions, or any particular return on the Units or the Rights Units. The forecast and projected yields presented below are strictly for illustrative purposes only.

The major assumptions made in the preparation of the profit forecast and profit projection for the Acquisitions and the Existing Portfolio are set out below. The Manager considers these assumptions to be appropriate and reasonable as at the date of this Offer Information Statement.

- (i) Gross Revenue comprises the income derived from the Gross Rental Income¹ of the Existing Portfolio to Lippo under the Master Lease Agreements² for the full financial year from 1 January 2010 to 31 December 2010 (the “**Forecast Year 2010**”). For the Projection Year FY2011, the Gross Revenue includes income derived from the Gross Rental Income of MRCCC and SHLC to Lippo under the MRCCC Master Lease Agreement and the SHLC Master Lease Agreement respectively in addition to the Gross Rental Income from the Existing Portfolio;
- (ii) the lessee is required to pay rent on a monthly or quarterly basis in advance;
- (iii) in relation to the Gross Rental Income for properties in Indonesia:
 - (a) base rent is computed as follows:
 - (i) base rent for the first year of the lease is fixed;
 - (ii) subsequently, base rent for the year is computed by multiplying base rent of the preceding year to two times the percentage variation in the Consumer Price Index of Singapore (“**Singapore CPI**”) for the preceding calendar year, subject to a cap of 2.0%;
 - (iii) if the percentage variation in the Singapore CPI for the preceding calendar year is negative, there will be no increase in base rent for the year; and
 - (iv) the base rent increment is 2.0% for the Forecast Year 2010. There is no base rent increment for the Projection Year 2011 as the aggregate Singapore CPI percentage variation for FY2009 is negative;

¹ “**Gross Rental Income**” refers to contracted rent under the master lease agreements in relation to the Enlarged Portfolio which comprises base rent and variable rent (where applicable).

² “**Master Lease Agreements**” refer to the four lease agreements dated 23 October 2006 entered into between Lippo and the SPVs in relation to the Existing Portfolio, and “**Master Lease Agreement**” means any one of them. “**SPVs**” refer to (i) PT Sentra Dinamika Perkasa, (ii) PT Graha Indah Pratama, (iii) PT Tata Prima Indah, and (iv) PT Karya Sentra Sejahtera, all of which are companies incorporated in Indonesia and “**SPV**” means any one of them.

- (b) variable rent is computed based on the percentage of the audited Gross Revenue growth in relation to the properties in the preceding financial year:
 - (i) if the audited Gross Revenue growth in the preceding financial year is less than 5.0%, no variable rent is payable;
 - (ii) if the audited Gross Revenue growth in the preceding financial year is more than 5.0% and less than 15.0%, the variable rent payable will be 0.75% of audited Gross Revenue in the preceding financial year;
 - (iii) if the audited Gross Revenue growth in the preceding financial year is between 15.0% or more and less than 30.0%, the variable rent payable will be 1.25% of audited Gross Revenue in the preceding financial year;
 - (iv) if the audited Gross Revenue growth in the preceding financial year is 30.0% or more, the variable rent payable will be 2.0% of audited Gross Revenue in the preceding financial year;
- (iv) Gross Revenue growth in relation to First REIT's properties is 19.5% and 15.0% for the Forecast Year 2010 and the Project Year 2011 respectively. As such, variable rent increment factor of 1.25% is applied for the above periods;
- (v) fixed exchange rates of S\$1.00 to Rp. 5,624 for the master leases of the Existing Portfolio and S\$1.00 to Rp. 6,600 for the MRCCC Master Lease and the SHLC Master Lease for the 15-year lease term;
- (vi) in relation to the Gross Rental Income for properties in Singapore, rental rates will be increased by 2.0% on the preceding year every year;
- (vii) direct operating expenses of First REIT and its subsidiaries which comprise advertising costs, accounting and administrative costs and professional fees increase by about 10.0% per year;
- (viii) under the Trust Deed, the Manager's management fee comprises of (a) a base fee of 0.4% per annum of the total assets of First REIT and (b) a performance fee of 5.0% of the Net Property Income¹ of First REIT;
- (ix) the Manager may elect to receive its management fees in cash or in Units or a combination of cash and Units (as it may in its sole discretion determine), having regard to the distribution yields to Unitholders and the cash flows of First REIT. The Manager elects to receive 60.0% and 100.0% of the management fees in Units for the Forecast Year 2010 and for the Projection Year 2011 which will be issued at the volume-weighted average traded price for the 10 market days before the Latest Practicable Date of S\$0.9683 and the TERP of S\$0.70 respectively;
- (x) under the Trust Deed, the Trustee's fees shall not exceed 0.1% of the total assets of First REIT and shall not be less than S\$10,000 per month. For the Forecast Year 2010, the Trustee's fees are computed based on a minimum sum of S\$10,000 per month. For the Projection Year 2011, the Trustee's fees are expected to be computed based on 0.03% per annum of the total assets of First REIT;
- (xi) finance costs comprise interest expenses on borrowing and amortisation of borrowing costs. The range of interest rates on the borrowing for Forecast Year 2010 is from 3.87% to 4.11% per annum and interest rates on the borrowing for Projection Year 2011 is 4.00% per annum;
- (xii) other expenses of First REIT and its subsidiaries which comprise of recurring expenses such as annual listing fees, audit and tax advisory fees, valuation fees, costs associated to preparation and distribution of reports to Unitholders, investor communication costs and other miscellaneous expenses increase by about 10.0% per year;

¹ "Net Property Income" refers to Gross Rental Income less other property expenses (where applicable).

- (xiii) income tax relating to the corporate tax is incurred by the special purpose companies incorporated in Indonesia on the rental income earned at a rate of 10.0%. The income tax on interest income earned on cash balances with banks is at a rate of 20.0%;
- (xiv) withholding tax on dividend and interest payment relating to tax withheld by the special purpose companies incorporated in Indonesia on the dividend and interest payments to the special purpose companies incorporated in Singapore are at a reduced rate of 10.0% under the tax treaty between Singapore and Indonesia;
- (xv) the proposed Pacific Cancer Centre @ Adam Road is expected to receive temporary occupation permit and enter into a supplement lease in July 2011;
- (xvi) the Lentor Residence is expected to receive temporary occupation permit and enter into a supplement lease in September 2011;
- (xvii) volume-weighted average traded price for the 10 market days before the Latest Practicable Date of S\$0.9683 used in the computation of the payment of the Manager's management fee in Units for the fourth quarter of the Forecast Year 2010 and the TERP of S\$0.70 per Unit for the Projection Year 2011;
- (xviii) the Manager has assumed no change in applicable accounting standards or other financial reporting requirements that may have a material effect on the forecast or projected total return;
- (xix) others:
 - (a) there will be no disposal in the Existing Portfolio throughout these periods;
 - (b) no further capital will be raised during the periods;
 - (c) there will be no change to tax exemption and the tax approval granted to First REIT;
 - (d) all leases and licences are enforceable and will be performed in accordance with their terms; and
 - (e) 100.0% of the tax-exempt income (after deduction of applicable expenses) and capital receipts available for distribution will be distributed to the Unitholders.

FORECAST AND PROJECTED STATEMENTS OF TOTAL RETURN

The following table shows First REIT's forecast and projected statements of total return for the Forecast Year 2010 and the Projection Year 2011. The forecast and projected results for the Forecast Year 2010 and the Projection Year 2011 are based on the assumptions set out above and have been examined by the independent reporting accountants, being RSM Chio Lim LLP (the "**Independent Reporting Accountants**"), and should be read together with the report set out in **Appendix B**, "Independent Reporting Accountants' Report on the Profit Forecast and Profit Projection" as well as the assumptions set out above.

Forecast and Projected Statements of Total Return

	Forecast Year 2010	Projection Year 2011
	(\$ '000)	(\$ '000)
Gross Revenue	30,274	54,509
Property Operating Expenses	(393)	(503)
Net Property Income	29,881	54,006
Interest Income	24	19
Manager's Management Fees	(2,942)	(5,242)
Trustee's Fees	(121)	(190)
Finance Costs	(2,272)	(4,517)
Other Expenses	(487)	(407)
Net Income before the Undernoted	24,083	43,669
Increase in Fair Value of Investment Properties	–	46,790
Total Return for the Year before Income Tax	24,083	90,459
Income Tax for the Year	(4,974)	(22,476)
Total Return for the Year after Income Tax	19,109	67,983

Forecast and Projected Statements of Distribution

	Forecast Year 2010	Projection Year 2011
Total Return for the Year after Income Tax	19,109	67,983
Add/ (less) non-cash items and other adjustments:		
- Management fees payable in units	934	4,755
- Change in fair value of investment property, net of tax	–	(33,060)
- Deferred rental income of property under asset enhancement	1,220	590
Other adjustments	31	(13)
Total Return Available for Distribution to Unitholders	21,294	40,255
	Forecast Year 2010	Projection Year 2011
Number of Units eligible for distribution ('000)	276,774	629,262
DPU (cents)	7.69	6.40
Unit Price/TERP (cents)	95.0	70.0
Annualised distribution yield ⁽¹⁾ (%)	8.09	9.14

Note:

- (1) Yields will vary accordingly for investors who purchase Units in the secondary market at a market price higher or lower than the stated reference price or prices.

Gross Revenue and Net Property Income Contribution of MRCCC and SHLC

The forecast and projected contribution of each of MRCCC and SHLC to Gross Revenue¹ is as follows:

	Forecast Year 2010		Projection Year 2011	
	(S\$'000)	%	(S\$'000)	%
Existing eight properties	30,274	100.0	32,106	58.9
MRCCC	–	–	18,635	34.2
SHLC	–	–	3,768	6.9
Total	30,274	100.0	54,509	100.0

The forecast and projected contribution of each of MRCCC and SHLC to Net Property Income is as follows:

	Forecast Year 2010		Projection Year 2011	
	(S\$'000)	%	(S\$'000)	%
Existing eight properties	29,881	100.0	31,743	58.8
MRCCC	–	–	18,552	34.3
SHLC	–	–	3,711	6.9
Total	29,881	100.0	54,006	100.0

Sensitivity Analysis

The forecast and projected distributions included in this Offer Information Statement are based on a number of assumptions that have been outlined above. The forecast and projected distributions are also subject to a number of risks as outlined in “Risk Factors”.

All prospective investors in the Units should be aware that future events cannot be predicted with any certainty and deviation from the figures forecasted or projected in this Offer Information Statement are to be expected.

No sensitivity analysis is done for Forecast Year 2010 because the master lessee gross revenue in FY2009 and FY2008, which are used to determine the growth of master lessee gross revenue and variable rent payable in Forecast Year 2010, is already audited by the master lessee’s auditors. Hence, the rental that the master lessee is paying is already determined and confirmed by the master lessee.

¹ “Gross Revenue” consists of Gross Rental Income and (where applicable) other income earned from First REIT’s properties.

The table below sets out the impact of changes in the variable rent component on the distribution yield per unit for Projection Year 2011 based on different growth levels in the master lessee gross revenue for the financial year 2010 as compared with the FY2009. The sensitivity analysis is intended to provide a guide only and variation in actual performance could exceed the ranges shown. Movement in other variables may offset or compound the effect of a change in any variable beyond the extent shown.

Growth Of Master Lessee Gross Revenue ⁽¹⁾ (%)	Base Rent (S\$'000)	Variable Rent (S\$'000)	Total Rent (S\$'000)	Yield Based On TERP
5.0%	52,526	1,853	54,379	9.12%
10.0%	52,526	1,928	54,453	9.13%
15.0% ⁽²⁾	52,526	1,983	54,509	9.14%
20.0%	52,526	1,989	54,514	9.14%
25.0%	52,526	1,994	54,520	9.14%
30.0%	52,526	2,088	54,614	9.16%
35.0%	52,526	2,097	54,623	9.16%
40.0%	52,526	2,106	54,632	9.16%

Notes:

- (1) For the financial year 2010 as compared to the FY2009.
- (2) Rental income for the Projection Year 2011 is based on this assumption.

INFORMATION RELATING TO FIRST REIT

Development of First REIT

Save for the Acquisitions, the Rights Issue and the New Loan which have been described elsewhere in this Offer Information Statement, the general development of the business of First REIT (from the date of its constitution (19 October 2006) to the Latest Practicable Date is set out below. Save as disclosed below, to the best of the Manager's knowledge and belief, there have been no material changes in the affairs of First REIT since the release of First REIT's financial results for 9M2010.

Date	Significant developments
11 January 2007	: First REIT established a S\$90 million credit facility with OCBC Bank.
22 January 2007	: First REIT signed put and call option agreements to purchase two nursing homes located at No. 6 Lengkok Bahru and No. 21 Senja Road, as well as a hospital located at No. 19 Adam Road for a total purchase consideration of S\$38.2 million.
14 February 2007	: Appointment of Non-Executive Director, Mr Klaus Krombass to the board of directors of the Manager. Appointment of Alternate Director, Mr Klaus Krombass, to Mr Mag Rainer Silhavy to the board of directors of the Manager.
7 March 2007	Resignation of Non-Executive Director, Mr Chan Kin from the board of directors of the Manager.
11 April 2007	: Completion of the acquisition of No. 6 Lengkok Bahru and No. 21 Senja Road for the purchase considerations of S\$11.8 million and S\$11.5 million respectively.
7 May 2007	: First REIT entered into a Memorandum of Understanding with Sphere Investment Pte Ltd for the acquisition and leaseback of 51 Lentor Avenue.
1 June 2007	: First REIT entered into a conditional option agreement for the acquisition and leaseback of a nursing home at No. 51 Lentor Avenue for S\$12.8 million.
11 June 2007	: Completion of the acquisition of No. 51 Lentor Avenue for a purchase consideration of S\$12.8 million.
23 July 2007	: Completion of the acquisition of No. 19 Adam Road for a purchase consideration of S\$14.9 million.
18 September 2007	: Appointment of Non-Executive Director, Mr Markus Parmadi to the board of directors of the Manager.
9 November 2007	: Siloam Hospitals Lippo Karawaci was awarded the United States-based Joint Commission International accreditation.
28 July 2008	: Resignation of Chief Financial Officer, Mr Lo Shye Ru from the Manager. Appointment of Chief Financial Officer, Mr Victor Tan Kok Mian to the Manager.
6 April 2009	: First REIT secured a three-year S\$70 million multi-currency transferable loan facility from OCBC Bank.

Date	Significant developments
14 July 2009	: Resignation of Independent Director, Datuk Robert Chua Teck Chew (who was also an audit committee member) from the board of directors of the Manager.
21 October 2009	: Resignation of Alternate Director, Mr Klaus Krombass from the board of directors of the Manager. Appointment of Alternate Director, Mr Douglas Chew, to Mr Mag Rainer Silhavy to the board of directors of the Manager.
2 November 2009	: First REIT entered into a collaboration agreement with Health Promise Pte. Ltd. (formerly known as Pacific Hospital Consultants Pte. Ltd.), the tenant of Adam Road Hospital and Pacific Healthcare Holdings for the enhancement of the existing Adam Road Hospital to a modern 3-storey purpose built cancer hospital with basement.
26 July 2010	: First REIT entered into a conditional agreement with First Lantor Residence Pte. Ltd., the tenant of The Lantor Residence, to develop an extension to the existing building to enhance The Lantor Residence.

The Directors of the Manager of First REIT

The names and addresses of the Directors are set out below.

Name	Age	Address	Position
Mr Albert Saychuan Cheok	60	1 Phillip Street, #15-00, Singapore 048692	Chairman and Independent Director
Mr Goh Tiam Lock	64	1 Phillip Street, #15-00, Singapore 048692	Independent Director
Mr Markus Parmadi	64	1 Phillip Street, #15-00, Singapore 048692	Non-Executive Director
Mr Mag Rainer Silhavy	51	1 Phillip Street, #15-00, Singapore 048692	Non-Executive Director
Mr Douglas Chew	59	1 Phillip Street, #15-00, Singapore 048692	Alternate Director to Mr Mag Rainer Silhavy
Dr Ronnie Tan Keh Poo	56	1 Phillip Street, #15-00, Singapore 048692	Chief Executive Officer and Director

Information on the Units

As at the Latest Practicable Date, there were 276,531,506 Units in issue.

Substantial Unitholders¹ of First REIT and their Unitholdings

Based on the Register of Substantial Unitholders maintained by the Manager, the Substantial Unitholders of First REIT² and their interests in the Units as at the Latest Practicable Date are as follows:

Unitholder	Direct Interest	Deemed Interest	% Interest⁽¹⁾	Total Interest	% Interest⁽¹⁾
Bridgewater International Ltd.....	55,000,000	–	19.89%	55,000,000	19.89%
Lippo Karawaci Corporation Pte. Ltd.....	–	60,131,506 ⁽²⁾	21.74%	60,131,506	21.74%
PT Lippo Karawaci Tbk.....	–	60,131,506 ⁽³⁾	21.74%	60,131,506	21.74%
Golden Rainbow International Limited.....	25,000,000	–	9.04%	25,000,000	9.04%
Raiffeisen Zentralbank Österreich AG.....	–	25,000,000 ⁽⁴⁾	9.04%	25,000,000	9.04%

Notes:

- (1) The percentage interest is based on total issued Units of 276,531,506 as at the Latest Practicable Date.
- (2) Lippo Karawaci Corporation Pte. Ltd. is deemed to be interested in (i) 55,000,000 Units held by its wholly-owned subsidiary, Bridgewater International Ltd; and (ii) 5,131,506 Units held by Bowsprit Capital Corporation Limited.
- (3) Lippo is deemed to be interested in (i) 55,000,000 Units held by its indirect wholly-owned subsidiary, Bridgewater International Ltd; and (ii) 5,131,506 Units held by Bowsprit Capital Corporation Limited.
- (4) Raiffeisen Zentralbank Österreich AG is deemed to be interested in the 25,000,000 Units held by its wholly-owned subsidiary, Golden Rainbow International Limited.

History of Issuance of Units

The table below sets out the Units issued for cash or services within the 12 months immediately preceding the Latest Practicable Date.

Date	Number of Units Issued
22 January 2010	Issue of 235,644 Units to the Manager at an issue price of S\$0.8041 per Unit as payment of management fees, bringing the total number of Units in issue to 275,710,010.
23 April 2010	Issue of 262,020 Units to the Manager at an issue price of S\$0.8404 per Unit as payment of management fees, bringing the total number of Units in issue to 275,972,030.
26 July 2010	Issue of 308,959 Units to the Manager at an issue price of S\$0.8449 per Unit as payment of management fees, bringing the total number of Units in issue to 276,280,989.
22 October 2010	Issue of 250,517 Units to the Manager at an issue price of S\$0.9002 per Unit as payment of management fees, bringing the total number of Units in issue to 276,531,506.

¹ “**Substantial Unitholders**” refer to Unitholders with interests in not less than 5.0% of all Units in issue.

² The Substantial Unitholders do not have different voting rights from ordinary Unitholders.

Price Range and Trading Volume of the Units on the SGX-ST

The highest and lowest closing prices and the average daily volume of Units traded on the SGX-ST for the twelve calendar months immediately preceding the Latest Practicable Date and for the period commencing on 1 November 2010 to the Latest Practicable Date are as follows:

Month	Price Range (S\$ per Unit)		Average Daily Volume Traded Units
	Highest	Lowest	
November 2009	0.780	0.695	298,093
December 2009	0.820	0.750	258,909
January 2010	0.885	0.815	310,050
February 2010	0.835	0.795	152,333
March 2010	0.850	0.820	159,000
April 2010	0.900	0.840	237,143
May 2010	0.895	0.800	305,450
June 2010	0.860	0.815	130,182
July 2010	0.910	0.845	367,773
August 2010	0.900	0.865	203,190
September 2010	0.920	0.850	632,286
October 2010	0.970	0.910	250,190
1 November 2010 to the Latest Practicable Date	0.990	0.940	1,240,756

Source: Bloomberg L.P. has not provided its consent, for purposes of Section 249 (read with Section 302) of the SFA, to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 253 and 254 (both read with Section 302) of the SFA. While the Manager has taken reasonable actions to ensure that the information from the relevant report published by Bloomberg L.P. is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, none of the Manager, the Joint Lead Managers and Underwriters or any other party has conducted an independent review of the information contained in such report or verified the accuracy of the contents of the relevant information.

Indebtedness

Existing Borrowings

As at the Latest Practicable Date, First REIT has the following debt outstanding:

- (i) On 9 June 2009, the Trustee entered into a facility agreement with OCBC Bank for a multi-currency transferable term loan of S\$70.0 million for a term of three years.
- (ii) As at 30 September 2010, the Group's total borrowing was S\$56.8 million at the interest margin of 3.5% per annum plus the bank's Swap cost.

The New Loan

The Trustee had on 8 November 2010 accepted a letter of offer from OCBC Bank for the New Loan. The Manager intends to draw down an estimated S\$40.4 million¹ of the New Loan to part finance the MRCCC Acquisition Cost.

The details of the New Loan are as follows:

- (i) the New Loan bears an interest margin of 3.25% per annum plus the bank's swap cost; and
- (ii) the New Loan shall mature four years from the date of first drawdown.

¹ The actual amount drawn down may vary.

RISK FACTORS

The risks described below should be carefully considered before making an investment decision in relation to the Rights Entitlements, the Rights Units or the Units. The risks described below are not the only ones relevant to First REIT, the Manager, the Trustee, the Rights Entitlements, the Rights Units or the Units. These risk factors are not intended to be exhaustive and, in particular, are not intended to repeat the risk factors set out in the prospectus dated 25 October 2006 in connection with the listing of First REIT on the SGX-ST (the “Prospectus”), certain of which may continue to be applicable to First REIT. Details of some of the risk factors relating to the Existing Portfolio which continue to be applicable to First REIT can be found in the Prospectus. Additional risks not described below or not presently known to the Manager and/or the Trustee or that it/they currently deem(s) immaterial may also impair the business operations of First REIT. The business, financial condition or results of operations of First REIT could be materially and adversely affected by any of these risks.

RISKS RELATING TO THE ACQUISITIONS

The Properties are located in Indonesia which exposes First REIT to economic and real estate market conditions and changes in fiscal policies in Indonesia

All of the Properties are situated in Indonesia. As a result, First REIT’s Gross Revenue and results of operations depend to a large extent on the performance of the Indonesian economy. An economic decline in Indonesia could adversely affect First REIT’s Gross Revenue and results. Political upheavals, natural disasters, insurgency movements, riots and governmental policies all play a pivotal role in the performance of the Properties. (See “— Risks Relating to Indonesia”)

Further, the Properties will be subject to Indonesian real estate laws, securities laws, tax laws, any applicable laws relating to foreign exchange and related policies and any unexpected changes to the same. There might be a negative impact on the Properties as a result of measures and policies adopted by the Indonesian government and relevant authorities at the local and national levels, including the imposition of foreign exchange restrictions. There is the risk that First REIT will not be able to repatriate the income and gains derived from the Properties. It may also be difficult to obtain legal protection and recourse in Indonesia. Any inability to repatriate the income and gains from the Properties to Singapore and/or obtain legal protection and recourse in relation to the Properties will affect First REIT’s ability to make distributions to Unitholders.

The future market value of the Properties may differ from the valuation determined by the Independent Valuers

The MRCCC Purchase Consideration was arrived at on a willing-buyer willing-seller basis after taking into account the two independent valuations of MRCCC by W&R and Rengganis which were commissioned by the Manager and the Trustee, respectively. The MRCCC Purchase Consideration of S\$170.5 million is below the two independent valuations obtained in relation to MRCCC and represents a discount of 19.7% to S\$212.3 million, which is the average of the two independent valuations of MRCCC.

The SHLC Purchase Consideration was arrived at on a willing-buyer willing-seller basis after taking into account the two independent valuations of SHLC by Damianus and W&R which were commissioned by the Manager and the Trustee respectively. The SHLC Purchase Consideration of S\$35.0 million is below the two independent valuations obtained in relation to SHLC and represents a discount of 13.8% to S\$40.6 million, which is the average of the two independent valuations of SHLC.

While the valuations of the Properties were conducted using the “Income Method” of valuation utilising discounted cash flow analysis, property valuations (including the appraisals conducted by the Independent Valuers) generally include a subjective evaluation of certain factors relating to the relevant properties, such as their relative market positions, their financial and competitive strengths and their physical conditions.

The Independent Valuers’ determination of the appraised value of the Properties does not guarantee a sale for any part or the whole of each of the Properties at its appraised value at present or in the future. The price at which First REIT may sell MRCCC and/or SHLC in the future may be lower than the MRCCC Purchase Consideration and the SHLC Purchase Consideration respectively.

Further, there can be no assurance that there will be no downward revaluation of the Properties in the future. In addition, First REIT is required to measure investment properties at fair value at each balance sheet date and any change in the fair value of an investment property is recognised in the statements of total return. Although this may not have an impact on distributions to Unitholders or the level of distributable income of First REIT, the changes in fair value may have an adverse effect on First REIT's financial results as revaluation losses will be charged to First REIT's statements of total return in the financial years where there is a significant decrease in the valuation of the Properties. A downward revaluation of the Properties may also result in an increase in First REIT's Aggregate Leverage.

First REIT will not obtain legal title of the properties under the SHLC SPA until after the date of issue of the Rights Units and failure to complete the transfer of title under the SHLC SPA could negatively affect the price of the Units and the business and financial results of First REIT

Completion of the sale and purchase of SHLC under the SHLC SPA is expected to take place after the date of issue of the Rights Units, the fulfillment of certain conditions, including the conditions precedent set out in the SHLC SPA, and the execution of the relevant deed of sale and purchase of land before a land deed officer. In this regard, some follow-up administrative registrations and record filing will be required. While the Manager does not expect any legal or regulatory obstacles to the completion of such follow-up administrative registrations and record-filing, there can be no assurance that there will not be further impediments to their completion. The failure of First REIT to complete the transfer of title of SHLC under the SHLC SPA may adversely affect First REIT's business and financial results and the price of the Units may be adversely affected.

There may not be sufficient compensation to First REIT for any loss or damage which it may suffer as a result of any issue affecting MRCCC and SHLC

The Trustee has entered into a deed of indemnity with PT Metropolis Propertindo Utama pursuant to which PT Metropolis Propertindo Utama will, subject to certain conditions, indemnify the Trustee against certain liabilities or damages suffered by the Trustee arising from the MRCCC SPA. The Trustee has also entered into a deed of indemnity with Lippo pursuant to which Lippo will, subject to certain conditions, indemnify the Trustee against certain liabilities or damages suffered by the Trustee arising from the SHLC SPA. In the event that the deeds of indemnity entered into by the Trustee with PT Metropolis Propertindo Utama and Lippo in relation to the MRCCC SPA and the SHLC SPA respectively are insufficient to cover such claims, actions, losses, proceedings, damages, liabilities, demands, costs and expenses suffered or incurred, First REIT will have to bear the same, and this will in turn materially affect First REIT's operating results and its ability to make distributions to Unitholders out of such income and gains.

The due diligence exercise prior to the Acquisitions may not have identified all material defects, breaches of laws and regulations and other deficiencies

There can be no assurance that any reviews, surveys or inspections (if any) conducted by the Independent Valuers, technical consultants and surveyors have revealed all defects or deficiencies, including latent defects requiring repair or maintenance, thereby adversely affecting the operations of First REIT and incurring significant capital expenditures, or payment or other obligations to third parties, other than those disclosed in this Offer Information Statement.

The risk of undisclosed defects, breaches and deficiencies is potentially increased as a result of the time interval between completion of the review, survey and inspection process and the date of this Offer Information Statement.

In addition, the Properties may be in breach of laws and regulations (including those in relation to real estate and environmental laws) or fail to comply with certain regulatory requirements (including those in relation to the registration of certain deeds and other legal documents with the relevant regulatory authorities in Indonesia), which the Manager's due diligence investigations did not uncover. As a result, First REIT may incur additional financial or other obligations in relation to such breaches or non-compliance. Currently, certain deeds of PC and GPS with respect to the change of capital structure, share ownership and members of the board of directors and board of commissioners are in the process of registration pursuant to Law No. 3 Year 1982 regarding mandatory company registration with the relevant authorities. However, there can be no assurance when such evidence of registration will be issued

and failure to comply with such registration would subject the members of the board of directors of the relevant Indonesian SPCs to imprisonment for a maximum period of 3 (three) months or a fine amounting to a maximum of Rp. 3,000,000.

The representations and warranties given by Wincatch and EJM to First REIT pursuant to the MRCCC SPA and SHLC SPA respectively are subject to limitations as to the scope of such representations and warranties, the aggregate liability of Wincatch and EJM in respect of all claims under such representations and warranties, and the period within which such claims can be made. There can be no assurance that First REIT will be reimbursed under such representations and warranties for all losses or liabilities suffered or incurred by it as a result of the Acquisitions. Should First REIT not be reimbursed for such losses or liabilities, this would in turn adversely affect First REIT's operating results and its ability to generate revenue and make distributions to Unitholders.

Under the current rental step-up formula in the MRCCC Master Lease Agreement and the SHLC Master Lease Agreement, Unitholders may not be entitled to the full benefits of upside in the relevant Indonesian property market in terms of the distributions which they receive from First REIT

Under the terms of the MRCCC Master Lease Agreement and the SHLC Master Lease Agreement, each of the Properties is under a master lease comprising a term of 15 years (with an option for Lippo to renew for a further term of 15 years on the same terms and conditions save for rent). The rent for each of the Properties comprises a base rent and a variable rent, save for the first year (being the period commencing on completion date and ending on (and including) the day immediately preceding the first anniversary date of completion date) where the rent comprises only the base rent.

The MRCCC Master Lease is granted at an annual base rent of S\$18,635,000 (the "MRCCC Base Rent") and the SHLC Master Lease is granted at an annual base rent of S\$3,768,000 (the "SHLC Base Rent"). The MRCCC Base Rent and the SHLC Base Rent are payable quarterly in advance and will be subject to an increase every year thereafter at a rate equal to twice the percentage increase of the Singapore CPI for the preceding calendar year, subject to a floor of 0.0% and a cap of 2.0%.

The variable rent is not payable in the first year of the MRCCC Master Lease and the SHLC Master Lease. Variable rent for the second, third and fourth year for the MRCCC Master Lease will be based on audited gross revenue growth of MRCCC and thereafter variable rent will be based on aggregate audited gross revenue growth of MRCCC and SHLC and the ratio of the MRCCC Total Rent¹ for the preceding year of the MRCCC Master Lease will be applied to apportion the variable rent payable in a year. Variable rent for the second, third and fourth year of the SHLC Master Lease will be based on audited gross revenue growth of SHLC. Thereafter, variable rent will be based on aggregate audited gross revenue growth of SHLC and MRCCC and the ratio of the SHLC Total Rent² for the preceding year of the SHLC Master Lease will be applied to apportion the variable rent payable in a year.

During the initial 15-year term of the MRCCC Master Lease Agreement and the SHLC Master Lease Agreement, if the relevant Indonesian property market exhibits higher growth than the rental step-up provided above, Unitholders will not be entitled to the full benefits of such upside in terms of the distributions which they receive from First REIT.

First REIT faces certain risks in connection with the acquisition of SHLC as well as other properties from Lippo, its subsidiaries and/or its related corporations

SHLC has been indirectly acquired from Lippo, through First REIT's indirect wholly-owned subsidiary, GPS. First REIT may also, directly or indirectly through its subsidiaries, acquire real estate or other assets from Lippo or parties related to Lippo. Although the Manager will take steps to ensure that transactions with Lippo are at arm's length, there can be no assurance that the terms on which the Properties are acquired or future acquisitions of real estate and other assets from Lippo are not or, as the case may be, will not be adverse to First REIT, or reflect or, as the case may be, will reflect, an arm's length acquisition of the Properties or future acquisitions by First REIT.

¹ "MRCCC Total Rent" refers to the sum of the MRCCC Base Rent and MRCCC's variable rent.

² "SHLC Total Rent" refers to the sum of the SHLC Base Rent and SHLC's variable rent.

RISKS RELATING TO FIRST REIT'S OPERATIONS

First REIT's strategy of investing primarily in healthcare assets may entail a higher level of risk compared to other types of unit trusts that have a more diverse range of investments

First REIT's principal strategy is primarily focused on owning and investing 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.

As such, First REIT will be subject to risks inherent in concentrating on investments in a single industry. The level of risk could be higher compared to other types of unit trusts that have a more diverse range of investments.

A concentration of investments in a portfolio of such specific real estate assets in Indonesia and elsewhere regionally exposes First REIT to both a downturn in the real estate market as well as the healthcare industry in Indonesia and those in the relevant regions elsewhere. Such downturns may lead to a decline in occupancy for hospitals including those in First REIT's portfolio thereby affecting First REIT's rental income from the tenants of the properties in the Enlarged Portfolio, and/or a decline in the capital value of First REIT's portfolio, which will have an adverse impact on distributions to the Unitholders and/or on the results of operations and the financial condition of First REIT.

First REIT may have a higher level of gearing than certain other types of unit trusts and may experience limited availability of funds and face risks associated with debt financing and refinancing

First REIT may, from time to time, require additional debt financing to fund working capital requirements, to support the future growth of its business and/or to refinance existing debt obligations. In addition, First REIT's indebtedness means that a material portion of its expected cash flow may be required to be dedicated to the payment of interest on its indebtedness, thereby reducing the funds available to First REIT for use in its general business operations. First REIT's indebtedness may also restrict its ability to obtain additional financing for capital expenditure, acquisitions or general corporate purposes and may cause it to be particularly vulnerable in the event of a general economic downturn. Investors in First REIT should note that the willingness of financial institutions to make capital commitments by way of investing in debt or equity instruments may for an indeterminate period be adversely affected by any financial crisis. First REIT's level of borrowings may represent a higher level of gearing as compared to certain other types of unit trust, such as non-specialised collective investment schemes which invest in equities and/or fixed income instruments.

First REIT will also be subject to the risk that it may not be able to refinance its existing and/or future borrowings or that the terms of such refinancing will not be as favourable as the terms of its existing borrowings, particularly in light of current uncertainty and instability in the global market conditions. In addition, First REIT may be subject to certain covenants in connection with any future borrowings that may limit or otherwise adversely affect its operations and First REIT's ability to make distributions to Unitholders. Such covenants may also restrict First REIT's ability to acquire properties or undertake other capital expenditure or may require it to set aside funds for maintenance or repayment of security deposits. Furthermore, if prevailing interest rates or other factors at the time of refinancing (such as the possible reluctance of lenders to make real estate loans) result in higher interest rates upon refinancing, the interest expense relating to such refinanced indebtedness would increase, which would adversely affect First REIT's cash flow and the amount of distributions First REIT could make to Unitholders.

The Manager may not be able to implement its investment strategy for First REIT

First REIT's investment policy is 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 purposes¹.

¹ Including, but not limited to, hospitals, nursing homes, medical clinics, pharmacies, laboratories, diagnostic/imaging facilities and real estate and/or real estate related assets used in connection with healthcare research, education, lifestyle and wellness management, manufacture, distribution or storage of pharmaceuticals, drugs, medicine and other healthcare goods and devices and such other ancillary activities relating to the primary objective, whether wholly or partially owned, and whether directly or indirectly held through the ownership of special purpose vehicles whose primary purpose is to hold or own real estate.

There can be no assurance that the Manager will be able to implement its investment strategy successfully or that it will be able to expand First REIT's portfolio at all, or at any specified rate or to any specified size. The Manager may not be able to make acquisitions or investments on favourable terms or within a desired time frame. First REIT faces active competition in acquiring suitable properties, especially in a low interest rate environment where other investment vehicles are highly leveraged. As such, First REIT's ability to make new property acquisitions under its acquisition growth strategy may be adversely affected.

First REIT will be relying on external sources of funding to expand its asset portfolio, which may not be available on favourable terms, or at all. Even if First REIT were able to successfully make additional property acquisitions or investments, there can be no assurance that First REIT will achieve its intended return on such acquisitions or investments. Since the amount of borrowings that First REIT can incur to finance acquisitions is limited by the Property Funds Appendix, such acquisitions are likely to be largely dependent on First REIT's ability to raise equity capital, which may result in a dilution of Unitholders' holdings. Potential vendors may also take a negative view towards the prolonged time frame and lack of certainty generally associated with the raising of equity capital to fund any such purchase and may prefer other potential purchasers.

There are potential conflicts of interest amongst First REIT, the Manager and Lippo

The Manager is 10.0% directly owned by Battery Road Limited, 10.0% directly owned by Golden Decade International Limited, and 80.0% directly owned by LK REIT Management Ltd, which is a wholly-owned subsidiary of Lippo. As such, the Manager is a subsidiary of Lippo.

Lippo, its subsidiaries and associates are engaged in, and/or may engage in, among others, portfolio management, investment in, and the development, management and operation of, hospitals and hotels in Indonesia and elsewhere in the region. Furthermore, an affiliate of Lippo, PT. Lippo General Insurance Tbk, is providing insurance coverage for certain properties in the Enlarged Portfolio.

As a result, the strategy and activities of First REIT may be influenced by the overall interests of Lippo. Moreover, Lippo may in the future sponsor, manage or invest in other REITs or other vehicles which may compete directly with First REIT. There can be no assurance that conflicts of interest will not arise between them in the future, or that First REIT's interests will not be subordinated to those of Lippo whether in relation to the future acquisition of properties or property-related investments or in relation to competition for tenants within the Indonesia market or regionally.

Furthermore, Lippo is the master lessee of MRCCC, SHLC and certain other properties in the Enlarged Portfolio. There can be no assurance that Lippo, acting in its role as master lessee of MRCCC, SHLC and certain other properties in the Enlarged Portfolio, will not favour properties that it has retained in its own property portfolio or which it manages or operates over those owned by First REIT. This could lead to lower occupancy rates and/or lower rental income for the Properties and other properties in the Enlarged Portfolio and could adversely affect Lippo's ability to make rental payments.

First REIT will operate substantially through the Singapore SPCs and the Indonesian SPCs and its ability to make distributions to Unitholders is dependent on the financial position of the Singapore SPCs

First REIT will operate substantially through the Singapore SPCs and the Indonesian SPCs and will rely on payments and other distributions from the Singapore SPCs and the Indonesian SPCs for its income and cash flows. The ability of the Singapore SPCs to make such payments may be restricted by, among other things, the Singapore SPCs' and the Indonesian SPCs' respective business and financial positions, the availability of distributable profits, applicable laws and regulations or the terms of agreements to which they are, or may become, a party.

There can be no assurance that the Singapore SPCs will have sufficient distributable or realised profits or surplus in any future period to make dividend payments or make advances to First REIT. The level of profit or surplus of each Singapore SPC available for distribution by way of dividends to First REIT may be affected by a number of factors including:

- operating losses incurred by the Singapore SPCs in any financial year;

- losses arising from a revaluation of any of the Properties following any diminution in value of any of the relevant Properties. Such losses would adversely affect the level of profits from which the relevant Singapore SPC may distribute dividends;
- accounting standards that require profits generated from investment properties to be net of depreciation charges before such profits are distributed to First REIT;
- changes in accounting standards, taxation regulations, corporation laws and regulations relating thereto; and
- insufficient cash flows received by the Singapore SPCs from the Indonesian SPCs.

The occurrence of these or other factors that affect the ability of the Singapore SPCs to pay dividends or other distributions to First REIT may adversely affect the level of distributions paid to Unitholders.

Future acquisitions may not yield the returns expected, resulting in disruptions to First REIT's business, straining of management resources and dilution of holdings

First REIT's external growth strategy and its market selection process may not ultimately be successful and may not provide positive returns to Unitholders. Acquisitions may cause disruptions to First REIT's operations and divert management's attention away from day-to-day operations. New Units issued in connection with any new acquisition could also be substantially dilutive to Unitholders. In addition, the Acquisitions may not be yield accretive to Unitholders.

First REIT depends on certain key personnel, and the loss of any key personnel may adversely affect its operations

First REIT's performance depends, in part, upon the continued service and performance of key staff members of the Manager. These key personnel may leave the Manager in the future and may potentially compete with the Manager and First REIT. The loss of any of these individuals, or of one or more of the Manager's other key employees, could have a material adverse effect on First REIT's financial condition and results of operations.

First REIT may suffer material losses in excess of insurance proceeds

The properties in the Enlarged Portfolio face the risks of suffering physical damage caused by fire or natural disaster or other causes, as well as facing potential malpractice or public liability claims, including claims arising from the operations of the properties in the Enlarged Portfolio, all of which may not be fully compensated by insurance proceeds. First REIT will remain liable for any debt or other financial obligation related to a particular property in the Enlarged Portfolio if there are material losses in excess of insurance proceeds. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future.

First REIT's properties could suffer physical damage caused by fire or other causes, or First REIT may suffer public liability claims, all of which may result in losses (including loss of rent) that may not be fully compensated by insurance proceeds. In addition, certain types of risks (such as war risk and losses caused by the outbreak of contagious diseases and contamination or other environmental breaches) may be uninsurable or the cost of insurance may be prohibitive when compared to the risk. Currently, First REIT's insurance policies for the properties in the Enlarged Portfolio do not cover acts of war, outbreak of contagious diseases or contamination or other environmental breaches.

Should an uninsured loss or a loss in excess of insured limits occur, First REIT could be required to pay compensation and/or lose capital which it had invested in the affected property in the Enlarged Portfolio as well as anticipated future revenue from that property in the Enlarged Portfolio. First REIT will also remain liable for any debt or other financial obligation related to that property in the Enlarged Portfolio. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future.

The Manager may change First REIT's investment strategy

First REIT's policies with respect to certain activities, including investments and acquisitions, will be determined by the Manager, subject to applicable laws and regulations. The Manager has stated its intention to restrict investments to income-producing real estate and/or real estate-related assets in Asia

that are primarily used, for healthcare and/or healthcare-related purposes¹. The Trust Deed grants the Manager wide powers to invest in other types of assets, including any real estate, real estate-related assets as well as listed and unlisted securities in Singapore and other jurisdictions.

Occurrence of any acts of God, war and terrorist attacks may adversely and materially affect the business, financial condition and results of operations of First REIT

Acts of God, such as natural disasters, are beyond the control of First REIT or the Manager. These may materially and adversely affect the economy, infrastructure and livelihood of the local population. First REIT's business and income available for distribution may be adversely affected should such acts of God occur. There is no assurance that any war, terrorist attack or other hostilities in any part of the world, potential, threatened or otherwise, will not, directly or indirectly, have an adverse effect on the operations, revenues and profitability of First REIT. The consequences of any of these acts of God, terrorist attacks or armed conflicts are unpredictable, and First REIT may not be able to foresee events that could have an adverse effect on its business, financial condition and results of operations.

Properties owned by First REIT may be affected or damaged by acts of terrorism. Where such damage occurs, this may lead to a significant disruption to the business or operation of the relevant properties in the Enlarged Portfolio and result in an adverse impact on the financial condition and results of operations of First REIT. In such an event, the net income of First REIT may be adversely affected.

First REIT may be involved in legal and other proceedings from time to time

First REIT may be involved from time to time in disputes with various parties such as contractors, sub-contractors, consultants, suppliers, construction companies, purchasers and other partners involved in the asset enhancement, operation and purchase of its properties. These disputes may lead to legal and other proceedings, and may cause First REIT to suffer additional costs and delays. In addition, First REIT may have disagreements with regulatory bodies in the course of its operations, which may subject it to administrative proceedings and unfavourable orders, directives or decrees that result in financial losses and delay the construction or completion of its projects.

Uncertainties and instability in global market conditions could adversely affect First REIT's business, financial condition and results of operations

The global credit markets and the U.S. sub-prime residential mortgage market have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries. These and other related events have had a significant impact on the global capital markets associated not only with asset-backed securities but also with the global credit and financial markets as a whole. These events could adversely affect First REIT, including:

- a negative impact on the ability of the tenants of First REIT to pay their rents in a timely manner;
- a loss of tenants, thus reducing First REIT's cash flow;
- an increase in counterparty risk; and
- an increased likelihood that one or more of First REIT's banking syndicate or insurers may be unable to honour their commitments to First REIT.

The amount First REIT may borrow is limited, which may affect the operations of First REIT and the borrowing limit may be exceeded if there is a downward revaluation of assets

Under the current restrictions set out in the Property Funds Appendix, First REIT is permitted to borrow only up to 35.0% of the value of its Deposited Property at the time the borrowing is incurred (and up to a maximum of 60.0% only if a credit rating of First REIT from Fitch Inc., Moody's or Standard and Poor's is obtained and disclosed to the public). In addition, such credit rating should be maintained and disclosed

¹ Including, but not limited to, hospitals, nursing homes, medical clinics, pharmacies, laboratories, diagnostic/imaging facilities and real estate and/or real estate related assets used in connection with healthcare research, education, lifestyle and wellness management, manufacture, distribution or storage of pharmaceuticals, drugs, medicine and other healthcare goods and devices and such other ancillary activities relating to the primary objective, whether wholly or partially owned, and whether directly or indirectly held through the ownership of special purpose vehicles whose primary purpose is to hold or own real estate.

so long as the Aggregate Leverage of First REIT exceeds 35.0%. First REIT is currently not rated and is therefore permitted to borrow up to a maximum of 35.0% of the value of its Deposited Property. However, a decline in the value of First REIT's Deposited Property may affect First REIT's ability to borrow further.

Adverse business consequences of this limitation on borrowings may include:

- an inability to fund capital expenditure requirements in relation to First REIT's properties;
- an inability to fund acquisitions of properties; and
- cash flow shortages which may have an adverse impact on First REIT's ability to make distributions.
- A downward revaluation of any of First REIT's properties or investments may result in a breach of the borrowing limit under the Property Funds Appendix. In the event of such a breach, First REIT would not be able to incur further indebtedness. In such circumstances, while First REIT may not be required to dispose of its assets to reduce its indebtedness, the inability to incur further indebtedness may constrain its operational flexibility.

First REIT may be exposed to risks associated with exchange rate fluctuations between the currencies of the countries in which First REIT invests and the Singapore dollar

First REIT's future foreign investments may be denominated in foreign currencies. However, First REIT will maintain its financial statements in Singapore dollars, will make distributions in Singapore dollars and its Unit price will remain in Singapore dollars. A substantial proportion of its expenses and liabilities will also be denominated in Singapore dollars. First REIT and investors in First REIT will therefore be exposed to risks associated with exchange rate fluctuations between the Singapore dollar and the local currency of any other foreign countries in which First REIT invests, in particular the Indonesian Rupiah.

RISKS RELATING TO THE ENLARGED PORTFOLIO

First REIT is solely dependent on the tenants of the properties in the Enlarged Portfolio, for rental payments

First REIT is dependent on rental payments from the tenants of the properties in the Enlarged Portfolio, as First REIT does not directly operate the properties in the Enlarged Portfolio. Therefore, First REIT's revenue and ability to make distributions to the Unitholders will depend to a large extent upon the ability of the tenants of the properties in the Enlarged Portfolio to make rental payments. As such, the prospects of the other businesses of the tenants of the properties in the Enlarged Portfolio, aside from those relating to First REIT, could impact on the ability of the tenants of the properties in the Enlarged Portfolio to make rental payments to First REIT.

Factors that affect patients and guests volumes at the properties in the Enlarged Portfolio and, thereby, the ability of the tenants of the properties in the Enlarged Portfolio to meet their obligations include, but are not limited to:

- unemployment levels;
- the business environment of local communities;
- the number of uninsured and underinsured individuals in local communities;
- seasonal cycles of illnesses;
- recruitment, retention and attrition of medical professionals such as doctors and nurses;
- local healthcare competitors and competition in the healthcare industry;
- unfavourable publicity that impacts relationships between physicians and patients;
- the level of demand for hospitals and hotels and the related services of First REIT's properties in the Enlarged Portfolio;

- the performance of the Manager;
- material losses in excess of insurance proceeds; and
- a possibility of union activities disrupting the operations of the properties in the Enlarged Portfolio, severely impacting on its reputation and ability to function normally.

There can be no assurance that the tenants of the properties in the Enlarged Portfolio will have sufficient assets, income and access to financing in order to enable it to satisfy its obligations under their respective lease agreements.

The tenants of the properties in the Enlarged Portfolio may not renew their respective leases of the properties in the Enlarged Portfolio

No assurance can be given that the tenants of the properties in the Enlarged Portfolio will exercise any option to renew their leases of the properties in the Enlarged Portfolio upon the expiry of their respective leases. In such a situation, First REIT may not be able to locate a suitable purchaser of the properties in the Enlarged Portfolio, or a suitable replacement master lessee, as a result of which First REIT may lose a significant or its only source of revenue. In addition, replacement of the tenants of the properties in the Enlarged Portfolio on satisfactory terms may not be possible in a timely manner.

The failure on the part of the tenants of the properties in the Enlarged Portfolio to renew their leases of the properties in the Enlarged Portfolio upon the expiry of their respective leases, or the termination of any of the lease agreements with the tenants of the properties in the Enlarged Portfolio, may have a material adverse effect on First REIT's Gross Revenue.

The properties in the Enlarged Portfolio require significant capital expenditure periodically and First REIT may not be able to secure funding

The properties in the Enlarged Portfolio and future properties to be acquired by First REIT may require periodic capital expenditures, refurbishments, renovation and improvements in order to remain competitive. Acquisitions of new properties or enhancement of existing properties by First REIT may require significant capital expenditure. First REIT may not be able to fund future acquisitions, capital improvements or expenditure, solely from cash provided from its operating activities and First REIT may not be able to obtain additional equity or debt financing or be able to obtain such financing on favourable terms or at all. Further distributions to Unitholders may also be adversely affected as a result.

The properties in the Enlarged Portfolio may be revalued downwards

There can be no assurance that First REIT will not be required to make downward revaluation of the properties in the Enlarged Portfolio in the future. Any fall in the gross revenue or net property income earned from First REIT's properties may result in downward revaluation of the properties held by First REIT.

In addition, First REIT is required to measure investment properties at fair value at each balance sheet date and any change in the fair value of the investment properties is recognised in the statements of total return. The changes in fair value may have an adverse effect on First REIT's financial results in the financial years where there is a significant decrease in the valuation of First REIT's investment properties which will result in revaluation losses that will be charged to its statements of total return. However, this should not have an impact on income available for distributions to Unitholders.

First REIT may be liable for encroachment on neighbouring properties

To the best of the Manager's and the Trustee's knowledge, neither the Manager nor the Trustee are aware of any encroachment by any of the structures or boundary walls of each of the properties in the Enlarged Portfolio on neighbouring state or private land.

If there are encroachments, First REIT may be required to remove the encroachment or reinstate the relevant land, and the cost of such removal or reinstatement may have an adverse impact on the net income of First REIT.

All of the properties in the Enlarged Portfolio are subject to property taxes that may increase or capital gains taxes that may be imposed or incurred in the future, and adversely affect First REIT's Gross Revenue

The properties in the Enlarged Portfolio are subject to property taxes. Save for The Lantor Residence, for which First REIT is required to pay property taxes, the property taxes in respect of properties in the Enlarged Portfolio are payable by the respective master tenants of such properties.

In the event that there is an increase in the property taxes payable in respect of The Lantor Residence, First REIT's ability to make distributions to Unitholders could be affected.

First REIT is exposed to general risks associated with relying on third-party contractors to provide various services

Under the terms of the master tenancies in respect of the properties in First REIT's Enlarged Portfolio, the master tenants would rely on third party contractors to provide various services. However, where First REIT engages third-party contractors to provide various services in connection with matters which are not the responsibilities of the master tenants under the terms of the master tenancies. First REIT is exposed to the risk that a third-party contractor may incur costs in excess of project estimates, which may have to be borne by First REIT in order to complete the project.

Furthermore, major third-party contractors may experience financial or other difficulties which may affect their ability to carry out construction or other works, thus delaying the completion of development projects or resulting in additional costs to First REIT. There can also be no assurance that the services rendered by the third-party contractors will always be satisfactory or match First REIT's targeted quality levels.

All of these factors could have an adverse effect on the business, financial condition and results of operations of First REIT.

The properties in the Enlarged Portfolio may be affected by contamination and other environmental issues

While the Manager believes that reasonable environmental due diligence investigations have been conducted with respect to the properties in the Enlarged Portfolio prior to their acquisition, the properties in the Enlarged Portfolio and other properties owned by First REIT may from time to time be affected by contamination or other environmental issues which may not previously have been identified and/or rectified. This gives rise to a number of risks including:

- the risk of prosecution by relevant authorities;
- the requirement for unbudgeted additional expenditure to remedy such issues; and
- the adverse impact on the financial position of tenants arising from the above, affecting their ability to trade and meet their tenancy obligations.

Physical damage to the properties in the Enlarged Portfolio due to fire, natural disasters and other causes may disrupt the business and operations of those properties in the Enlarged Portfolio and First REIT

Fire, severe weather conditions, natural disasters or other causes may cause substantial structural and physical damage to the properties in the Enlarged Portfolio. Such damage, where not fully compensated by insurance proceeds, could result in expenses to repair the damage caused. Adverse environmental conditions may also cause disruptions, affect investments and result in various other adverse effects on the relevant economies in general. The occurrence of the aforementioned natural disasters could materially and adversely affect First REIT's business, financial condition and results of operations.

First REIT's properties in the Enlarged Portfolio are located in Indonesia and Singapore and other potential acquisitions by First REIT may be located elsewhere in Asia. This exposes First REIT to economic and real estate market conditions and changes in fiscal policies in Indonesia, Singapore and such other countries in Asia

The properties in First REIT's Enlarged Portfolio are situated in Indonesia and Singapore. As a result, First REIT's Gross Revenue and results of operations depend to a large extent on the performance of the Indonesian and Singapore economy. An economic decline in Indonesia and Singapore could adversely affect First REIT's results of operations and financial growth. Political upheavals, natural disasters, insurgency movements, riots and governmental policies all play a pivotal role in the performance of the properties in First REIT's Enlarged Portfolio.

First REIT's investment policy is 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 purposes¹. Investment in properties in other countries in Asia will also expose First REIT to local real estate market conditions in these countries. An economic decline in any one or more of the countries in which the properties of First REIT are located could adversely affect First REIT's operations and future growth. Other local real estate market conditions which may adversely affect First REIT's performance include the attractiveness of competing healthcare properties, the supply of healthcare properties and demand from tenants.

Further, First REIT will be subject to Singapore and foreign real estate laws, securities laws, tax laws, any applicable laws relating to foreign exchange and related policies and any unexpected changes to the same. There might be a negative impact on First REIT's investments located in Singapore or a foreign country as a result of measures and policies adopted by the relevant governments and authorities at the local and/or national levels, including the imposition of foreign exchange restrictions.

In relation to First REIT's properties located outside Singapore, there is the risk that First REIT will not be able to repatriate the income and gains derived from investment in real estate and other assets in these foreign countries. It may also be difficult to obtain legal protection and recourse in some countries. In addition, the income and gains derived from investment in properties in foreign countries will be subject to various types of taxes in Singapore and in such countries, including income tax, withholding tax, capital gains tax and such other taxes which may be imposed specifically for ownership of real estate. All these taxes, which are subject to changes in laws and regulations that may lead to an increase in tax rates or the introduction of new taxes, could adversely affect and erode the returns from these properties and hence the yield to investors. There is also no assurance that First REIT will be able to repatriate to Singapore the income and gains derived from its investment in properties outside Singapore on a timely and regular basis. Any inability to repatriate the income and gains to Singapore will affect First REIT's ability to make distributions to Unitholders out of such income and gains.

Renovation works or physical damage to properties in the Enlarged Portfolio may disrupt the operations of First REIT and collection of rental income or otherwise result in an adverse impact on the financial condition of First REIT

The properties in the Enlarged Portfolio may need to undergo renovation works from time to time and may also require unforeseen *ad hoc* maintenance or repairs in respect of faults or problems that may develop over structural defects or other parts of the buildings or because of new planning laws or regulations. The costs of maintaining a property and the risk of unforeseen maintenance or repair requirements tend to increase over time as the building ages.

Furthermore, the operations of such properties in the Enlarged Portfolio may still suffer some disruption and it may not be possible to collect the full rate of, or, as the case may be, any rental income on space affected by such renovation works. If any leases are due for renewal at that time, the existing tenants may either choose not to renew the leases upon its expiry or negotiate for lower rentals and this will adversely affect the revenue of the affected property.

¹ Including, but not limited to, hospitals, nursing homes, medical clinics, pharmacies, laboratories, diagnostic/imaging facilities and real estate and/or real estate related assets used in connection with healthcare research, education, lifestyle and wellness management, manufacture, distribution or storage of pharmaceuticals, drugs, medicine and other healthcare goods and devices and such other ancillary activities relating to the primary objective, whether wholly or partially owned, and whether directly or indirectly held through the ownership of special purpose vehicles whose primary purpose is to hold or own real estate.

In addition, physical damage to properties in the Enlarged Portfolio resulting from fire or other causes may lead to a significant disruption to the operations of properties in the Enlarged Portfolio, and together with the foregoing, may result in an adverse impact on First REIT's financial condition, results of operations and its level of distributable income.

Losses or liabilities from latent building or equipment defects may adversely affect earnings and cash flow

Design, construction or other latent property or equipment defects in properties in the Enlarged Portfolio may require additional capital expenditure, special repair or maintenance expenses or the payment of damages or other obligations to third parties, other than those disclosed in this Offer Information Statement.

Costs or liabilities arising from such property or equipment defects may involve significant and potentially unpredictable patterns and levels of expenditure which may have a material adverse effect on First REIT's earnings and cash flows.

Statutory or contractual representations, warranties and indemnities given by any seller of real estate are unlikely to afford satisfactory protection from costs or liabilities arising from such property or equipment defects. All of these factors could have an adverse effect on the business, financial condition and First REIT's results of operations and its level of distributable income.

RISKS RELATING TO INVESTING IN REAL ESTATE

Properties held by First REIT may be subject to increases in operating and other expenses

First REIT's ability to make distributions to Unitholders could be adversely affected if operating and other expenses increase without a corresponding increase in revenues or tenant reimbursements of operating and other costs.

Factors which could increase operating and other costs include:

- (i) increases in property taxes and other statutory charges in relation to The Lantor Residence, for which First REIT is required to pay property taxes¹;
- (ii) changes in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies;
- (iii) change in direct or indirect tax policies; and
- (iv) defects affecting or environmental pollution in connection with, the properties which need to be rectified.

First REIT may be adversely affected by the illiquidity of real estate investments

First REIT invests primarily in healthcare and healthcare-related assets. This involves a higher level of risk as compared to a portfolio which has a diverse range of investments. Real estate investments, particularly investments in high value properties such as those in which First REIT has invested or intends to invest in, are relatively illiquid. Such illiquidity may affect First REIT's ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic, real estate market or other conditions. For instance, First REIT may be unable to sell its assets on short notice or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets in order to ensure a quick sale. Moreover, First REIT may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to the illiquid nature of real estate assets. These factors could have an adverse effect on First REIT's financial condition and results of operations, with a consequential adverse effect on First REIT's ability to deliver expected distributions to Unitholders.

¹ Save for The Lantor Residence, property taxes in respect of properties in the Enlarged Portfolio are payable by the respective master tenants of such properties.

First REIT's properties and/or future acquisitions, or a part of them, may be acquired compulsorily

In Indonesia, pursuant to Law No. 20 of 1961 concerning Revocation of Rights of Land and the Properties Thereon and in conjunction with Presidential Regulation No. 36 of 2005 (as amended by the Presidential Regulation No. 65 of 2006) concerning Land Procurement for the Development of Public Interest, the Indonesian government has the right to acquire any right over the land and any property thereon owned by any party by providing compensation to the previous owner of such land, in order for the Indonesian government (including local governments) to fulfill any public needs. Therefore, there is no assurance that the Indonesian government will not compulsorily acquire the lands which the properties in the Enlarged Portfolio are situated on.

In Singapore, The Land Acquisition Act, Chapter 152 of Singapore, gives the Government of Singapore the power to, among other things, acquire any land in Singapore:

- for any public purpose;
- where the acquisition is of public benefit or of public utility or in the public interest; or
- for any residential, commercial or industrial purpose.

The compensation to be awarded pursuant to any such compulsory acquisition would be based on, among other factors:

- (i) the market value of the property as at the date of the publication in the Government Gazette of the notification of the likely acquisition of the land (provided that within six months from the date of publication of such notification, a declaration of intention to acquire is made by publication in the Government Gazette); or
- (ii) the market value of the property as at the date of publication in the Government Gazette of the declaration of intention to acquire, where such declaration is made after six months of the notification.

Accordingly, if the market value of a property or part thereof which is acquired is greater than the market values referred to above, the compensation paid in respect of the acquired property may be less than its market value and this would have an adverse effect on the assets of First REIT.

RISKS SPECIFIC TO HOSPITALS

Hospitals are subject to unique risks

An investment in Units should be made with an understanding of the problems and risks inherent in the healthcare industry in general. Generally, hospitals are subject to governmental regulation of their medical and surgical services, a factor which could have a significant and possibly unfavourable effect on the price and availability of such services. Furthermore, hospitals face the risk of increasing competition from new products or services and the risk that technological advances will render their medical and surgical services obsolete. The rising cost of healthcare technology may adversely impact the revenue of the hospitals in the Enlarged Portfolio, comprising the Properties, Siloam Hospitals Lippo Village, Siloam Hospitals Kebon Jeruk, Siloam Hospitals Surabaya and the proposed Pacific Cancer Centre @ Adam Road (the "**Hospitals**"). Hospitals may also have persistent losses when adopting a new medical or surgical service, and revenue patterns may be erratic as a result. In addition, hospitals may be affected by events and conditions including, among other things, demand for services, physicians' confidence in the facility, management capabilities, competition with other hospitals, efforts by insurers to limit charges, expenses, government regulation, and the cost and possible unavailability of malpractice insurance.

If the gross revenues of the Hospitals are adversely affected because of these risks, there will consequently be an impact on the ability of the tenants of the Hospitals to make rental payments to First REIT.

The outbreak of avian flu, SARS, or other potentially life-threatening illnesses or contamination may affect the Hospitals

The outbreak of avian flu, SARS, other potentially life-threatening infectious illnesses or contamination may lead the government to impose regulations on hospitals, affecting their normal routine of operations and possibly leading to lower numbers of patients who are willing to visit the Hospitals.

In addition, should patients infected with such illnesses be housed in any of the Hospitals, the Hospital could see a negative impact in its reputation, resulting in a lower number of people who are willing to visit the hospital for other kinds of medical or surgical treatment. This may have a consequent adverse effect on the ability of the tenants of the Hospitals to make rental payments to First REIT.

Operations of the Hospitals are dependent upon those Hospitals' ability to attract and retain doctors and other healthcare professionals

Operations at the Hospitals depend on the efforts, abilities and experience of the doctors and medical staff at the Hospitals. The Hospitals compete with other healthcare providers, including the providers located in the region, in recruiting and retaining qualified doctors and other healthcare professionals. While Indonesian law does not permit hospitals to employ foreign doctors without prior approval from the Minister of Health, Indonesian doctors and nursing staff are regularly recruited by competitors outside Indonesia. The loss of some of these medical personnel, or the inability to attract or retain sufficient numbers of qualified doctors and other healthcare professionals, could have a material and adverse effect on the healthcare business, financial position and results of the operations, and consequently on the ability of the tenants of the Hospitals to make rental payments to First REIT.

The Hospitals may be subject to potential malpractice, negligence and other legal lawsuits

The Hospitals run the risk of medical and legal claims and/or regulatory actions arising from the provision of healthcare services. The existence of such claims alone may tarnish the reputation of the Hospitals and/or their doctors. If such claims succeed, the Hospitals may be liable for fines or even closure. In addition, there may be difficulty obtaining and maintaining adequate liability and other insurance. These consequences may adversely affect the financial conditions and operating results of the tenants of the Hospitals, which could consequently impede their ability to make rental payments to First REIT.

Changes in or non-adherence to government healthcare regulations could impact First REIT indirectly

Healthcare is an area that is subject to extensive government regulation and dynamic regulatory changes. The Hospitals are continuously subject to laws and regulations, including, but not limited to, licensing, facility inspections, reimbursement policies and control over certain expenditures. There may be periodic inspections by governmental and other authorities to ensure continued compliance with such laws and regulations. Failure to maintain required regulatory approvals or licences could materially and adversely affect the business and financial condition of the tenants of the Hospitals. Such compliance will increase operating expenses, which can diminish the ability of the tenants of the Hospitals to make rental payments to First REIT.

In addition, there can be no assurance that there will not be changes in such laws and regulations, or new interpretations of such laws and regulations which may adversely affect the operations of the Hospitals, consequently having a negative impact on the ability of the tenants of the Hospitals to make rental payments to First REIT.

Operations of the Hospitals are subject to environmental risks

The Hospitals may contain, or their operations may utilise, certain materials, processes or installations which are regulated pursuant to environmental laws and regulations, or may require environmental permits from regulatory authorities. These items include, but are not limited to, medical or infectious waste, incinerators, and small amounts of friable asbestos-containing materials. These environmental laws and regulations may also impose liability on the tenants of the Hospitals for removal or remediation of hazardous or toxic substances. As a result, the tenants of the Hospitals may also be liable for government fines and damages for injuries to persons, natural resources and adjacent property. The operating expenses of the tenants of the Hospitals could be higher than anticipated due to the cost of complying with existing and future environmental and occupational health and safety laws and regulations. Such

cost of complying with environmental laws could materially affect the ability of the tenants of the Hospitals to make rental payments to First REIT, impacting on First REIT's ability to make distributions to the Unitholders.

Under the terms of the MRCCC Master Lease Agreement and the SHLC Master Lease Agreement, Lippo, as the tenant of the Hospitals, has undertaken to indemnify the landlords of the Hospitals, namely PC and GPS, against all claims which the landlords may suffer as a result of, among others, Lippo's use of the Hospitals, except to the extent that:

- (i) such liability was caused or contributed to by the willful default or negligence of the landlords or the landlords' agents; or
- (ii) the damage suffered by the landlords is recovered by the landlords pursuant to an insurance policy held by the landlords or Lippo.

However, in the event that Lippo fails to indemnify the landlords against such claims, the amount of distributions by the landlords to First REIT may be affected. This may affect First REIT's ability to make distributions to the Unitholders.

Although the Hospitals will take all steps to comply with the laws and regulations in connection with such materials, processes or installations, there is no assurance that environmental liabilities will not exist in the future, or that any of such environmental liabilities will not be material to the Hospitals and/or First REIT.

RISKS RELATING TO THE RIGHTS ISSUE

An active trading market may not develop for the Rights Entitlements and, if a market does develop, the Rights Entitlements may be subject to greater price volatility than the Unit

A trading period for the Rights Entitlements has been fixed for 8 December 2010 to 16 December 2010. There is no assurance that an active trading market for the Rights Entitlements on the SGX-ST will develop during the Rights Entitlements trading period or that any over-the-counter trading market in the Rights Entitlements will develop. Even if active markets develop, the trading price of the Rights Entitlements, which depends on the trading price of the Units, may be volatile. As the Manager may arrange for the sale of the Rights Entitlements relating to the Units held by Ineligible Unitholders, such sale may give pressure to the trading price of the Rights Entitlements. In addition, the market price of the Rights Entitlements may not reflect their actual value.

Unitholders who do not or are not able to accept their provisional allotments of Rights Units will experience a dilution in their interest in First REIT

If Unitholders do not or are not able to accept their provisional allotments of Rights Units, their proportionate interest in First REIT will be reduced. Even if a Unitholder sells his Rights Entitlements, or such Rights Entitlements are sold on his behalf, the consideration he receives may not be sufficient to compensate him fully for the dilution of his unitholding as a result of the Rights Issue.

In particular, foreign Unitholders whose registered addresses with CDP are outside Singapore will not be permitted to participate in the Rights Issue by First REIT. The Trust Deed provides that in relation to any rights issue, the Manager may, in its absolute discretion, elect not to extend an offer of Units under a rights issue to those Unitholders whose addresses, as registered with CDP, are outside Singapore. The Manager may, at its absolute discretion and if it is practicable to do so, arrange for the Rights Entitlements which would otherwise have been provisionally allotted to such Ineligible Unitholders to be sold "nil-paid" on the SGX-ST as soon as practicable after dealings in the Rights Entitlements commence. Such sales may, however, only be effected if the Manager, in its absolute discretion, determines that such sales can at least cover the expenses to be incurred in relation thereto. There is no guarantee that such sale will be successful, and even if successful, the proceeds of any such sale may not be sufficient to compensate him fully for the dilution of his unitholding as a result of the Rights Issue.

RISKS RELATING TO INDONESIA

Political and social instability may adversely affect the operations of MRCCC, SHLC as well as other properties in the Enlarged Portfolio which are located in Indonesia

MRCCC, SHLC as well as some of the properties in the Enlarged Portfolio are located in Indonesia (collectively, the “**Indonesian Properties**”). The Manager’s asset acquisition strategy also contemplates future acquisitions of properties located in, amongst other countries, Indonesia.

There is no assurance that Indonesia’s political landscape will not change and give rise to political instability, social and civil unrest, and disruption of businesses and the economy. These could have adverse effects on the operations of the Indonesian Properties, consequently impacting on the ability of the tenants of the Indonesian Properties to make rental payments to First REIT.

There is no assurance that the HGB titles of the land parcels on which the Indonesian properties of First REIT’s Enlarged Portfolio are sited, can be renewed

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. A HGB title is granted for a maximum initial term of 30 years. By application to the relevant local land office upon the expiration of this initial term, a HGB title may be extended for an additional term not exceeding 20 years. The lands on which the Indonesian Properties are built comprise 34 plots, which are held via HGB titles.

While the Manager is confident of renewing or extending these titles, there is no assurance that there will be approval for such renewal or extension in the future. The non-renewal of these titles could adversely affect the operations of the Indonesian Properties.

First REIT is dependent on the quality of the titles to the Indonesian Properties

Due to the immature nature of Indonesian property law and the lack of a uniform title system in Indonesia, there is potential for disputes over the quality of title purchased from previous landowners. In addition, there is a need to negotiate with the actual owner of the land each time land is acquired under the land title, which may result in purchases of property (and thereby the obtaining of title to the relevant land) being delayed or not proceeding in the event that negotiations are unsuccessful. Such delays in acquiring properties required for development activities could have an adverse effect on First REIT’s business, financial condition and results of operations.

The Singapore-Indonesia tax treaty may be applied in a manner adverse to the interests of the Unitholders

The Indonesian tax rules generally require a 20.0% tax to be withheld on the payment of a dividend or interest from an Indonesian taxpayer to an offshore tax resident. Under the double tax treaty between Singapore and Indonesia, the rate of withholding tax is reduced to 10.0% on the payment of a dividend or interest to a Singapore tax resident which is the beneficial owner of the income. The reduced rate is available to a Singapore company only if the company submits an original copy of the certificate of domicile to the Indonesian payor prior to the payment of the income.

Under the current Indonesian tax regime, the benefits of Indonesia’s double tax treaties would not be available to a recipient of Indonesian-sourced income that was not the beneficial owner of such income and a “special purpose vehicle” which is a “conduit company”, “paper box company”, “pass through company”, or any similar form of entity would not qualify as the beneficial owner of payments received by it. The reduced withholding tax rate of 10.0% should apply to the payment of interest and dividends to a Singapore tax resident beneficial owner. It remains uncertain as to whether the Indonesian tax authorities will view the Singapore SPCs as the beneficial owners of the interest and dividends. If the Singapore SPCs are not viewed as the beneficial owners, it may be possible to obtain the reduced withholding tax rate to the extent that Singapore tax residents (or any other jurisdiction with the same tax rate under their respective double tax treaty) are the Unitholders of First REIT. If the higher withholding tax rate of 20.0% applies to the dividend and interest payments from the Indonesian SPCs, this will lower the income paid to the Singapore SPCs and in turn may adversely affect the financial results of First REIT and its distributions to Unitholders.

Terrorist attacks in Indonesia could destabilise the country

Terrorist acts could destabilise Indonesia and increase internal divisions within the Indonesian Government as it evaluates responses to that instability and unrest. Violent acts arising from, and leading to, instability and unrest have in the past had, and may continue to have, a material adverse effect on investment and confidence in, and the performance of, the Indonesian economy, and may have a material adverse effect on the business, financial condition, results of operations and prospects of the tenants of the Indonesian Properties. This could adversely impact the ability of the tenants of the Indonesian Properties to make rental payments to First REIT.

Economic changes in Indonesia may adversely affect the business of the tenants of the Indonesian Properties

The economic crisis which affected Southeast Asia, including Indonesia, from mid-1997 was characterised in Indonesia by, among other effects, currency depreciation, negative economic growth, high interest rates, social unrest and extraordinary political developments. These conditions had material adverse effects on Indonesian businesses.

The economic difficulties faced by Indonesia during the Asian economic crisis in 1997 resulted in, among other things, significant volatility in interest rates, which had a material adverse impact on the ability of many Indonesian companies to service their existing indebtedness.

Indonesia also relies heavily on aid from the International Monetary Fund, loans from the World Bank and the members of the Paris Club, as well as from the Consultative Group for Indonesia. The inability of the Indonesian Government to obtain adequate funding, in the event of a termination of the International Monetary Fund program, or a reduction or elimination of funding from the World Bank or the Consultative Group for Indonesia, could have adverse economic, political and social consequences in Indonesia, which in turn, could have a material adverse effect on the business, financial condition, results of operations and prospects of the tenants of the Indonesian Properties.

A loss of investor confidence in the financial system of emerging and other markets, may cause increased volatility in the Indonesian financial markets, and a slowdown or negative growth could have material adverse effects on the business, financial condition, results of operations and prospects of the tenants of the Indonesian Properties.

Demand for healthcare services are largely dependent on the financial strength of patients and their willingness to pay for private healthcare services. A slowdown in the economy or a high unemployment rate may see more people opting for standardised low-cost public healthcare services available at government hospitals.

The Indonesian legal system is subject to considerable discretion and uncertainty

Indonesia's legal system is a civil law system based on written statutes in which judicial and administrative decisions do not constitute binding precedent and are not systematically published. Indonesia's commercial and civil laws are historically based on Dutch law as in effect prior to Indonesia's independence in 1945, and some of these laws have not been revised to reflect the complexities of modern financial transactions and instruments. Indonesian courts may be unfamiliar with sophisticated commercial or financial transactions, leading to uncertainty in the interpretation and application of legal principles in Indonesia. The application of legal principles in Indonesia depends upon subjective criteria such as the good faith of the parties to the transaction and principles of public policy, the practical effect of which is difficult or impossible to predict. Indonesian judges have very broad fact-finding powers and a high level of discretion in relation to the manner in which those powers are exercised. As a result, the administration and enforcement of laws and regulations by Indonesian courts and Indonesian governmental agencies may be subject to considerable discretion and uncertainty. For instance Indonesian laws and regulations may impose certain obligations, such as the registration of deeds with the Company Registry Office, the failure to register may attract fines, imprisonment and other penalties. However, in practice, certain of these laws and regulations may not be actively enforced, if at all, and this may result in a widespread practice of companies, including companies that First REIT acquires, of not adhering to the strict requirements of the applicable law and regulation. Furthermore, corruption in the court in Indonesia has been widely reported in publicly available sources. In addition, Indonesian legal principles relating to the rights of debtors and creditors, or their practical implementation by Indonesian courts, may differ materially from those that would apply in other countries. As a result, it may be more

difficult for First REIT to pursue a claim against the tenants of the Indonesian Properties in Indonesia than it would be in other jurisdictions. This may adversely affect or eliminate entirely First REIT's ability (and indirectly, the ability of its Unitholders) to obtain and/or enforce a judgment against the tenants of the Indonesian Properties in Indonesia.

Indonesia is located in an earthquake zone and is subject to significant geological risk

The Indonesian archipelago is one of the most volcanically active regions in the world. Because it is located in the convergence zone of three major lithospheric plates, it is subject to significant seismic activity that can lead to destructive earthquakes and tidal waves. On 26 December 2004, an underwater earthquake off the coast of Sumatra released a tsunami that devastated coastal communities in Indonesia, Thailand and Sri Lanka. On 25 October 2010, Mount Merapi erupted on the Indonesian Island of Java and on the same day, an underwater earthquake off the coast of Sumatra released a tsunami that struck the Mentawai Islands.

There can be no assurance that future geological occurrences will not significantly impact the operations of the Indonesian Properties. A significant earthquake or other geological disturbance in any of Indonesia's more populated cities and financial centers could severely disrupt the Indonesian economy and the operations of the Indonesian Properties, thereby materially and adversely affecting the ability of the tenants of the Indonesian Properties to make rental payments to First REIT.

Labour activism and unrest may materially and adversely affect the Indonesian Properties

Laws permitting the formation of labour unions, combined with weak economic conditions, have resulted, and may continue to result, in labour unrest and activism in Indonesia. In March 2003, the Government enacted Law No. 13/2003 (the "Labour Law") and has further issued implementing regulations which, among others, allow employees to form labour unions.

The Labour Law requires bipartite forums with participation from employers and employees, and the participation of more than 50.0% of the employees of a company, in order for a collective labour agreement to be negotiated and, in addition, the Labour Law creates procedures that are more permissive to the staging of strikes.

Labour unrest and activism in Indonesia could disrupt operations of the Indonesian Properties, and thus could materially and adversely affect the ability of the tenants of the Indonesian Properties to make rental payments to First REIT.

RISKS RELATING TO AN INVESTMENT IN THE UNITS

First REIT may not be able to make distributions to Unitholders or the level of distributions may fall

The income which First REIT earns from its real estate investments depends on, among other things, its debt-servicing requirements, the amount of rental income received, and the level of property expenses and operating expenses incurred. If the properties held by First REIT do not generate sufficient income, its cash flow and ability to make distributions will be adversely affected. There can be no assurance that the level of distributions will increase over time, that there will be contractual increases in rent under the leases of the properties held by First REIT or that the receipt of rental revenue in connection with any enhancement of the properties held by First REIT or future acquisitions of properties will increase First REIT's income available for distribution to Unitholders.

Market and economic conditions may affect the market price and demand for the Units

Movements in domestic and international securities markets, economic conditions, foreign exchange rates and interest rates may affect the market price of, and demand for, the Units. In particular, an increase in market interest rates may have an adverse impact on the market price of the Units if the annual yield on the price paid for the Units gives investors a lower return compared to other investments.

The NAV of the Units may be diluted if further issues are priced below the current NAV

The Trust Deed contemplates that new issues of Units may occur, the offering price for which may be above, at or below the then current NAV per Unit. Where new Units are issued at less than NAV, including Units issued to the Manager in payment of its management fees, the NAV of Existing Units may be diluted.

The net asset value per Unit, the net asset value of each existing Unit may be diluted.

The laws, regulations and accounting standards in Singapore, Indonesia or countries in which future acquisitions may be situated, may change

First REIT may be affected by the introduction of new or revised legislation, regulations or accounting standards. Accounting standards in Indonesia and Singapore are subject to changes as accounting standards in both countries are further aligned with international accounting standards. As a result, the financial statements of First REIT, the Singapore SPCs and the Indonesian SPCs may be affected by the introduction of such revised accounting standards. The extent and timing of these changes in accounting standards are currently unknown and subject to confirmation by the relevant authorities. The Manager has not quantified the effects of these proposed changes and there can be no assurance that these changes will not have a significant impact on the presentation of First REIT's financial statements or on First REIT's results of operations. In addition, such changes may adversely affect the ability of First REIT to make distributions to Unitholders. There can be no assurance that any such changes to laws, regulations and accounting standards will not have an adverse effect on the ability of the Manager to carry out First REIT's investment strategy or on the operations and financial condition of First REIT.

The Manager is not obliged to redeem Units

Unitholders have no right to request the Manager to redeem their Units while the Units are listed on the SGX-ST. It is intended that Unitholders may only deal in their listed Units through trading on the SGX-ST.

There is no assurance that the Units will remain listed on the SGX-ST

Although it is currently intended that the Units will remain listed on the SGX-ST, there is no guarantee of the continued listing of the Units. First REIT may not continue to satisfy any future listing requirements of the SGX-ST.

The trading price of the Units has been, and may continue to be, volatile

The trading price of the Units has been, and may continue to be, subject to large fluctuations. The trading price of the Units may increase or decrease in response to a number of events and factors, including:

- quarterly variations in operating results;
- changes in estimates and recommendations by securities analysts;
- the operating and stock price performance of companies in the real estate industry and other REITs;
- developments affecting First REIT, its tenants or its competitors;
- valuations of the properties held by First REIT;
- changes to the regulatory system, including the tax system, both generally and specifically in relation to Singapore REITs;
- changes in general economic conditions; and
- other events or factors described in this Offer Information Statement.

This volatility may adversely affect the trading price of the Units regardless of First REIT's operating performance.

The Singapore Code on Take-overs and Mergers may discourage or prevent certain types of transactions

The Singapore Code on Take-overs and Mergers contains certain provisions that may delay, deter or prevent a future take-over or change in control of First REIT. Any person acquiring an interest (either on his or her own or together with parties acting in concert with him or her) in:

- (i) 30.0% or more of the total Units; or
- (ii) when holding not less than 30.0% but not more than 50.0% of the total Units, more than 1.0% of the total Units in any six-month period,

will be required to make a general offer for the remaining Units. These provisions may discourage or prevent certain types of transactions involving an actual or threatened change of control of First REIT. Some of the Unitholders may, therefore, be disadvantaged as a transaction of that kind might have allowed the sale of Units at a price above the prevailing market price.

GENERAL INFORMATION

LEGAL AND ARBITRATION PROCEEDINGS

To the best of the Manager's knowledge and belief, there are no legal or arbitration proceedings, including those which are pending or known to be contemplated, which, in the opinion of the Manager, may have or have had in the last 12 months before the date of lodgement of this Offer Information Statement, a material effect on the financial position or profitability of First REIT.

MATERIAL CONTRACTS

There were no material contracts entered into by the Trustee or the Manager, other than contracts entered into in First REIT's ordinary course of business, for the period of two years before the date of lodgement of this Offer Information Statement, save for:

- the Facility Agreement dated 3 June 2009 entered into between the Trustee and OCBC Bank in relation to a three-year S\$70 million multi-currency transferable loan facility;
- the Underwriting Agreement dated 8 November 2010 entered into between the Manager and the Joint Lead Managers and Underwriters in relation to the Rights Issue for the fees as described in this Offer Information Statement;
- the Irrevocable Undertaking dated 8 November 2010 provided by Lippo, to the Manager and the Joint Lead Managers and Underwriters in relation to the Rights Issue at a nominal consideration of S\$1.00, pursuant to which Lippo agrees, either directly or indirectly through one or more of the Subscribing Subsidiaries, to subscribe for the Commitment Rights Units;
- the Commitment Agreement dated 8 November 2010 entered into between Lippo and the Joint Lead Managers and Underwriters pursuant to which Lippo agrees either directly or indirectly through one or more of the Subscribing Subsidiaries to subscribe for the Commitment Rights Units; and
- the letter of offer from OCBC Bank dated 8 November 2010 accepted by the Trustee for a transferable term loan of up to S\$50.0 million for a term of four years.

BREACH OF TERMS AND CONDITIONS OR COVENANTS OF CREDIT ARRANGEMENT OR BANK LOAN

To the best of the Manager's knowledge and belief, First REIT is not in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect First REIT's financial position and results or business operations, or the investments by Unitholders.

SIGNIFICANT CHANGES

Save as disclosed in this Offer Information Statement, to the best of the Manager's knowledge and belief, no event has occurred from 30 September 2010, being the last day of the period covered by the 9M2010 Unaudited Financial Statements, to the Latest Practicable Date, which may have a material effect on the financial position and results of First REIT.

TRADING OF UNITS

The Manager is not aware of any significant trading suspension on the SGX-ST from the Listing Date to the Latest Practicable Date.

The Manager believes that Units are regularly traded on the SGX-ST.

STATEMENT BY EXPERTS

Independent Accountants' Report on the Profit Forecast and Profit Projection

The Independent Accountants' Report on the Profit Forecast and Profit Projection in **Appendix B** has been prepared by RSM Chio Lim LLP.

The Independent Accountants' Report on the Profit Forecast and Profit Projection was prepared by RSM Chio Lim LLP for the purpose of incorporation in the Offer Information Statement. RSM Chio Lim LLP has given, and has not, before the lodgment of this Offer Information Statement, withdrawn its written consent to the issue of this Offer Information Statement with the inclusion of the Independent Accountants' Report on the Profit Forecast and Profit Projection in the form and context in which it is included in this Offer Information Statement.

Valuations of MRCCC and SHLC

The valuations of the Properties were prepared by the following licensed valuers, as the Independent Valuers:

- (i) KJPP Willson & Rekan (appointed by the Manager for the valuation of Mochtar Riady Comprehensive Cancer Centre);
- (ii) KJPP Damianus Ambur (appointed by the Manager for the valuation of Siloam Hospitals Lippo Cikarang);
- (iii) KJPP Rengganis, Hamid & Rekan (appointed by the Trustee for the valuation of Mochtar Riady Comprehensive Cancer Centre); and
- (iv) KJPP Willson & Rekan (appointed by the Trustee for the valuation of Siloam Hospitals Lippo Cikarang).

The valuations of the Properties were prepared by the Independent Valuers for the purpose of, among others, incorporation in the Offer Information Statement. The Independent Valuers have given and have not, before the enounces of this Offer Information Statement, withdrawn their written consent to the issue of this Offer Information Statement with the inclusion of their names and all references to their names in the form and context in which they are included in this Offer Information Statement.

CONSENTS FROM ISSUE MANAGERS AND UNDERWRITERS

Each of OCBC Bank and Credit Suisse has given, and has not, before the lodgment of this Offer Information Statement, withdrawn its written consent to being named in this Offer Information Statement as a Joint Lead Manager and Underwriter for the Rights Issue.

AUTHORITY TO ISSUE RIGHTS UNITS

The Manager's authority to issue the Rights Units is pursuant to the approval of the Rights Issue that it has obtained from Unitholders at the Extraordinary General Meeting.

MISCELLANEOUS

First REIT is subject to the Code on Collective Investment Schemes issued by the Authority. The Code on Collective Investment Schemes can be found on the website of the Authority at www.mas.gov.sg.

Save as disclosed in this Offer Information Statement, including the Appendices to this Offer Information Statement, the Manager is not aware of any other matters which could materially affect, directly or indirectly, the operations or financial position or results of First REIT or Unitholders.

Statements contained in this Offer Information Statement which do not state historical facts may be forward-looking statements. Such statements are based on certain assumptions and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecasts. See the section entitled "Risk Factors" for further details. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Manager or any other person or that these results will be achieved or are likely to be achieved.

As there may be prohibitions or restrictions against the offering of Rights Units in certain jurisdictions (other than Singapore), only Eligible Unitholders are eligible to participate in the Rights Issue. Please refer to the section entitled "Eligibility of Unitholders to Participate in the Rights Issue" and "Transfer and Selling Restrictions" for further information.

In relation to this Offer Information Statement

Dated 6 December 2010

Directors of Bowsprit Capital Corporation Limited

(as manager of First Real Estate Investment Trust)

Mr Albert Saychuan Cheok
Chairman and Independent Director

Mr Goh Tiam Lock
Independent Director

Mr Markus Parmadi
Non-Executive Director

Mr Mag Rainer Silhavy
Non-Executive Director

Mr Douglas Chew
Alternate Director to Mr Mag Rainer Silhavy

Dr Ronnie Tan Keh Poo
Chief Executive Officer and Director

GLOSSARY

For the purpose of this Offer Information Statement, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

9M2009	:	The nine months ended 30 September 2009
9M2009 Unaudited Financial Statements	:	The unaudited financial statements of the Group for 9M2009
9M2010	:	The nine months ended 30 September 2010
9M2010 Unaudited Financial Statements	:	The unaudited financial statements of the Group for 9M2010
Acquisitions	:	The MRCCC Acquisition and the SHLC Acquisition
AFS	:	Netherlands Act on Financial Supervision (<i>Wet op het financieel toezicht</i>)
Aggregate Leverage	:	The ratio of the value of total borrowings and deferred payments (if any) to the value of the Deposited Property
ARE	:	The application form for Rights Units and Excess Rights Units issued to Eligible Unitholders in respect of their Rights Entitlements under the Rights Issue
ARS	:	The application form for Rights Units to be issued to purchasers of the Rights Entitlements under the Rights Issue traded on the SGX-ST under the book-entry (scripless) settlement system
ATM	:	Automated teller machine of a Participating Bank
Authorised Investments	:	Refers to, in general: <ul style="list-style-type: none">(i) real estate, whether freehold or leasehold, in or outside Indonesia, held singly or jointly, and/or by way of direct ownership or by a shareholding in a special purpose vehicle;(ii) any improvement or extension of or addition to, or reconstruction, refurbishment, retrofitting, renovation or other development of any real estate or any building thereon;(iii) real estate related assets, wherever the issuers, assets or securities are incorporated, located, issued or traded;(iv) listed or unlisted debt securities and listed shares or stock and (if permitted by the Authority) unlisted shares or stock of or issued by local or foreign non-property companies or corporations;(v) government securities (issued on behalf of the Singapore Government or governments of other countries) and securities issued by a supra-national agency or a Singapore statutory board;

- (vi) cash and cash equivalent items;
- (vii) financial derivatives only for the purposes of (a) hedging existing positions in First REIT's portfolio where there is a strong correlation to the underlying investments or (b) efficient portfolio management, provided that such derivatives are not used to gear the overall portfolio of First REIT or intended to be borrowings of the First REIT; and

any other investment not covered by paragraphs (i) to (vii) of this definition but specified as a permissible investment in the Property Funds Appendix and selected by the Manager for investment by First REIT and approved by the Trustee in writing

Authority	:	Monetary Authority of Singapore
BNI	:	PT. Bank Negara Indonesia (Persero) Tbk
CDP	:	The Central Depository (Pte) Limited
CISA	:	Swiss Federal Act on Collective Investment Schemes
CIS Order	:	FSMA (Promotion of Collective Investment Schemes) (Exemptions) Order 2001
Closing Date	:	<ul style="list-style-type: none"> (i) 22 December 2010 at 5.00 p.m. (or such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Manager), being the last date and time for acceptance of Rights Units and/or application for Excess Rights Units and payment for the Rights Units under the Rights Issue through CDP; or (ii) 22 December 2010 at 9.30 p.m. (or such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Manager), being the last date and time for acceptance of Rights Units and/or application for Excess Rights Units and payment for the Rights Units under the Rights Issue through an ATM of a Participating Bank
Closing Price	:	The closing price of S\$0.95 per Unit on the SGX-ST on 4 November 2010, being the latest practicable date prior to the issue of the Unitholders' Circular
CO	:	Swiss Code of Obligations
Code	:	The Singapore Code on Take-overs and Mergers
Commitment Agreement	:	The commitment agreement dated 8 November 2010 entered into between Lippo and the Joint Lead Managers and Underwriters pursuant to which Lippo agrees either directly or indirectly through one or more of the Subscribing Subsidiaries to subscribe for the Commitment Rights Units, subject to the passing of the Whitewash Resolution

Commitment Rights Units	:	Approximately 135,250,000 Rights Units representing 50.0% of the difference between the total number of Units under the Rights Issue ¹ and the number of Proportionate Rights Units
CPF	:	Central Provident Fund
CPF Funds	:	CPF Investible Savings
CPFIS	:	CPF Investment Scheme
Credit Suisse	:	Credit Suisse (Singapore) Limited
Damianus	:	KJPP Damianus Ambur
Deposited Property	:	The gross assets of First REIT, including the Properties and the Authorised Investments for the time being held or deemed to be held upon the trusts under the Trust Deed
Directors	:	The directors of the Manager
DPU	:	Distribution per Unit
EJM	:	PT East Jakarta Medika
Electronic Application	:	Acceptance of the Rights Units and (if applicable) application for Excess Rights Units under the Rights Issue made through an ATM of a Participating Bank in accordance with the terms and conditions of this Offer Information Statement
Eligible Unitholders	:	Unitholders with Units standing to the credit of their Securities Account and whose registered addresses with CDP are in Singapore as at the Rights Issue Books Closure Date or who have, at least three Market Days prior to the Rights Issue Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents, and such Unitholders who the Manager, on behalf of First REIT, in consultation with the Joint Lead Managers and Underwriters determines, in its sole discretion, may be offered Rights Units without breaching applicable securities laws
Enlarged Portfolio	:	Consists of MRCCC, SHLC and the Existing Portfolio
Excess Rights Units	:	The Rights Units represented by the provisional allotments (A) of (i) Eligible Unitholders who decline, do not accept, and elect not to renounce or sell their Rights Entitlements under the Rights Issue (during the “nil-paid” rights trading period prescribed by the SGX-ST) and/or (ii) Ineligible Unitholders which have not been sold during the “nil-paid” rights trading period or (B) that have not been validly taken up by the original allottees, renounees of the provisional allotments or the purchasers of the “nil-paid” rights units
Existing Portfolio	:	The portfolio of properties currently held by First REIT, consisting of Siloam Hospitals Lippo Village, Siloam Hospitals Kebon Jeruk, Siloam Hospitals Surabaya, Imperial Aryaduta Hotel & Country Club, Pacific Healthcare Nursing

¹ Based on the 345,664,382 Rights Units which are fully underwritten by the Joint Lead Managers and Underwriters under the terms and conditions of the Underwriting Agreement.

Home @ Bukit Merah, Pacific Healthcare Nursing Home II @ Bukit Panjang, The Lentor Residence and the proposed Pacific Cancer Centre @ Adam Road

Existing Units	:	The Units in issue as at the Rights Issue Books Closure Date
Extraordinary General Meeting	:	The extraordinary general meeting of Unitholders held at Mandarin Ballroom 2, Level 6, Main Tower, Mandarin Orchard Singapore, 333 Orchard Road, Singapore 238867 at 2.00 p.m. on 29 November 2010
Financial Statements	:	The FP2007 Audited Financial Statements, FY2008 Audited Financial Statements, the FY2009 Audited Financial Statements, the 9M2009 Unaudited Financial Statements and the 9M2010 Unaudited Financial Statements
FINMA	:	Swiss Financial Market Supervisory Authority
First REIT	:	First Real Estate Investment Trust, a unit trust constituted in the Republic of Singapore pursuant to the Trust Deed
Forecast Year 2010	:	The full financial year from 1 January 2010 to 31 December 2010
Foreign Purchasers	:	Persons whose registered addresses with CDP are outside Singapore and who purchase the Rights Entitlements through the book-entry (scripless) settlement system
FP2007	:	The financial period from 19 October 2006 to 31 December 2007
FP2007 Audited Financial Statements	:	The audited financial statements of the Group for FP2007
FPO persons	:	Persons who (i) have professional experience in matters relating to investments; or (ii) are high net worth companies (and certain other entities) falling within Article 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 and who meet the requirements thereunder
FSA	:	Financial Services Authority
FSMA	:	Financial Services and Markets Act 2000
FY2008	:	The financial year ended 31 December 2008
FY2008 Audited Financial Statements	:	The audited financial statements of the Group for FY2008
FY2009	:	The financial year ended 31 December 2009
FY2009 Audited Financial Statements	:	The audited financial statements of the Group for FY2009
Gold	:	Gold Capital Pte. Ltd.
Gold Completion Date	:	The expected date of completion of Gold, being 31 December 2010

GPS	:	PT Graha Pilar Sejahtera
Group	:	First REIT and its subsidiaries
Gross Rental Income	:	Contracted rent under the master lease agreements in relation to the Enlarged Portfolio which comprises base rent and variable rent (where applicable)
Gross Revenue	:	Consists of Gross Rental Income and (where applicable) other income earned from First REIT's properties
HGB	:	<i>Hak Guna Bangunan</i> (Right to Build)
Higrade	:	Higrade Capital Pte. Ltd.
Hospitals	:	The hospitals in the Enlarged Portfolio, comprising the Properties, Siloam Hospitals Lippo Village, Siloam Hospitals Kebon Jeruk, Siloam Hospitals Surabaya and the proposed Pacific Cancer Centre @ Adam Road
Independent Reporting Accountants	:	RSM Chio Lim LLP
Independent Unitholders	:	Unitholders other than Lippo, parties acting in concert with Lippo and parties which are not independent of Lippo
Independent Valuers	:	Refers to collectively, W&R and Damianus which were commissioned by the Manager to value MRCCC and SHLC respectively and Rengganis and W&R which were commissioned by the Trustee to value MRCCC and SHLC respectively
Indonesian Properties	:	Comprising the Properties and the properties in the Enlarged Portfolio which are located in Indonesia
Indonesian SPCs	:	PT Primatama Cemerlang, PT Graha Pilar Sejahtera as well as First REIT's subsidiaries that are incorporated in Indonesia, collectively
Ineligible Unitholders	:	Unitholders other than Eligible Unitholders
Interested Party	:	Has the meaning ascribed to it in the Property Funds Appendix
Interested Party Transaction	:	Has the meaning ascribed to it in the Property Funds Appendix
Interested Person	:	Has the meaning ascribed to it in the Listing Manual
Interested Person Transaction	:	Has the meaning ascribed to it in the Listing Manual
Irrevocable Undertaking	:	The irrevocable undertaking dated 8 November 2010 provided by Lippo to the Manager and the Joint Lead Managers and Underwriters pursuant to which Lippo will take up the Proportionate Rights Units, subject to the passing of the Whitewash Resolution
Issue Price	:	S\$0.50 being the issue price per Rights Unit
Joint Lead Managers and Underwriters	:	Oversea-Chinese Banking Corporation Limited and Credit Suisse (Singapore) Limited

Labour Law	:	Law No. 13/2003
Latest Practicable Date	:	30 November 2010, being the latest practicable date prior to the lodgement of this Offer Information Statement with the Authority
Lippo	:	PT Lippo Karawaci Tbk
Lippo Entities	:	The Subscribing Subsidiaries and Lippo
Lippo Excess Application	:	The application(s) by Lippo, directly and/or through the Subscribing Subsidiaries, for any Excess Rights Units under the Rights Issue
Lippo Excess Rights Units	:	The Excess Rights Units acquired directly by Lippo and/or through the Subscribing Subsidiaries under the Lippo Excess Application
Lippo Nil-Paid Rights Units	:	The “nil-paid” rights entitlements acquired by Lippo on the open market during the “nil-paid” rights trading period or otherwise by way of private arrangement and the subsequent exercise of the “nil-paid” rights entitlements to acquire Rights Units
Listing Manual	:	The Listing Manual of the SGX-ST
Loan	:	The loan of approximately Rp. 350.5 billion (approximately S\$51.2 million based on the exchange rate of S\$1.00 to Rp. 6,839 as at the Latest Practicable Date) extended by BNI to PC pursuant to the Deed of Credit Agreement No. 28 dated 23 October 2009 entered into between BNI and PC
Manager	:	Bowsprit Capital Corporation Limited, as manager of First REIT
Mandatory Offer	:	A general offer made pursuant to Rule 14 of the Code
Market Day	:	Any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading
Master Lease Agreements	:	The four separate lease agreements dated 23 October 2006 entered into between Lippo and each of the SPVs in relation to the Existing Portfolio, and “ Master Lease Agreement ” means any one of them
MRCCC	:	The property known as Mochtar Riady Comprehensive Cancer Centre, which is located at Jalan Garnisun Dalam RT. 010/001 Kelurahan Karet Semanggi, Kecamatan Setiabudi, South Jakarta, Indonesia
MRCCC Acquisition	:	The proposed acquisition of MRCCC
MRCCC Acquisition Cost	:	The total cost of the MRCCC Acquisition, inclusive of the MRCCC Purchase Consideration, the MRCCC Acquisition Fee, as well as the estimated professional and other fees and expenses incurred or to be incurred in connection with the MRCCC Acquisition, which is approximately S\$174.6 million

MRCCC Acquisition Fee	:	The acquisition fee which the Manager will be entitled under Clause 14.2.1 of the Trust Deed to receive from First REIT upon completion of the MRCCC Acquisition
MRCCC Acquisition Fee Units	:	The Units which may be issued to the Manager as a form of payment for the MRCCC Acquisition Fee
MRCCC Base Rent	:	The annual base rent of S\$18,635,000 at which the MRCCC Master Lease is granted
MRCCC Master Lease	:	The master lease granted to Lippo in relation to MRCCC
MRCCC Master Lease Agreement	:	The conditional master lease agreement dated 8 November 2010 entered into between PC and Lippo (as the MRCCC master lessee) pursuant to which the MRCCC Master Lease was granted to Lippo
MRCCC Purchase Consideration	:	S\$170.5 million, being the purchase consideration for MRCCC in relation to the MRCCC Acquisition
MRCCC SPA	:	The conditional sale and purchase agreement dated 8 November 2010 entered into by the Trustee with Wincatch to acquire Gold at the MRCCC Purchase Consideration
MRCCC Total Rent	:	The sum of the MRCCC Base Rent and variable rent in relation to MRCCC
National Land Office	:	The Badan Pertanahan Nasional (national land office of Indonesia)
NAV	:	Net asset value
Net Property Income	:	Gross Rental Income less other property expenses (where applicable)
New Loan	:	The transferable term loan of up to S\$50.0 million for a term of four years granted by OCBC Bank to the Trustee
OCBC Bank	:	Oversea-Chinese Banking Corporation Limited
Offer Information Statement	:	This offer information statement to Unitholders dated 6 December 2010
Participating Banks	:	The banks as set out in Appendix E
PC	:	PT Primatama Cemerlang
Platinum	:	Platinum Strategic Investments Pte. Ltd.
Projection Year 2011	:	The full financial year from 1 January 2011 to 31 December 2011
Properties	:	MRCCC and SHLC
Property Funds Appendix	:	The Property Funds Appendix in Appendix 2 of the Code on Collective Investment Schemes issued by the Authority
Proportionate Rights Units	:	Lippo's <i>pro rata</i> entitlement of 75,164,382 Rights Units, representing 21.74% of the total number of Rights Units in proportion to its unitholdings as at the date of the Irrevocable Undertaking

Prospectus	:	First REIT's prospectus dated 25 October 2006 in connection with the listing of First REIT on the SGX-ST
REIT	:	Real estate investment trust
Relevant Member State	:	In relation to each member state of the European Economic Area which has implemented the Prospectus Directive
Relevant Persons	:	High net worth companies (and certain other entities) falling within Article 22 of the FSMA (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the " CIS Order ") who meet the requirements thereunder; or (iii) persons to whom it may otherwise lawfully be distributed under the CIS Order or Section 4.12 of the FSA's Conduct of Business Sourcebook, together with the FPO persons
Rengganis	:	KJPP Rengganis, Hamid & Rekan
Rights Entitlements	:	The provisional allotments of Rights Units to Eligible Unitholders under the Rights Issue
Rights Issue	:	The issue of new Units on a fully underwritten and renounceable basis to Eligible Unitholders on a basis of the Rights Ratio at the Issue Price
Rights Issue Books Closure Date	:	5.00 p.m. on 3 December 2010 being the time and date on which the Transfer Books and Register of Unitholders are closed to determine the Rights Entitlements of Eligible Unitholders under the Rights Issue
Rights Ratio	:	The rights ratio of five (5) Rights Units for every four (4) existing Units standing to the credit of an Eligible Unitholders' Securities Account as at the Rights Issue Books Closure Date
Rights Units	:	The new Units to be issued by the Manager pursuant to the Rights Issue
SC	:	Securities Commission of Malaysia
SEC	:	The U.S. Securities and Exchange Commission
Securities Account	:	A securities account maintained by a Depositor with CDP (but does not include securities sub-accounts)
Securities Act	:	U.S. Securities Act of 1933, as amended
SFA	:	Securities and Futures Act, Chapter 289 of Singapore
SFO	:	Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)
SGX-ST	:	Singapore Exchange Securities Trading Limited
SHLC	:	The property known as Siloam Hospitals Lippo Cikarang, which is located at Jalan Mohammad Husni Thamrin Kav.105, Lippo Cikarang, Bekasi 17550, Indonesia
SHLC Acquisition	:	The proposed acquisition of SHLC

SHLC Acquisition Cost	:	The total cost of the SHLC Acquisition, inclusive of the SHLC Purchase Consideration, the SHLC Acquisition Fee, as well as the estimated professional and other fees and expenses incurred or to be incurred in connection with the SHLC Acquisition, which is estimated to be approximately S\$35.9 million
SHLC Acquisition Fee	:	The acquisition fee which the Manager will be entitled under Clause 14.2.1 of the Trust Deed to receive from First REIT upon completion of the SHLC Acquisition
SHLC Acquisition Fee Units	:	The Units which will be issued to the Manager as a form of payment for the SHLC Acquisition Fee
SHLC Base Rent	:	The annual base rent of S\$3,768,000 at which the SHLC Master Lease is granted
SHLC Master Lease	:	The master lease granted to Lippo in relation to SHLC
SHLC Master Lease Agreement	:	The conditional master lease agreement dated 8 November 2010 entered into between GPS and Lippo (as the SHLC master lessee) pursuant to which the SHLC Master Lease was granted to Lippo
SHLC Purchase Consideration	:	S\$35.0 million, being the purchase consideration for SHLC in relation to the SHLC Acquisition
SHLC SPA	:	The conditional sale and purchase agreement dated 8 November 2010 entered into by GPS with EJM to acquire SHLC at the SHLC Purchase Consideration
SHLC Total Rent	:	The sum of the SHLC Base Rent and variable rent in relation to SHLC
SGXNET	:	SGXNET Corporate Announcement Systems
SIC	:	Securities Industry Council
SIC Waiver	:	The waiver of the requirement by Lippo and parties acting in concert with Lippo to make a Mandatory Offer for the remaining Units not owned or controlled by Lippo and parties acting in concert with Lippo, in the event that they incur an obligation to make a Mandatory Offer pursuant to Rule 14 of the Code granted by the SIC dated 4 November 2010
Singapore CPI	:	Consumer Price Index of Singapore
Singapore SPCs	:	Gold, Higrade, Platinum, Ultra as well as First REIT's subsidiaries that are incorporated in Singapore, collectively
SPVs	:	(i) PT. Sentra Dinamika Perkasa, (ii) PT. Graha Indah Pratama, (iii) PT. Tata Prima Indah, and (iv) PT. Karya Sentra Sejahtera, all of which are companies incorporated in Indonesia and "SPV" means any one of them
SRS	:	Supplementary Retirement Scheme
Subscribing Subsidiaries	:	Subsidiaries of Lippo, whether existing or to be incorporated by Lippo

Substantial Unitholders	:	Unitholders with interests in not less than 5.0% of all Units in issue
Sub-Underwriting Fee	:	<p>The fee payable by Joint Lead Managers and Underwriters to Lippo from the Underwriting Commission pursuant to the Commitment Agreement which comprises the following:</p> <p>(a) a fee of 1.50% of the Issue Price multiplied by the number of Proportionate Rights Units; and</p> <p>(b) a fee of 1.50% of the Issue Price multiplied by the number of Commitment Rights Units,</p> <p>together with any goods and services tax payable thereon</p>
TERP	:	<p>The theoretical ex-rights price which is calculated as follows:</p> $\text{TERP} = \frac{\text{Market capitalisation of First REIT}^1 + \text{Gross proceeds from the Rights Issue}}{\text{Units in issue after the Rights Issue}^2}$
Transactions	:	The MRCCC Acquisition, the SHLC Acquisition and the Rights Issue, collectively
Trust Deed	:	The trust deed dated 19 October 2006 constituting First REIT, entered into between the Trustee and the Manager, as amended, varied, or supplemented from time to time
Trustee	:	HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of First REIT
UK	:	United Kingdom
Ultra	:	Ultra Investments Pte. Ltd.
Underwriting Agreement	:	The underwriting agreement entered into between the Manager and the Joint Lead Managers and Underwriters on 8 November 2010
Underwriting Commission	:	<p>The underwriting commission which the Joint Lead Managers and Underwriters will be entitled to pursuant to the Underwriting Agreement which comprise:</p> <p>(i) 1.50% Of the Issue Price multiplied by the number of Proportionate Rights Units;</p> <p>(ii) 2.00% Of the Issue Price multiplied by the number of Commitment Rights Units; and</p> <p>(iii) 2.00% of the Issue Price multiplied by the difference between the total number of Rights Units and the sum of the number of Proportionate Rights Units and Commitment Rights Units,</p> <p>together with any goods and services tax payable thereon.</p>

¹ Based on the Closing Price.

² Comprising Existing Units as at the Latest Practicable Date and the Rights Units.

Unit	:	A unit representing an undivided interest in First REIT
Unitholders	:	A Depositor whose securities account with CDP is credited with Units
Unitholders' Circular	:	The circular to Unitholders dated 10 November 2010
Unit Share Market	:	Ready market of the SGX-ST for trading of odd lots of Units with a minimum size of one Unit
U.S.	:	United States
W&R	:	KJPP Willson & Rekan
Whitewash Resolution	:	The proposed whitewash resolution for the waiver of the rights of Independent Unitholders to receive a Mandatory Offer from Lippo and parties acting in concert with it for the remaining Units not owned or controlled by them
Wincatch	:	Wincatch Limited
S\$ and cents	:	Singapore dollars and cents
Rp	:	Indonesian Rupiah
%	:	Per centum or percentage

For the purpose of this Offer Information Statement, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

The terms "Depositor" and "Depository Agent" shall have the meanings ascribed to them respectively in Section 130A of the Companies Act, Chapter 50 of Singapore.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

Any reference in this Offer Information Statement to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to dates and to a time of day in this Offer Information Statement shall be a reference to Singapore dates and time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded off.

CERTAIN FINANCIAL INFORMATION RELATING TO FIRST REIT

Selected financial data from the FP2007 Audited Financial Statements, the FY2008 Audited Financial Statements, the FY2009 Audited Financial Statements, the 9M2009 Unaudited Financial Statements and the 9M2010 Unaudited Financial Statements including the line items in the statements of total return and distribution statements, consolidated balance sheets and cash flow statements of First REIT, is set out in this Appendix. Financial data relating to (i) DPU (ii) earnings per Unit, (iii) earnings per Unit after adjustment for the issuance of the Rights Units, (iv) NAV per Unit and (v) NAV per Unit after any adjustment to reflect the issuance of the Rights Units is also set out below.

Such selected financial data should be read together with the relevant notes to the Financial Statements, where applicable, which are available on the website of First REIT at www.first-reit.com and are also available for inspection during normal business hours at the registered office of the Manager at 1 Phillip Street, #15-00, Singapore 048692, from the date of this Offer Information Statement up to and including the date falling six months after the date of this Offer Information Statement¹.

The information contained on the website of First REIT does not constitute part of this Offer Information Statement.

¹ Prior appointment with the Manager will be appreciated.

Consolidated Statements of Total Return and Statements of Distributions

	Unaudited 9M2010 S\$'000	Unaudited 9M2009 S\$'000	Audited FY2009 S\$'000	Audited FY2008 S\$'000	Audited FP2007 S\$'000
Gross revenue	22,625	22,495	30,162	29,964	28,056
Property operating expenses	(309)	(225)	(312)	(214)	(237)
Net property income	22,316	22,270	29,850	29,750	27,819
Interest income	21	35	43	214	230
Other income	–	–	–	–	4
Finance costs	(1,698)	(1,383)	(1,982)	(1,848)	(1,610)
Manager's management fees	(2,193)	(2,137)	(2,818)	(2,947)	(2,664)
Trustee fees	(91)	(92)	(122)	(107)	(120)
Other expenses	(372)	(286)	(275)	(600)	(486)
Non-property expenses	(4,354)	(3,898)	(5,197)	(5,502)	(4,880)
Net income before the undernoted	17,983	18,407	24,696	24,462	23,173
Increase / (Decrease) in fair value of investment properties	–	–	13,979	(700)	90,952
Total return for the period/year before income tax	17,983	18,407	38,675	23,762	114,125
Income tax for the period / year	(3,717)	(3,526)	(2,713)	(809)	(31,688)
Total return for the period / year after income tax	14,266	14,881	35,962	22,953	82,437
Manager's management fees settled in units	707	788	979	1,117	695
Deferred rental income of property under asset enhancement	909	–	–	–	–
Change in fair value of investment properties, net of deferred tax	–	–	(15,993)	(3,239)	(63,921)
Provision of property operating expenses	–	–	–	–	100
Others	18	17	16	–	(34)
Amount available for distribution to the Unitholders	15,900	15,686	20,964	20,831	19,277
Distribution per Unit (cents)	5.76	5.70	7.62	7.62	7.09
Earnings per Unit (cents)					
Basic	5.17	5.42	13.09	8.41	30.35
Diluted	5.17	5.42	13.09	8.41	30.35
Adjusted Earnings per Units (cents)⁽¹⁾					
Basic	2.28	2.39	5.77	3.70	13.29
Diluted	2.28	2.39	5.77	3.70	13.29

Note:

- (1) Adjusted for the issuance of the Rights Units and Acquisition Fee payable in Units only. These Units are assumed to have been issued on the first day of the respective financial period / year.

Consolidated Statements of Financial Position

	Unaudited as at 30 September 2010 S\$'000	Audited as at 31 December 2009 S\$'000
Non-current assets		
Investment properties	346,077	340,910
Total non-current assets	346,077	340,910
Current assets		
Trade and other receivables, current	1,474	1,109
Other assets, current	922	1,136
Cash and cash equivalents	10,817	11,497
Total current assets	13,213	13,742
Total assets	359,290	354,652
Current liabilities		
Income tax payable, current	561	538
Trade and other payables, current	1,651	1,711
Other liabilities, current	8,121	7,996
Total current liabilities	10,333	10,245
Non-current liabilities		
Deferred tax liabilities	21,079	21,079
Other financial liabilities, non-current	56,847	52,301
Other liabilities, non-current	909	–
Total non-current liabilities	78,835	73,380
Total liabilities	89,168	83,625
Net assets	270,122	271,027
Unitholders' Funds		
Issued equity	178,731	179,633
Retained earnings	91,391	91,394
Total unitholders' funds	270,122	271,027
Units in issue ('000)	276,281	275,474
Units in issue and to be issued ('000)⁽¹⁾	624,911	624,104
NAV per Unit (S\$)	0.98	0.98
Adjusted NAV per Unit (S\$)	0.43	0.43

Note:

(1) Adjusted for the issuance of the Right Units and Acquisition fee payable in Units only

Consolidated Statements of Cash Flows

	Unaudited 9M2010 S\$'000	Audited FY 2009 S\$'000
Cash flows from operating activities		
Total return before income tax	17,983	38,675
Adjustments for:		
Interest income	(21)	(43)
Interest expense	1,526	1,767
Amortisation of borrowing costs	172	215
Increase in fair value of investment properties	–	(13,979)
Manager's Management fees settled in units	671	966
Operating cash flows before changes in working capital	20,331	27,601
Trade and other receivables, current	(367)	229
Other assets, current	220	(239)
Trade and other payables, current	(44)	(494)
Other liabilities, current	1,034	310
Net cash flows from operating activities before income tax	21,174	27,407
Income taxes paid	(3,699)	(4,750)
Net cash flows from operating activities	17,475	22,657
Cash flows from investing activities		
Increase in investment properties	(5,164)	(2,031)
Interest received	22	63
Net Cash flows used in investing activities	(5,142)	(1,968)
Cash flows from financing activities		
Distribution to the Unitholders	(15,842)	(20,999)
Increase in borrowings	4,374	1,313
Cash restricted in use for bank facilities	4,000	(4,000)
Interest paid	(1,545)	(1,923)
Net Cash flows used in financing activities	(9,013)	(25,609)
Net increase / (decrease) in cash and cash equivalents	3,320	(4,920)
Cash and cash equivalents at beginning of the period / year	7,497	12,417
Cash and cash equivalents at end of the period / year	10,817	7,497
Consolidated cash and cash equivalents comprise the following:		
Cash and cash equivalents per balance sheet	10,817	11,497
Cash restricted in use for bank facilities	–	(4,000)
Cash and cash equivalents in the consolidated cash flow statement	10,817	7,497

**INDEPENDENT REPORTING ACCOUNTANTS' REPORT
ON THE PROFIT FORECAST AND PROFIT PROJECTION**

6 December 2010

The Board of Directors
Bowsprit Capital Corporation Limited
(In its capacity as Manager of First REIT)
1 Phillip Street #15-00
Singapore 048692

HSBC Institutional Trust Services (Singapore) Limited
(In its capacity as Trustee of First REIT)
21 Collyer Quay, #14-01 HSBC Building
Singapore 049320

Dear Sirs

LETTER FROM THE INDEPENDENT REPORTING ACCOUNTANTS ON THE PROFIT FORECAST FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2010 AND THE PROFIT PROJECTION FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2011

For purposes of this letter, capitalised terms not otherwise defined shall have the meaning given to them in the Offer Information Statement dated 6 December 2010 to unitholders of First REIT

This letter has been prepared for inclusion in the Offer Information Statement to Unitholders (the "OIS") issued in connection with the MRCCC Acquisition and the SHLC Acquisition (collectively, the "Acquisitions") and issuing certain Rights Units referred to in this OIS as the "Transactions".

We have examined the Profit Forecast of First REIT for the financial year ending 31 December 2010 and the Profit Projection for the financial year ending 31 December 2011 as set out on pages 35 to 39 of the OIS in accordance with Singapore Standards on Assurance Engagements applicable to the examination of prospective financial information.

The directors of Bowsprit Capital Corporation Limited (the "Directors") are responsible for the preparation and presentation of the Forecast and Projected Statements of Total Return for the financial year ending 31 December 2010 (the "Profit Forecast") and the financial year ending 31 December 2011 (the "Profit Projection") in each case with respect to First REIT as set out on page 38 of the OIS, including their assumptions as set out on pages 35 to 37 of the OIS.

Profit Forecast

Based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the Profit Forecast. Further, in our opinion the Profit Forecast, so far as the accounting policies and calculations are concerned, is properly prepared on the basis of the assumptions, is consistent with the accounting policies adopted by First REIT for its FY2009 Audited Consolidated Financial Statements, and is presented in accordance with the Singapore Financial Reporting Standards (but not all the required disclosures for the purpose of this letter) as issued by the Singapore Accounting Standards Council, and Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore which is the financial reporting framework adopted by First REIT in the preparation of its financial statements.

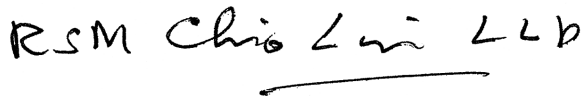
Profit Projection

The Profit Projection has been prepared to show a possible outcome based on the stated assumptions. As First REIT is entering into the Transactions without any history of activities and because the length of the period covered by the Profit Projection extends beyond the period covered by the Profit Forecast, the assumptions used in the Profit Projection (which include hypothetical assumptions about future events and management's actions that are not necessarily expected to occur) are more subjective than would be appropriate for a profit forecast. The Profit Projection does not therefore constitute a profit forecast.

Based on our examination of the evidence supporting the relevant assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the Profit Projection. Further, in our opinion the Profit Projection, so far as the accounting policies and calculations are concerned, is properly prepared on the basis of the assumptions, is consistent with the accounting policies set out in First REIT's FY2009 Audited Consolidated Financial Statements, and is presented in accordance with the Singapore Financial Reporting Standards (but not all the required disclosures for the purpose of this letter) as issued by the Singapore Accounting Standards Council, and Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore which is the financial reporting framework adopted by First REIT in the preparation of its financial statements.

Events and circumstances frequently do not occur as expected. Even if the events anticipated under the hypothetical assumptions occur, actual results are still likely to be different from the Profit Forecast and Profit Projection since other anticipated events frequently do not occur as expected and the variation may be material. The actual results may therefore differ materially from that forecast and projected. For the reasons set out above, we do not express any opinion as to the possibility of achievement of the Profit Forecast and Profit Projection.

Yours faithfully,

Handwritten signature in black ink that reads "RSM Chio Lim LLP". The signature is written in a cursive style and is underlined with a single horizontal line.

RSM Chio Lim LLP
Public Accountants and
Certified Public Accountants
Singapore

Partner-in-charge: Kaka Singh
A member of the Institute of Certified Public Accountants of Singapore

PROCEDURES FOR ACCEPTANCE, PAYMENT, RENUNCIATION AND APPLICATION FOR RIGHTS UNITS AND/OR EXCESS RIGHTS UNITS BY ELIGIBLE UNITHOLDERS

1. INTRODUCTION

- 1.1 Eligible Unitholders are entitled to receive this Offer Information Statement and the ARE which form part of this Offer Information Statement. This Offer Information Statement and its accompanying documents (including the ARE) will not be despatched to Ineligible Unitholders.
- 1.2 This Offer Information Statement and the ARE may not be used for the purpose of, and do not constitute, an offer, invitation or solicitation in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or unauthorised, or to any person to whom it is unlawful to make such offer, invitation or solicitation.
- 1.3 This Offer Information Statement and the ARE have not been and will not be lodged, registered or filed in any jurisdiction other than Singapore and the Rights Units under the Rights Issue are not offered to any person who is not an Eligible Unitholder. The Manager reserves the right to reject any acceptances of Rights Entitlements and (if applicable) applications for Excess Rights Units where it believes, or has reason to believe, that such acceptances and/or applications may violate the applicable laws of any jurisdiction.
- 1.4 The Rights Entitlements are governed by the terms and conditions of this Offer Information Statement, (if applicable) the Trust Deed and the instructions contained in the ARE. The number of Rights Entitlements allotted to each Eligible Unitholder is indicated in the ARE.
- 1.5 The Securities Accounts of Eligible Unitholders have been credited by CDP with the Rights Entitlements as indicated in the ARE. Eligible Unitholders may accept their Rights Entitlements in full or in part. Full instructions for the acceptance of and payment for the Rights Units are set out in this Offer Information Statement as well as the ARE.
- 1.6 If an Eligible Unitholder wishes to accept his Rights Entitlements specified in the ARE, in full or in part, and (if applicable) apply for Excess Rights Units, he may do so by completing the relevant portions of the ARE or by means of an Electronic Application through an ATM of a Participating Bank. An Eligible Unitholder should ensure that the ARE is accurately and correctly completed, failing which the acceptance of the Rights Entitlements and (if applicable) the application for Excess Rights Units may be rejected.
- 1.7 **Unitholders who have subscribed for or purchased Units under the CPFIS and/or the SRS or through a finance company and/or Depository Agent can only accept their Rights Entitlements and (if applicable) apply for Excess Rights Units by instructing the respective approved banks in which they hold their CPFIS accounts and/or SRS accounts, finance company and/or Depository Agent to do so on their behalf. ANY APPLICATION MADE BY THE ABOVE-MENTIONED UNITHOLDERS DIRECTLY THROUGH CDP OR THROUGH ATMS WILL BE REJECTED. Such Unitholders who have insufficient funds in their CPF Investment Accounts or SRS accounts may deposit cash into their CPF Investment Accounts or SRS accounts with their approved banks before instructing their respective approved banks to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units. CPF Funds may not, however, be used for the purchase of the Rights Entitlements directly from the market. Such Unitholders, where applicable, will receive notification letter(s) from their respective approved bank, finance company and/or Depository Agent and should refer to such notification letter(s) for details of the last date and time to submit applications to their respective approved bank, finance company and/or Depository Agent.**
- 1.8 Unless expressly provided to the contrary in this Offer Information Statement or the ARE, with respect to enforcement against Eligible Unitholders, a person who is not a party to any contracts made pursuant to this Offer Information Statement or the ARE, has no rights under the Contracts

(Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

- 1.9 With regard to any acceptance and/or application which does not conform strictly to the instructions set out under this Offer Information Statement or the ARE and/or any other application form for the Rights Entitlements in relation to the Rights Issue, or which does not comply with the instructions for Electronic Applications, or in the case of an acceptance and/or application by way of the ARE and/or any other application form for the Rights Entitlements in relation to the Rights Issue which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, or where the "Free Balance" of the Eligible Unitholder's Securities Account is not credited with or credited with less than the relevant number of Rights Units accepted as at the last date and time for acceptance of, application and payment for Rights Units and (if applicable) Excess Rights Units, the Manager and CDP may, at their absolute discretion, reject or treat as invalid any such acceptance and/or application and payment or otherwise process all remittances at any time after receipt in such manner as they may deem fit.
- 1.10 The Manager and CDP shall be entitled to process each ARE submitted for the acceptance of Rights Entitlements, and where applicable, application for Excess Rights Units in relation to the Rights Issue and the payment received in relation thereto, pursuant to such acceptance and/or application, by an Eligible Unitholder, on its own, without regard to any other application and payment that may be submitted by the same Eligible Unitholder. For the avoidance of doubt, insufficient payment for an acceptance and/or application may render such acceptance and/or application invalid. Evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid acceptance and (if applicable) application for Excess Rights Units.

2. MODE OF ACCEPTANCE AND APPLICATION

2.1 Acceptance/Application through CDP

To accept the Rights Entitlements specified in the ARE and (if applicable) apply for Excess Rights Units through CDP, the duly completed ARE must be accompanied by **A SINGLE REMITTANCE** for payment in full for the relevant number of Rights Units accepted and (if applicable) Excess Rights Units applied for, and submitted:

- (i) by hand to **BOWSPRIT CAPITAL CORPORATION LIMITED, AS MANAGER OF FIRST REAL ESTATE INVESTMENT TRUST, C/O THE CENTRAL DEPOSITORY (PTE) LIMITED** at **4 SHENTON WAY, #02-01 SGX CENTRE 2, SINGAPORE 068807**; or
- (ii) by post in the self-addressed envelope provided, at the sender's own risk, to **BOWSPRIT CAPITAL CORPORATION LIMITED, AS MANAGER OF FIRST REAL ESTATE INVESTMENT TRUST, C/O THE CENTRAL DEPOSITORY (PTE) LIMITED** at **ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147**,

in each case, so as to arrive not later than **5.00 p.m. on 22 December 2010**.

The payment must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP – FIRST REIT RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**", with the name and Securities Account number of the Eligible Unitholder clearly written on the reverse side of the Cashier's Order or Banker's Draft. **NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

2.2 ACCEPTANCE/APPLICATION BY WAY OF ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK

Instructions for Electronic Applications to accept the Rights Entitlements and to apply for Excess Rights Units will appear on the ATM screens of the respective Participating Banks. Please refer to **Appendix D** for the additional terms and conditions for Electronic Application through an ATM of a Participating Bank.

If an Eligible Unitholder makes an Electronic Application, he would have irrevocably authorised the Participating Bank to deduct the full amount payable for the relevant number of Rights Entitlements accepted and (if applicable) Excess Rights Units applied for from his bank account with such Participating Bank in respect of such acceptance and (if applicable) application.

In the case of an Eligible Unitholder who has accepted the Rights Entitlements and (if applicable) applied for Excess Rights Units by way of an ARE and also by way of an Electronic Application, the Manager and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Manager and/or CDP may, in their/its absolute discretion, deem fit.

Without prejudice to the generality of the foregoing, in such a case, the Eligible Unitholder shall be regarded as having irrevocably authorised the Manager and/or CDP to apply all amounts received whether under the ARE and/or the Electronic Application in whichever mode or combination as the Manager and/or CDP may, in their/its absolute discretion deem fit.

2.3 Acceptance of Part of Rights Entitlements and Trading of Rights Entitlements

An Eligible Unitholder may choose to accept his Rights Entitlements specified in the ARE in full or in part. If an Eligible Unitholder wishes to accept part of his Rights Entitlements and trade the balance of his Rights Entitlements on the SGX-ST, he should:

- (i) complete the ARE for the number of Rights Entitlements which he wishes to accept at the Rights Issue Price and submit the ARE together with payment in the prescribed manner as described above through CDP; or
- (ii) accept and subscribe for that part of his Rights Entitlements by way of an Electronic Application at the Rights Issue Price in the prescribed manner described above.
- (iii) The balance of his Rights Entitlements may be sold as soon as dealings therein commence on the SGX-ST.

Eligible Unitholders who wish to trade all or part of their Rights Entitlements on the SGX-ST during the “nil-paid” Rights Entitlements trading period should note that the Rights Entitlements will be tradable in board lots of 1,000 Rights Entitlements. Eligible Unitholders who wish to trade in other lot sizes can do so on the SGX-ST’s Unit Share Market.

Such Eligible Unitholders may start trading their Rights Entitlements as soon as dealings therein commence on the SGX-ST. All dealings in and transactions (including transfers) of the Rights Units effected through the SGX-ST and/or CDP shall be made in accordance with the “Terms and Conditions for Operation of Securities Accounts with CDP”, as the same may be amended from time to time, copies of which are available from CDP.

Upon the listing of and quotation for, *inter alia*, the Rights Units on the Main Board of the SGX-ST, the Rights Units will be traded under the book-entry (scripless) settlement system and each board lot of Units will comprise 1,000 Units. Unitholders who hold odd lots of Units (that is, lots other than board lots of 1,000 Units) and who wish to trade in odd lots are able to trade odd lots of Units on the SGX-ST’s Unit Share Market. The Unit Share Market is a ready market for trading of odd lots of Units with a minimum size of one Unit.

2.4 Purchasers of Rights Entitlements

The ARE need not be forwarded to the purchasers of the Rights Entitlements (the “**Purchasers**”) as arrangements will be made by CDP for a separate ARS to be issued to the Purchasers. Purchasers should note that CDP will, on behalf of the Manager, send the ARS, accompanied by this Offer

Information Statement, by ordinary post and at the Purchasers' own risk, to their respective Singapore address as recorded with CDP. Purchasers should ensure that their ARS are accurately and correctly completed, failing which the acceptance of the Rights Entitlements may be rejected. Purchasers who do not receive the ARS, accompanied by this Offer Information Statement may obtain the same from CDP for the period up to **5.00 p.m. on 22 December 2010**.

Purchasers should inform their finance companies/Depository Agents if their purchases of such Rights Entitlements are settled through these intermediaries. In such instances, if the Purchasers wish to accept the Rights Units represented by the Rights Entitlements purchased, they will need to go through these intermediaries, who will then accept the Rights Units on their behalf. This Offer Information Statement and its accompanying documents will not be despatched to Purchasers whose registered address with CDP are not in Singapore (the "**Foreign Purchasers**"). Foreign Purchasers who wish to accept the Rights Entitlements credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

2.5 Renunciation of Rights Entitlements

Eligible Unitholders who wish to renounce in full or in part their Rights Entitlements in favour of a third party should complete the relevant transfer forms with CDP (including any accompanying documents as may be required by CDP) for the number of Rights Entitlements which they wish to renounce. Such renunciation shall be made in accordance with the "Terms and Conditions for Operations of Securities Accounts with CDP", as the same may be amended from time to time, copies of which are available from CDP. As CDP requires at least three Market Days to effect such renunciation, Eligible Unitholders who wish to renounce are advised to do so early to allow sufficient time for CDP to send the ARS, on behalf of the Manager, to the renounee and for the renounee to accept his Rights Entitlements. The last date and time for acceptance of and payment for the Rights Units by the renounee is **5.00 p.m. on 22 December 2010** (if acceptance is made through CDP).

2.6 Acceptance/Application using CPF Funds

Unitholders participating in the CPFIS-Ordinary Account must use, subject to applicable CPF rules and regulations, monies standing to the credit of their respective CPF Investment Accounts to pay for the acceptance of their Rights Entitlements and (if applicable) application for Excess Rights Units, if they have previously bought their Units using CPF Funds. Such Unitholders who wish to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units using CPF Funds must have sufficient funds in their CPF Investment Accounts and will need to instruct their respective approved banks, where such Unitholders hold their CPF Investment Accounts, to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf in accordance with this Offer Information Statement. Such Unitholders who have insufficient funds in their CPF Investment Accounts may deposit cash into their CPF Investment Accounts with their approved banks before instructing their respective approved banks, where such Unitholders hold their CPF Investment Accounts, to accept their Rights Entitlements and (if applicable) to make applications for Excess Rights Units. CPF Funds may not, however, be used for the purchase of the Rights Entitlements directly from the market.

ANY APPLICATION MADE BY THE ABOVE-MENTIONED UNITHOLDERS DIRECTLY THROUGH CDP OR THROUGH ATMS WILL BE REJECTED.

2.7 Acceptance/Application using SRS Funds

Unitholders with SRS accounts must use, subject to applicable SRS rules and regulations, monies standing to the credit of their respective SRS accounts to pay for the acceptance of their Rights Entitlements and (if applicable) application for Excess Rights Units. Such Unitholders who wish to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units using SRS monies must have sufficient funds in their SRS accounts and will need to instruct the relevant banks in which they hold their SRS accounts to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf. Such Unitholders who have insufficient funds in their SRS accounts may, subject to the SRS contribution cap, deposit cash into their SRS accounts with their approved banks before instructing their respective approved banks to accept their Rights Entitlements and (if applicable) to make applications for Excess Rights Units on their behalf.

ANY APPLICATION MADE BY THE ABOVE-MENTIONED UNITHOLDERS DIRECTLY THROUGH CDP OR THROUGH ATMS WILL BE REJECTED.

2.8 Acceptance/Application via Finance Company and/or Depository Agent

Unitholders who hold Units through a finance company and/or Depository Agent must instruct the relevant finance company and/or Depository Agent to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf in accordance with this Offer Information Statement.

ANY APPLICATION MADE BY THE ABOVE-MENTIONED UNITHOLDERS DIRECTLY THROUGH CDP OR THROUGH ATMS WILL BE REJECTED.

3. ILLUSTRATIVE EXAMPLES

As an illustration, if an Eligible Unitholder has 10,000 Units standing to the credit of his Securities Account as at the Rights Issue Books Closure Date, the Eligible Unitholder will be provisionally allotted 12,500 Rights Units as set out in his ARE. The Eligible Unitholder's alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:

Alternatives Procedures to be taken

Alternatives

(a) Accept in full his Rights Entitlements and (if applicable) apply for Excess Rights Units

Procedures to be taken

(1) Accept in full his 12,500 Rights Entitlements and (if applicable) apply for Excess Rights Units by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 22 December 2010**; or

(2) complete the ARE in accordance with the instructions contained therein for the acceptance in full of his 12,500 Rights Entitlements and (if applicable) the number of Excess Rights Units applied for and forward the ARE together with a single remittance for S\$6,250.00 (or, if applicable, such higher amount in respect of the total number of Rights Units accepted and Excess Rights Units applied for) by way of a Cashier's Order or Banker's Draft drawn in Singapore currency on a bank in Singapore, and made payable to "**CDP – FIRST REIT RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" for the full amount due on acceptance and (if applicable) application, by hand to **BOWSPRIT CAPITAL CORPORATION LIMITED, AS MANAGER OF FIRST REAL ESTATE INVESTMENT TRUST, C/O THE CENTRAL DEPOSITORY (PTE) LIMITED** at 4 SHENTON WAY, #02-01, SGX CENTRE 2, SINGAPORE 068807 or by post, AT HIS OWN RISK, in the enclosed self-addressed envelope provided to **BOWSPRIT CAPITAL CORPORATION LIMITED, AS MANAGER OF FIRST REAL ESTATE INVESTMENT TRUST, C/O THE CENTRAL DEPOSITORY (PTE) LIMITED** at ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147 so as to arrive not later than **5.00 p.m. on 22 December 2010**, and with the name and Securities Account number of the Eligible Unitholder clearly written

in block letters on the reverse side of the Cashier's Order or Banker's Draft. **NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

- (b) Accept a portion of his Rights Entitlements, for example 5,000 of his 12,500 Rights Entitlements, not apply for Excess Rights Units and trade the balance on the SGX-ST
- (1) Accept 5,000 of his 12,500 Rights Entitlements by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 22 December 2010**; or
- (2) complete the ARE in accordance with the instructions contained therein for the acceptance of his 5,000 of his 12,500 Rights Entitlements, and forward the ARE, together with a single remittance for S\$2,500.00 in the prescribed manner described in alternative (a)(2) above, through CDP, so as to arrive not later than **5.00 p.m. on 22 December 2010**. The balance of his 7,500 Rights Entitlements may be traded on the SGX-ST during the Rights trading period. **Eligible Unitholders should note that the Rights Entitlements will be tradable in the ready market, with each board lot comprising 1,000 Rights Entitlements. Eligible Unitholders who wish to trade in other lot sizes can do so on the SGX-ST's Unit Share Market.**
- (c) Accept a portion of his Rights Entitlements, for example 5,000 of his 12,500 Rights Entitlements, and reject the balance.
- (1) Accept 5,000 of his 12,500 Rights Entitlements by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 22 December 2010**; or
- (2) Complete the ARE in accordance with the instructions contained therein for the acceptance of his 5,000 of his 12,500 Rights Entitlements, and forward the ARE, together with a single remittance for S\$2,500.00 in the prescribed manner described in alternative (a)(2) above, through CDP, so as to arrive not later than **5.00 p.m. on 22 December 2010**. The balance of his 7,500 Rights Entitlements which is not accepted by the Eligible Unitholder will be deemed to have been declined and will forthwith lapse and become void, and cease to be capable of acceptance by that Eligible Unitholder if an acceptance is not made through an ATM of a Participating Bank by **9.30 p.m. on 22 December 2010**, or if an acceptance is not made through CDP by **5.00 p.m. on 22 December 2010**.

4. TIMING AND OTHER IMPORTANT INFORMATION

4.1 Timing

The last time and date for acceptance of Rights Entitlements and (if applicable) application for Excess Rights Units under the Rights Issue and payment therefor is:

- (A) **5.00 p.m. on 22 December 2010 if an acceptance of the Rights Entitlements and (if applicable) an application for Excess Rights Units and payment is made through CDP; or**

- (B) 9.30 p.m. on 22 December 2010 if an acceptance of the Rights Entitlements and (if applicable) an application for Excess Rights Units and payment is made through an ATM of a Participating Bank.**

If acceptance of Rights Entitlements and (if applicable) application for Excess Rights Units and payment in the prescribed manner as set out in this Offer Information Statement, the ARE and the ARS is not received through CDP by **5.00 p.m. on 22 December 2010** or through an ATM of the Participating Banks by **9.30 p.m. on 22 December 2010** from any Eligible Unitholder or Purchaser, the Rights Entitlements that have been offered shall be deemed to have been declined and shall forthwith lapse and become void, and such Rights Entitlements not so accepted will be used to satisfy applications for Excess Rights Units, if any, or be otherwise dealt with in such manner as the Manager may, in its absolute discretion, deem fit, in the interests of First REIT. All monies received subsequent to the dates and times specified above will be returned by CDP on behalf of the Manager to the Eligible Unitholders or the Purchasers, as the case may be, without interest or any share of revenue or other benefit arising therefrom, and in each case at the Eligible Unitholders' or the Purchasers' own risk within 14 days after the Closing Date.

If any Eligible Unitholder or Purchaser is in any doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

4.2 Appropriation

An Eligible Unitholder should note that:

- (I) by accepting his Rights Entitlements and (if applicable) applying for Excess Rights Units, he acknowledges that, in the case where:
- (i) the amount of remittance payable as per the instructions received by CDP whether under the ARE, the ARS or in any other application form in respect of his acceptance of the Rights Units and (if applicable) in respect of his application for the Excess Rights Units differ from the amount actually received by CDP; or
 - (ii) the amount as stated in the ARE, the ARS and/or in any other application form for Rights Units differs from the amount received by CDP, or otherwise payable by him in respect of his acceptance of the Rights Units and (if applicable) in respect of his application for Excess Rights Units, the Manager and CDP will be entitled and deemed authorised to determine and appropriate all amounts received by CDP on the Manager's behalf for each application on its own whether under the ARE, the ARS or any other form of acceptance of the Rights Entitlements and (if applicable) application for Excess Rights Units as follows: firstly, towards payment of all amounts payable in respect of his acceptance of the Rights Entitlements allotted to him; and secondly, (if applicable) towards payment of all amounts payable in respect of his application for Excess Rights Units. Without prejudice to the above, the Manager and CDP shall be entitled to make such appropriation for each application based on the amount received for that application, notwithstanding payment (or overpayment) made in this or other applications. The determination and appropriation by the Manager and CDP will be conclusive and binding; and
- (II) in the event that the Eligible Unitholder accepts the Rights Units by way of the ARE or the ARS or has applied for Excess Rights Units by way of the ARE and also by way of an Electronic Application, the Manager and CDP will be authorised and entitled to accept his instructions in whichever mode or a combination thereof as the Manager and CDP may, in their absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Eligible Unitholder will be regarded as having irrevocably authorised the Manager and/or CDP to apply all amounts received whether under the ARE, the ARS or any other acceptance of Rights Entitlements and (if applicable) application for Excess Rights Units (including an Electronic Application) in whichever mode or a combination thereof as the Manager and/or CDP may, in their/its absolute discretion, deem fit.

4.3 Application for Excess Rights Units

Excess Rights Units are available for application subject to the terms and conditions contained in this Offer Information Statement, (if applicable) the Trust Deed and the instructions contained in the ARE. Applications for Excess Rights Units will, at the Manager's absolute discretion, be satisfied from such Rights Units (if any) that are not validly taken up by, the original allottee(s) or their respective renounees or the Purchaser(s), together with the aggregated unsold "nil-paid" Rights Entitlements of Ineligible Unitholders (if any) and any Rights Units that are otherwise not allotted for whatever reason, in accordance with the terms and conditions contained in this Offer Information Statement, (if applicable) the Trust Deed and the instructions contained in the ARE. In the event that applications are received by the Manager for more Excess Rights Units than are available, Excess Rights Units available will be allotted in such manner as the Manager may, in its absolute discretion, deem fit in the interest of First REIT. The Manager reserves the right to refuse any application for Excess Rights Units in whole or in part without assigning any reason whatsoever, CDP takes no responsibility for any decision that the Manager may make. In the allotment of Excess Rights Units, preference will be given to the rounding of odd lots (if any) and Directors and Substantial Unitholders will rank last in priority. Subject to compliance with the Listing Rules, the Manager may at its absolute discretion give priority to retail investors in the allocation of Excess Rights Units. In the event that the number of Excess Rights Units allotted to the Eligible Unitholders is less than the number of Excess Rights Units applied for, the Eligible Unitholder shall be deemed to have accepted the number of Excess Rights Units actually allotted.

If no Excess Rights Units are allotted or if the number of Excess Rights Units allotted is less than that applied for, the amount paid on application or the surplus application monies, as the case may be, will be refunded to such Eligible Unitholders without interest or any share of revenue or other benefit arising therefrom within 14 days after the Closing Date, (i) by means of a crossed cheque in Singapore currency drawn on a bank in Singapore and sent to them by ordinary post to their mailing address maintained with CDP and at their own risk or in such other manner as they may have agreed with CDP for the payment of any cash distributions (if they accept and/or apply (as the case may be) through CDP) or (ii) by crediting their bank account with the relevant Participating Bank at their own risk (if they accept and/or apply (as the case may be) by way of Electronic Application).

4.4 Deadlines

It should be particularly noted that unless:

- (i) acceptance of Rights Entitlements is made by the Eligible Unitholders or the Purchasers (as the case may be) by way of an Electronic Application through an ATM of a Participating Bank and payment of the full amount payable for such Rights Units is effected by **9.30 p.m. on 22 December 2010**; or
- (ii) acceptance and payment in Singapore currency by Banker's Draft or Cashier's Order drawn on a bank in Singapore and made out in favour of "**CDP – FIRST REIT RIGHTS ISSUE ACCOUNT**" for the Rights Units and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" for the full amount due on acceptance and with the names and Securities Account numbers of the Eligible Unitholders or the Purchasers (as the case may be) clearly written on the reverse side is submitted by hand to **BOWSPRIT CAPITAL CORPORATION LIMITED, AS MANAGER OF FIRST REAL ESTATE INVESTMENT TRUST, C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 4 SHENTON WAY, #02-01, SGX CENTRE 2, SINGAPORE 068807** or by post in the self-addressed envelope provided, at the sender's own risk, to **BOWSPRIT CAPITAL CORPORATION LIMITED, AS MANAGER OF FIRST REAL ESTATE INVESTMENT TRUST, C/O THE CENTRAL DEPOSITORY (PTE) LIMITED at ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147 by 5.00 p.m. on 22 December 2010**,

the Rights Entitlements will be deemed to have been declined and shall forthwith lapse and become void. All monies received in connection therewith will be returned to the Eligible Unitholders or the Purchasers (as the case may be) without interest or share of revenue or other benefit arising therefrom and at the Eligible Unitholder's or the Purchaser's (as the case may be) own risk within 14 days after the Closing Date.

ACCEPTANCES ACCOMPANIED BY ANY OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL NOT BE ACCEPTED.

ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS

The procedures for Electronic Applications are set out on the ATM screens of the relevant Participating Banks (the “**Electronic Application Steps**”). Please read carefully the terms and conditions set out in this Offer Information Statement, the instructions set out on the ATM screens of the relevant Participating Banks and the terms and conditions for Electronic Applications set out below before making an Electronic Application. An ATM card issued by one Participating Bank cannot be used to accept Rights Units and (if applicable) apply for Excess Rights Units at an ATM belonging to other Participating Banks. Any Electronic Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Application is made will be rejected.

Unitholders who have subscribed for or purchased Units under the CPFIS and/or the SRS or through a finance company and/or Depository Agent can only accept their Rights Entitlements and (if applicable) apply for Excess Rights Units by instructing the respective approved banks in which they hold their CPFIS accounts and/or SRS accounts, finance company and/or Depository Agent to do so on their behalf. ANY APPLICATION MADE BY THE ABOVEMENTIONED UNITHOLDERS DIRECTLY THROUGH CDP OR THROUGH ATMS WILL BE REJECTED. Such Unitholders who have insufficient funds in their CPF Investment Accounts or SRS accounts may deposit cash into their CPF Investment Accounts or SRS accounts with their approved banks before instructing their respective approved banks to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units. CPF Funds may not, however, be used for the purchase of the Rights Entitlements directly from the market.

Such Unitholders, where applicable, will receive notification letter(s) from their respective approved bank, finance company and/or Depository Agent and should refer to such notification letter(s) for details of the last date and time to submit applications to their respective approved bank, finance company and/or Depository Agent.

All references to “Rights Issue” and “Rights Application” on the ATM screens of the Participating Banks shall mean the offer of Rights Units under the Rights Issue and the acceptance of Rights Entitlements and (if applicable) the application for Excess Rights Units, respectively. All references to “Document” on the ATM screens of the Participating Banks shall mean this Offer Information Statement.

Any reference to the “Applicant” in the terms and conditions for Electronic Applications and the Electronic Application Steps shall mean the Eligible Unitholder or the Purchaser who accepts his Rights Entitlements and (if applicable) applies for Excess Rights Units through an ATM of a Participating Bank.

An Applicant must have an existing bank account with and be an ATM cardholder of one of the Participating Banks before he can make an Electronic Application at the ATM of that Participating Bank. The actions that the Applicant must take at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks.

Upon the completion of his Electronic Application transaction, the Applicant will receive an ATM transaction slip (the “**Transaction Slip**”), confirming the details of his Electronic Application. The Transaction Slip is for retention by the Applicant and should not be submitted with any ARE and/or ARS.

An Applicant, including one who has a joint bank account with a Participating Bank, must ensure that he enters his own Securities Account number when using the ATM card issued to him in his own name. Using his own Securities Account number with an ATM card which is not issued to him in his own name will render his acceptance of his Rights Entitlements and (if applicable) application for Excess Rights Units liable to be rejected.

The Electronic Applications shall be made on, and subject to, the terms and conditions of this Offer Information Statement including, but not limited to, the terms and conditions appearing below:

- (1) In connection with his Electronic Application, the Applicant is required to confirm statements to the following effect in the course of activating the ATM for his Electronic Application:
 - (a) that he has received a copy of this Offer Information Statement and has read, understood and agreed to all the terms and conditions of acceptance of his Rights Units and (if applicable) application for Excess Rights Units under the Rights Issue prior to effecting the Electronic Application and agrees to be bound by the same; and
 - (b) that he authorises CDP to give, provide, divulge, disclose or reveal information from his account with the relevant Participating Bank, including, without limitation, his name(s), his NRIC number(s) or passport number(s), Securities Account number(s), address(es), the number of Units standing to the credit of his Securities Account, the number of Rights Entitlements allotted to him, his acceptance and (if applicable) application for Excess Rights Units and any other information (the “**Relevant Particulars**”) to the Manager, the Joint Lead Managers and Underwriters and any other relevant parties (the “**Relevant Parties**”) as CDP may deem fit for the purpose of the Rights Issue and his acceptance and (if applicable) application.

His acceptance of his Rights Entitlements and (if applicable) application for Excess Rights Units will not be successfully completed and cannot be recorded as a complete transaction in the ATM unless he presses the “Enter” or “OK” or “Confirm” or “Yes” key. By doing so, the Applicant shall be treated as signifying his confirmation of each of the two statements above. In respect of statement 1(b) above, his confirmation, by pressing the “Enter” or “OK” or “Confirm” or “Yes” key, shall signify and shall be treated as his written permission, given in accordance with the relevant laws of Singapore including Section 47(2) and the Third Schedule of the Banking Act, Chapter 19 of Singapore, to the disclosure by that Participating Bank of the Relevant Particulars to the Relevant Parties.

- (2) An Applicant may make an Electronic Application using cash only by authorising such Participating Bank to deduct the full amount payable from his account with such Participating Bank.
- (3) The Applicant irrevocably agrees and undertakes to subscribe for and accept up to the aggregate of the number of Rights Entitlements allotted and Excess Rights Units applied for as stated on the Transaction Slip or the number of Rights Units standing to the credit of the “Free Balance” of his Securities Account as at the Closing Date. In the event that the Manager decides to allot any lesser number of Excess Rights Units or not to allot any number of Excess Rights Units to the Applicant, the Applicant agrees to accept the decision as conclusive and binding.
- (4) If the Applicant’s Electronic Application is successful, his confirmation (by his action of pressing the “Enter” or “OK” or “Confirm” or “Yes” key on the ATM) of the number of Rights Entitlements accepted and (if applicable) Excess Rights Units applied for shall signify and shall be treated as his acceptance of the number of Rights Units that may be allotted to him and (if applicable) his application for Excess Rights Units.
- (5) In the event that an Applicant accepts his Rights Entitlements and (if applicable) applies for Excess Rights Units both by way of an ARE and through an Electronic Application, the Manager and/or CDP shall be authorised and entitled to accept the instructions of the Applicant in whichever mode or a combination thereof as it may, in its absolute discretion, deem fit. In determining the number of Rights Units which the Applicant has validly given instructions to accept, the Applicant shall be deemed to have irrevocably given instructions to accept such number of Rights Units not exceeding the number of Rights Entitlements, which are standing to the credit of “Free Balance” of the Applicant’s Securities Account as at the Closing Date. If applicable, in determining the number of Excess Rights Units which the Applicant has validly given instructions to apply for, the Applicant shall be deemed to have irrevocably given instructions to apply for such number of Excess Rights Units not exceeding the aggregate number of Excess Rights Units for which the Applicant has applied for by way of an ARE, and through an Electronic Application. The Manager and/or CDP, in determining the number of Rights Entitlements and (if applicable) the number of Excess Rights Units in which the Applicant has given valid instructions for acceptance of and (if applicable) application for, as the case may be, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Entitlements and (if applicable) the application for Excess Rights Units, as the case may be, whether by way of Cashier’s Order or

Banker's Draft or by way of Electronic Application, which the Applicant has authorised or deemed to have authorised, to be applied towards the payment in respect of the Applicant's acceptance and/or application.

- (6) The Applicant irrevocably requests and authorises the Manager to:
 - (a) register, or procure the registration of the Rights Units allotted to the Applicant in the name of CDP for deposit into his Securities Account; and
 - (b) return (without interest or any share of revenue or other benefit arising therefrom) the full amount or, as the case may be, the balance of the acceptance and/or application monies, should his Electronic Application in respect of the Rights Units accepted and (if applicable) Excess Rights Units applied for, as the case may be, not be accepted or, as the case may be, be accepted in part only by or on behalf of the Manager for any reason, by automatically crediting the Applicant's bank account with the relevant Participating Bank with the relevant amount within 14 days after the Closing Date.
- (7) **BY MAKING AN ELECTRONIC APPLICATION, THE APPLICANT CONFIRMS THAT HE IS NOT ACCEPTING THE RIGHTS ENTITLEMENTS OR APPLYING FOR EXCESS RIGHTS UNITS AS A NOMINEE OF ANY OTHER PERSON.**
- (8) The Applicant irrevocably agrees and acknowledges that his Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses and theft (in each case whether or not within the control of CDP, the Participating Banks, the Joint Lead Managers and Underwriters and/or the Manager) and any events whatsoever beyond the control of CDP, the Participating Banks, the Joint Lead Managers and Underwriters and/or the Manager and if, in any such event, CDP, the Participating Banks, the Joint Lead Managers and Underwriters and/or the Manager do not record or receive the Applicant's Electronic Application by 9.30 p.m. on the Closing Date, or such data or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Applicant shall be deemed not to have made an Electronic Application and the Applicant shall have no claim whatsoever against CDP, the Participating Banks, the Joint Lead Managers and Underwriters and/or the Manager for any purported acceptance of the Rights Entitlements and (if applicable) application for Excess Rights Units, or for any compensation, loss or damage in connection therewith or in relation thereto.
- (9) Electronic Applications may only be made at the ATMs of the Participating Banks from Mondays to Saturdays (excluding public holidays) between **7.00 a.m. and 9.30 p.m.**
- (10) Electronic Applications shall close at **9.30 p.m. on 22 December 2010** or such other time as the Manager (in consultation with the Joint Lead Managers and Underwriters) may, in its absolute discretion, deem fit in the interests of First REIT.
- (11) All particulars of the Applicant in the records of the relevant Participating Bank at the time he makes his Electronic Application shall be deemed to be true and correct and the relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in the particulars of the Applicant after the time of the making of his Electronic Application, the Applicant shall promptly notify the relevant Participating Bank.
- (12) The Applicant must have sufficient funds in his bank account(s) with the relevant Participating Bank at the time he makes his Electronic Application, failing which his Electronic Application will not be completed. Any Electronic Application made at the ATMs of Participating Banks which does not strictly conform to the instructions set out on the ATM screens of such Participating Banks will be rejected.
- (13) Where an Electronic Application is not accepted, it is expected that the full amount of the acceptance and/or application monies will be refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) to the Applicant by being automatically credited

to the Applicant's account with the relevant Participating Bank within 14 days after the Closing Date. An Electronic Application may also be accepted in part, in which case the balance amount of acceptance and/or application monies will be refunded on the same terms.

- (14) In consideration of the Manager arranging for the Electronic Application facility through the ATMs of the Participating Banks and agreeing to close the Rights Issue at **9.30 p.m. on 22 December 2010** or such other time or date as the Manager may (in consultation with the Joint Lead Managers and Underwriters), in its absolute discretion, decide, and by making and completing an Electronic Application, the Applicant agrees that:
- (a) his Electronic Application is irrevocable (whether or not, to the extent permitted by law, any supplementary document or replacement document is lodged with the Authority);
 - (b) his Electronic Application, the acceptance thereof by the Manager and the contract resulting therefrom shall be governed by and construed in accordance with the laws of Singapore and he irrevocably submits to the non-exclusive jurisdiction of the Singapore courts;
 - (c) none of the Manager, the Joint Lead Managers and Underwriters nor the Participating Banks shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to his Electronic Application to the Manager or CDP due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 8 above or to any cause beyond their respective control;
 - (d) he will not be entitled to exercise any remedy of rescission or misrepresentation at any time after acceptance of his Rights Entitlements and (if applicable) application for Excess Rights Units;
 - (e) in respect of the Rights Entitlements and (if applicable) the Excess Rights Units for which his Electronic Application has been successfully completed and not rejected, acceptance of the Applicant's Electronic Application shall be constituted by written notification by or on behalf of the Manager and not otherwise, notwithstanding any payment received by or on behalf of the Manager; and
 - (f) unless expressly provided to the contrary in this Offer Information Statement or the Electronic Application, a person who is not party to any contracts made pursuant to this Offer Information Statement or the Electronic Application has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any term of such contracts. Notwithstanding any term contained in this Offer Information Statement or the Electronic Application, the consent of any third party is not required for any subsequent agreement by the parties thereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.
- (15) The Applicant should ensure that his personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical, otherwise, his Electronic Application may be liable to be rejected. The Applicant should promptly inform CDP of any change in his address, failing which the notification letter on successful allotment and other correspondences will be sent to his address last registered with CDP.
- (16) The existence of a trust will not be recognised. Any Electronic Application by an Applicant must be made in his own name and without qualification. The Manager will reject any application by any person acting as nominee.

- (17) In the event that the Applicant accepts the Rights Entitlements, by way of the ARE, the ARS, and/or by way of Electronic Application through ATMs of Participating Banks, the Rights Units and/or Excess Rights Units will be allotted in such manner as the Manager and/or CDP may, in their/its absolute discretion, deem fit and the surplus acceptance and (if applicable) application monies, as the case may be, will be refunded, without interest or any share of revenue or other benefit arising therefrom, within 14 days after the Closing Date by any one or a combination of the following:
- (a) by means of a crossed cheque in Singapore currency sent by ORDINARY POST at his own risk to his mailing address as maintained with CDP or in such other manner as he may have agreed with CDP for the payment of any cash distributions if he accepts and (if applicable) applies through CDP; and
 - (b) by crediting the Applicant's bank account with the Participating Bank at his own risk if he accepts and (if applicable) applies through an ATM of that Participating Bank, the receipt by such bank a good discharge to the Manager and CDP of their obligations, if any, thereunder.
- (18) The Applicant hereby acknowledges that, in determining the total number of Rights Entitlements which the Applicant can validly accept, the Manager and CDP are entitled and the Applicant hereby authorises the Manager and CDP to take into consideration:
- (a) the total number of Rights Entitlements which the Applicant has validly accepted, whether by way of an ARE or any other form of application (including an Electronic Application) for the Rights Units; and
 - (b) the total number of Rights Entitlements allotted to the Applicant and standing to the credit of the "Free Balance" of his Securities Account which is available for acceptance.

The Applicant hereby acknowledges that CDP's and the Manager's determination shall be conclusive and binding on him.

- (19) The Applicant irrevocably requests and authorises CDP to accept instructions from the relevant Participating Bank through whom the Electronic Application is made in respect of the Rights Entitlements accepted by the Applicant and (if applicable) the Excess Rights Units which the Applicant has applied for, and such instructions shall be binding and conclusive on the Applicant.
- (20) With regard to any acceptance of Rights Entitlements and (if applicable) application for Excess Rights Units which does not conform strictly to the instructions set out under this Offer Information Statement, the ARE, the ARS and/or any other application form for the Rights Units in relation to the Rights Issue, or which does not comply with the instructions for Electronic Application, or where the "Free Balance" of the Applicant's Securities Account is credited with less than the relevant number of Rights Units subscribed for as at the Closing Date, or in the case of an application by the ARE, the ARS and/or any other application form for the Rights Units in relation to the Rights Issue which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, the Manager and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such application and payment or otherwise process all remittances at any time after receipt in such manner as it deems fit.
- (21) The Manager and CDP shall be entitled to process each application submitted for the acceptance of Rights Entitlements and (if applicable) application of Excess Rights Units in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application on its own, without regard to any other application and payment that may be submitted by the Applicant. For the avoidance of doubt, insufficient payment for an application submitted for the acceptance of the Rights Entitlements and (if applicable) application for Excess Rights Units may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application.

LIST OF PARTICIPATING BANKS

- DBS Bank Ltd. (including POSB)
- Oversea-Chinese Banking Corporation Limited
- United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited