



(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 30 December 2014 in relation to a S\$26,500,000 term loan facility (the "**TLF**") and a S\$18,500,000 revolving loan facility (the "**RLF**" and together with the TLF, the "**Facilities**") secured by First REIT from CIMB Bank Berhad, Singapore Branch (the "**Lender**") each with maturity of 60 months 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 Facilities (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 (i) PT Lippo Karawaci Tbk ("**PT Lippo**") and/or its Affiliates¹ ceasing to hold or control, directly or indirectly, more than 50 per cent. In aggregate of the shares in, or the voting rights of the Manager, (ii) the Manager being replaced by a new manager of First REIT not controlled², directly or indirectly, by PT Lippo and/or its subsidiaries and (iii) PT Lippo and/or its subsidiaries ceasing at any time to own, directly or indirectly, at least 25 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 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\$442.0 million (excluding interest) as at the date of this announcement³.

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

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 "**controlled**" means (1) the control of more than 50 per cent. of the voting rights of the issued share capital of such person or entity or (2) the right and/or ability (whether by virtue of share ownership, possession of voting rights, contract or others) to appoint and/or remove all or the majority of the members of the board of directors or other governing body of such person or entity.

3 Assuming that the Facilities are drawn down in full.

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)

25 May 2015

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 Facilities contains the following Covenants:

- A mandatory prepayment event is triggered if a Change of Control Event occurs. A **“Change of Control Event”** means:
 - PT Lippo and/or its Affiliates cease to hold or control, directly or indirectly, more than 50 per cent. in aggregate of the shares in, or the voting rights of, the Manager;
 - the Manager is replaced by another person or entity which is not controlled directly or indirectly by PT Lippo and/or its subsidiaries and where **“controlled”** means (1) the control of more than 50 per cent. of the voting rights of the issued share capital of such person or entity or (2) the right and/or ability (whether by virtue of share ownership, possession of voting rights, contract or others) to appoint and/or remove all or the majority of the members of the board of directors or other governing body of such person or entity; or
 - PT Lippo and/or its subsidiaries ceases at any time to own (directly or indirectly) at least 25 per cent. of the issued Units.