



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

ANNOUNCEMENT

PRIVATE PLACEMENT OF 30,900,000 NEW UNITS IN FIRST REAL ESTATE INVESTMENT TRUST AND LODGEMENT OF OFFER INFORMATION STATEMENT

1. INTRODUCTION

Bowsprit Capital Corporation Limited, in its capacity as manager of First Real Estate Investment Trust ("**First REIT**") and as manager of First REIT, the "**Manager**", will be issuing 30,900,000 new units in First REIT ("**New Units**") pursuant to a private placement of New Units (the "**Private Placement**"), at the issue price of S\$0.95 per New Unit (the "**Issue Price**").

Oversea-Chinese Banking Corporation Limited and Macquarie Capital Securities (Singapore) Pte. Limited have been appointed as joint placement agents for the private placement (the "**Joint Placement Agents**"). The Joint Placement Agents were appointed to procure subscriptions for the New Units at the Issue Price on a "best efforts" basis. For the avoidance of doubt, the Private Placement is not underwritten by the Joint Placement Agents. The Joint Placement Agents, in consultation with the Manager, have closed the book of orders for the Private Placement, and 30,900,000 New Units have been successfully placed pursuant to the Private Placement.

The Issue Price has been fixed at S\$0.95 per New Unit, as agreed between the Manager and the Joint Placement Agents, following an accelerated book-building process. The Issue Price represents a discount of 4.3% to the volume weighted average price of S\$0.9930 per Unit for trades done on 14 November 2012 up till 11.00 a.m. on 15 November 2012 and 3.4% to the adjusted volume weighted average price ("**Adjusted VWAP**")¹ of S\$0.9835 per Unit for trades done on 14 November 2012 up till 11.00 a.m. on 15 November 2012.

2. THE ACQUISITIONS

The Manager has obtained the approval of unitholders of First REIT at the extraordinary general meeting held on 9 November 2012 (the "**Extraordinary General Meeting**") in respect of:

- (i) the proposed acquisition of Siloam Hospitals Manado & Hotel Aryaduta Manado, which is located at Jalan Sam Ratulangi No. 22, Komplek Boulevard Center and at

¹ The Adjusted VWAP is computed based on the volume weighted average price of trades in the Units on Singapore Exchange Securities Trading Limited (the "**SGX-ST**") done on 14 November 2012 up till 11.00 a.m. on 15 November 2012, and adjusting for the Advance Distribution (as defined in the Announcement) of approximately 0.95 cents per Unit which consists of tax-exempt, capital and taxable income component.

Jalan Piere Tendean No. 1, Wenang Utara Sub District, Wenang District, Manado – North Sulawesi 95111, Republic of Indonesia (the “**MD Property**”, and the proposed acquisition of the MD Property, the “**MD Property Acquisition**”) for a purchase consideration of S\$83.6 million (the “**MD Property Purchase Consideration**”) from Evodia Strategic Investment Limited (“**Evodia**”), a company incorporated in Labuan, Malaysia, and an indirect wholly-owned subsidiary of PT Lippo Karawaci Tbk (the “**Sponsor**”). The Sponsor is a company incorporated in Indonesia and is the sponsor of First REIT. The acquisition of the MD Property will be carried out by First REIT indirectly via the acquisition of Rhuddlan Investment Pte. Ltd., a company incorporated in Singapore (“**Rhuddlan**”), which directly and through Rhuddlan’s wholly-owned subsidiary, Caernarfon Investment Pte. Ltd., a company incorporated in Singapore (“**Caernarfon**”), together wholly owns PT Menara Abadi Megah, a limited liability company incorporated in Indonesia (“**PT MAM**”), which in turn holds the MD Property; and

- (ii) the proposed acquisition of Siloam Hospitals Makassar, which is located at Jalan Metro Tanjung Bunga Kav 3 – 5, Panambungan Sub District, Mariso District, Makassar City, South Sulawesi Province, Republic of Indonesia (“**SHMK**”, and the proposed acquisition of SHMK, the “**SHMK Acquisition**” and together with the MD Property Acquisition, the “**Acquisitions**”) for a purchase consideration of S\$59.3 million (the “**SHMK Purchase Consideration**”) from PT Siloam Karya Sejahtera, a limited liability company incorporated in Indonesia (“**PT SKS**”), which directly wholly-owns SHMK and is an indirect wholly-owned subsidiary of the Sponsor. For purposes of the SHMK Acquisition, First REIT has acquired a 100.0% equity interest in Raglan Investment Pte. Ltd. (“**Raglan**”), a company incorporated in Singapore, for a nominal consideration of S\$1.00. Raglan and its wholly-owned subsidiary, Carmathen Investment Pte. Ltd., a company incorporated in Singapore (“**Carmathen**”), together wholly own PT Bayutama Sukses, a limited liability company incorporated in Indonesia (“**PT BS**”). First REIT, through PT BS, will acquire SHMK from PT SKS.

The MD Property is an 11-storey mixed use development with a basement level, comprising Siloam Hospitals Manado and Hotel Aryaduta Manado, which sit on common land titles and share a common lobby (with separate entrances). Siloam Hospitals Manado is a four-level hospital which commenced operations on 1 June 2012 with 100 beds and will target to reach maximum operational capacity of 224 beds in approximately three to four years’ time. Hotel Aryaduta Manado is a nine-level five-star hotel with 200 guest rooms, which commenced operations on 1 January 2011. The MD Property is situated on the east side of Jalan Piere Tendean and on the west side of Jalan Sam Ratulangi, both of which are primary roads in the city centre that are lined with office buildings, shopping centres, shop houses and hotels in Manado. Notable developments in the close vicinity of the MD Property include IT Center, Mega Mall Manado and Komandan Korem (Danrem) 131/Santiago (a military office). Siloam Hospitals Manado is a Centre of Excellence² in trauma.

SHMK, a new seven-storey hospital, commenced operations on 9 September 2012 with 100 beds and will target to reach maximum operational capacity of 416 beds in about four

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

to six years' time. SHMK is located on the west side of Jalan Metro Tanjung Bunga in Tanjung Bunga, an integrated township development with many facilities. Notable developments in the close vicinity of SHMK include Hotel Aryaduta Makassar, Tanjung Bunga Marketing Office, Celebes Convention Center, Trans Makassar Mall and Losari Beach. SHMK is a Centre of Excellence in trauma and cardiology.

3. USE OF PROCEEDS

The Manager intends to use the net proceeds from the Private Placement to partially finance the MD Property Acquisition.

The gross proceeds from the Private Placement amount to S\$29.4 million. The net proceeds from the Private Placement amount to approximately S\$28.2 million, after deducting the placement commission as well as the other fees and expenses (including professional fees and expenses) incurred or to be incurred in connection with the Private Placement.

For each dollar of the gross proceeds of approximately S\$29.4 million that will be raised from the Private Placement, the Manager intends to allocate the proceeds from the Private Placement in the following manner:

- (i) approximately 95.9 cents will be used to partially finance the MD Property Acquisition (which amounts to approximately S\$28.2 million); and
- (ii) approximately 4.1 cents to pay for the aggregate placement commission ("**Placement Commission**") of 3.0% of the Placement Price of the aggregate number of New Units in respect of which the Joint Placement Agents have procured subscription, on a best efforts basis, as well as the other fees and expenses (including the professional fees and expenses) incurred in connection with the Private Placement (which amounts to approximately S\$1.2 million).

The balance of the costs of the MD Property Acquisition will be funded from drawdown of a new loan to be taken up by First REIT.

Pending the deployment of the net proceeds from the Private Placement, the net proceeds from the Private Placement may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions or 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 net proceeds of the Private Placement via SGXNET as and when such funds are materially utilised and will provide a status report on the use of proceeds from the Private Placement in the annual report of First REIT.

4. AUTHORITY TO ISSUE NEW UNITS

The New Units will be issued pursuant to a general mandate given by Unitholders to the Manager obtained at the annual general meeting of First REIT on 20 April 2012 ("**General Mandate**"), pursuant to which the Manager may issue new Units and/or make or grant offers, agreements or options that might or require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Units ("**Convertible Securities**") such

that the aggregate number of new Units to be issued (and/or Units into which the Convertible Securities may be converted) does not exceed 50.0% of the number of Units in issue as at 20 April 2012 (excluding treasury Units, if any) (the “**Base Figure**”), of which the aggregate number of new Units (and/or Units into which the Convertible Securities may be converted) issued other than on a pro rata basis to existing Unitholders, shall not be more than 20.0% of the Base Figure.

As at 20 April 2012, the number of Units in issue was 630,266,798 (the “**Base Figure**”).

Taking into account the 2,376,611 Units which have been issued in the current financial year under the General Mandate as payment for the Manager’s fees for the period from 1 April 2012 to 30 September 2012, the 30,900,000 New Units to be issued is within the number of Units that can be issued pursuant to the General Mandate on a non pro rata basis. Accordingly, prior approval of the Unitholders is not required for the issue of the New Units under the Private Placement.

5. ADVANCE DISTRIBUTION

First REIT’s policy is to distribute its distributable income on a quarterly basis to Unitholders.

In connection with the Private Placement, the Manager intends to declare, in respect of the Units in issue on the day immediately prior to the date on which the New Units are issued (the “**Existing Units**”), a distribution of the distributable income for the period from 1 October 2012 to the day immediately prior to 26 November 2012, being the date on which the New Units are expected to be issued pursuant to the Private Placement (the “**Advance Distribution**”).

The next distribution thereafter will comprise First REIT’s distributable income for the period from the day the New Units are issued to 31 December 2012. Quarterly distributions will resume thereafter.

The Advance Distribution is intended to ensure that the distributable income accrued by First REIT up to the day immediately preceding the date of issue of the New Units (which at this point, will be entirely attributable to the Existing Units) is only distributed in respect of the Existing Units, and is being proposed as a means to ensure fairness to holders of the Existing Units.

The current expectation of the Manager is that the quantum of the distribution per Unit (“**DPU**”) under the Advance Distribution will be approximately 0.95 cents³. The actual quantum of the DPU under the Advance Distribution will be announced on a later date after the management accounts of First REIT for the relevant period have been finalised.

(Please see the announcement dated 16 November 2012 issued by the Manager in relation to the notification of the time and date on which the transfer books and register of Unitholders will be closed to determine Unitholders’ entitlement to the Advance Distribution.)

3 The estimated distribution for the period from 1 October 2012 to the day immediately prior to the date on which the New Units are issued pursuant to the Private Placement is based on the Manager’s pro-rated estimate of First REIT’s revenue and expenses for the quarter ending 31 December 2012.

6. STATUS OF THE NEW UNITS

Other than the Advance Distribution to which the New Units will not be entitled, the New Units issued pursuant to the Private Placement will, upon issue, rank *pari passu* in all respects with the Existing Units, including the right to any distributions which may be paid for the period from 26 November 2012, being the date on which the New Units are issued, to 31 December 2012, as well as all distributions thereafter.

7. APPLICATION TO THE SGX-ST FOR APPROVAL IN-PRINCIPLE

The trading of the New Units on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) is currently expected to commence at 2.00 p.m. on 26 November 2012. The Manager will make a formal application to the SGX-ST for the listing of, dealing in, and quotation of, the New Units on the Main Board of the SGX-ST. An appropriate announcement will be made upon the receipt of such in-principle approval from the SGX-ST.

The Private Placement is subject to, *inter alia*, the approval in-principle of the SGX-ST for the listing of, dealing in, and quotation of, the New Units on the Main Board of the SGX-ST.

8. LODGEMENT OF OFFER INFORMATION STATEMENT

The Manager has today lodged the offer information statement in connection with the Private Placement in respect of the New Units (the “**Offer Information Statement**”) with the Monetary Authority of Singapore (“**MAS**”).

A copy of the Offer Information Statement is available on the website of MAS at <<http://www.mas.gov.sg>>.

9. CLARIFICATION REGARDING ARTICLE IN THE BUSINESS TIMES ON THE PRIVATE PLACEMENT

The Manager refers to the article in The Business Times titled “First Reit placing out up to 31.6m units to raise up to \$30.7m”, and wishes to clarify that the details of the Private Placement as set out in this article are generally consistent with the announced Private Placement.

By Order of the Board

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

16 November 2012

Important Notice

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units.

A potential investor should read the Offer Information Statement before deciding whether to acquire the New Units under the Private Placement. The Offer Information Statement may be accessed online at the website of the MAS at <http://masnet.mas.gov.sg/operasdrprosp.nsf>. The MAS assumes no responsibility for the contents of the Offer Information Statement. The availability of the Offer Information Statement on the website of the MAS does not imply that the Securities and Futures Act, Chapter 289 of Singapore, or any other legal or regulatory requirements, have been complied with. The MAS has not, in any way, considered the investment merits of First REIT. This announcement is qualified in its entirety by, and should be read in conjunction with the full text of the Offer Information Statement.

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. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of First REIT is not necessarily indicative of the future performance of First REIT.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units in the United States. This announcement is not for publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia), Canada or Japan. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold in the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements under the Securities Act. No public offering of securities is being made in the United States.