



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

ANNOUNCEMENT

NOVATION OF LEASE IN RESPECT OF 51 LENTOR AVENUE

1. Novation of Lease in respect of 51 Lentor Avenue

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**"), wishes to announce that HSBC Institutional Trust Services (Singapore) Limited, as trustee of First REIT (the "**Trustee**"), has today entered into a novation agreement (the "**Lease Novation Agreement**") with First Lentor Residence Pte. Ltd., the original tenant (the "**Original Tenant**") of the property known as 51 Lentor Avenue, Singapore 786876 (the "**Property**"), and The Lentor Residence Pte Ltd (a company incorporated in Singapore) (the "**New Tenant**") to novate the existing lease in respect of the Property to the New Tenant (the "**Existing Lease**"), which is for a term of 10 years that had commenced on 8 June 2007. The Lease Novation Agreement will take effect on 8 February 2015. The Trustee has also today entered into an agreement with the New Tenant (the "**Agreement for Lease**") to grant a lease of the Property for a term of 10 years commencing on the day falling immediately after the date of expiry of the Existing Lease on 7 June 2017, at the same rental rate as the Existing Lease.

The New Tenant is a company incorporated in Singapore on 2 March 1994 and is unrelated to First REIT and the Original Tenant. The New Tenant has more than 15 years of experience in managing and operating nursing homes in Singapore.

2. Rationale for the Lease Novation

The Original Tenant has informed the Manager that it no longer wishes to continue with the Existing Lease of the Property and has therefore recommended the New Tenant to the Manager. The Manager is of the view that the New Tenant would be able to fully discharge its obligations under the Existing Lease and has agreed to novate the Existing Lease to, and to enter into the Agreement for Lease with, the New Tenant.

3. Other Information

The novation of the Existing Lease is not expected to have any material impact on the consolidated net tangible assets and distributions per unit of First REIT for the current financial year ending 31 December 2015.

None of the directors of the Manager or substantial unitholders of First REIT has any interest, direct or indirect in the above transaction.

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)

6 February 2015

Important Notice

The value of units (“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.