



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

ANNOUNCEMENT

ENTRY INTO FACILITY AGREEMENT AND DISCLOSURE PURSUANT TO RULE 704(31) OF THE LISTING MANUAL OF SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

Further to the announcement by 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**") dated 10 October 2014 in relation to a S\$40,000,000 term loan facility (the "**Facility**") secured by First REIT from The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch (the "**Lender**") with maturity of three and four years for two facility amounts respectively, the Board of Directors of the Manager wishes to announce that HSBC Institutional Trust Services (Singapore) Limited, as trustee of First REIT (the "**Borrower**"), has today entered into a facility agreement with the Lender in respect of the Facility (the "**Facility Agreement**").

Pursuant to Rule 704(31) of the listing manual of Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Facility Agreement includes clauses making reference to certain restrictions on the Manager (i) ceasing to be controlled by PT Lippo Karawaci Tbk ("**PT Lippo**") and/or its Affiliates¹, whilst it is the manager of First REIT, (ii) the Manager being replaced by a new manager of First REIT not controlled by PT Lippo and/or its Affiliates and (iii) PT Lippo and/or its Affiliates ceasing to own at least 20 per cent. of all the units in First REIT ("**Units**"), and the breach of these clauses (collectively, the "**Covenants**") will result in a mandatory prepayment event or an event of default under the Facility Agreement. Please refer to the **Appendix** for details on the Covenants.

The aggregate level of facilities which may be affected by a breach of the Covenants is S\$397.0 million (excluding interest) as at the date of this announcement².

As at the date of this announcement, there is no breach of the Covenants.

By Order of the Board

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

23 December 2014

1 "**Affiliate**" means, in relation to any person, a subsidiary of that person or a holding company of that person or any other subsidiary of that holding company.

2 Assuming that the Facility is drawn down in full.

Important Notice

The value of Units and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This document is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of First REIT is not necessarily indicative of the future performance of First REIT.

This document may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of future events.

Appendix

Details of the Covenants

In general, the Facility contains one or more of the following Covenants:

- A mandatory prepayment event is triggered if a Change of Control occurs without the prior agreement of the Lender. A “Change of Control” means the occurrence of the following:
 - the Manager ceases to be controlled by PT Lippo and/or its Affiliates (acting singly or in combination), whilst it is the manager of First REIT; or
 - the Manager is replaced by a new manager of First REIT not controlled by PT Lippo and/or its Affiliates (acting singly or in combination).
- An event of default occurs if PT Lippo and/or its Affiliates (acting singly or in combination) cease to own at least twenty per cent. (20%) of all the Units.