

FOR IMMEDIATE RELEASE

First REIT kicks off 2016 with a joint acquisition of an integrated development in Yogyakarta

- *First REIT and LMIR Trust entered into a joint venture to acquire an integrated development comprising a hospital and a retail mall*
- *First REIT and LMIR Trust will hold separate economic rights to the assets and revenue of the hospital and the retail mall respectively*
- *The purchase consideration of S\$40.82 million for the hospital represents a 9.69% discount to the higher of two independent valuations*

SINGAPORE – 3 February 2016 – Bowsprit Capital Corporation Limited (“Bowsprit”), the Manager of **First Real Estate Investment Trust (“First REIT” or the “Trust”)**, today announced that First REIT has entered into a joint venture with Lippo Malls Indonesia Retail Trust (“**LMIR Trust**”) in connection with the joint acquisition of an integrated development (the “**Property**”) in Yogyakarta, Indonesia, from PT Lippo Karawaci Tbk, the sponsor of both First REIT and LMIR Trust (the “**Sponsor**”).

The Property comprises Siloam Hospitals Yogyakarta (“**SHYG**”) and a retail mall component known as Lippo Plaza Jogja (“**LPJ**”). The purchase consideration for SHYG at S\$40.82 million, which will be borne by First REIT, represents a discount of 9.69% to S\$45.20 million, being the higher of two independent valuations¹. The joint acquisition is subject to, among others, the approval of First REIT’s Unitholders at an extraordinary general meeting (“**EGM**”).

Under the terms of the joint venture, First REIT is entitled to all the economic rights of all the assets and undertakings relating to SHYG and all the rights to the revenue, profits and dividends attributable to SHYG, as well as being responsible for all the liabilities, obligations, costs, expenses and losses attributable to SHYG.

The Property is held under one “Right to Build” (Hak Guna Bangunan or “**HGB**”) title certificate and currently, in Yogyakarta, there are no regulations permitting the regional government of Yogyakarta to subdivide the Property and issue separate strata titles for SHYG and LPJ. First REIT and LMIR Trust have therefore decided to jointly acquire this attractive asset.

¹ KJPP Rengganis, Hamid & Rekan (in strategic alliance with CBRE) has independently valued SHYG at S\$45.20 million as at 30 September 2015 and KJPP Willson & Rekan (in association with Knight Frank) has independently valued SHYG at S\$41.52 million as at 30 September 2015.

Commenting on the proposed joint acquisition, Bowsprit's Chief Executive Officer, Dr Ronnie Tan said, "Adding to our recent announcements on the asset enhancement initiative for Siloam Hospitals Surabaya and the acquisition of the Kupang Property, I am pleased to kick-off the New Year by reinforcing our growth momentum with the proposed acquisition of another yield-accretive asset. This attractive joint acquisition will further bolster our income stream and continue to deliver increasing returns to our Unitholders."

Situated in a strategically located catchment area and along with the surrounding areas in Central Java, Yogyakarta has one of the highest population densities of Java. The Property, comprising a hospital and a retail mall, is a 10-storey building including one basement and one mezzanine level on a total land area of 13,715 square metres, with a shared multi-storey parking area² on the upper levels totalling 752 and 875 car and motorcycle lots respectively, and a rooftop helipad.

Before the completion of the joint acquisition, SHYG will commence operations under the "Siloam Hospitals" brand and is a Centre of Excellence for Neuroscience and Cardiology. It has a gross floor area of 12,474 square metres with a maximum capacity of 240 beds.

"The completion of this proposed joint acquisition will boost the Trust's portfolio to 18 properties and strengthen its asset base by 3.15% to S\$1.31 billion from S\$1.27 billion. I am delighted to see how the Trust has made significant progress through its yield-accretive acquisitions since its listing in 2006, with its assets-under-management growing at a compound annual growth rate of 18.5% from 2007 to 2015. With the addition of this new asset, Unitholders can look forward to continuing long-term growth for the Trust," said Mr Albert Cheok, Chairman of Bowsprit.

First REIT will finance the SHYG portion of the joint acquisition by a combination of a drawdown from First REIT's debt facilities and internal cash.

The Unitholders' Circular in relation to this proposed joint acquisition, together with a notice of the EGM to be convened, will be despatched to Unitholders in due course.

² The parking area forms part of LPJ and not SHYG.

Impact of the Joint Acquisition attributable to SHYG on Overall Portfolio of the Trust

Information as at 31 December 2015	Before the Joint Acquisition	After the Joint Acquisition	Change
Asset Size	S\$1.27 billion	S\$1.31 billion	+3.15%
Total Gross Floor Area	306,707 sq m	319,181 sq m	+4.07%
Weighted Average Lease to Expiry	10.8 years	11.0 years	+1.85%
Weighted Average Age of Properties	9.3 years	8.9 years	-4.30%

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CONTACT INFORMATION

August Consulting

Tel: (65) 6733 8873 Fax: (65) 6733 9913

Janice ONG, janice@august.com.sg

Jeremy SING: jeremysing@august.com.sg

First REIT

Tel: (65) 6435 0168 Fax: (65) 6435 0167

Victor TAN, victortan@first-reit.com

About First REIT

First Real Estate Investment Trust ("First REIT") is a real estate investment trust constituted by the Trust Deed entered into on 19 October 2006 between Bowsprit Capital Corporation Limited as the Manager and HSBC Institutional Trust Services (Singapore) Limited as the Trustee. First REIT was listed on the Singapore Exchange Securities Trading Limited on 11 December 2006.

First REIT is Singapore's first healthcare real estate investment trust that aims 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 purposes.

Managed by Bowsprit Capital Corporation Limited, First REIT's portfolio consists of 17 properties located in Indonesia, Singapore and South Korea, namely 1) Siloam Hospitals Lippo Village, 2) Siloam Hospitals Kebon Jeruk, 3) Siloam Hospitals Surabaya, 4) Imperial Aryaduta Hotel & Country Club, 5) Mochtar Riady Comprehensive Cancer Centre, 6) Siloam Hospitals Lippo Cikarang, 7) Siloam Hospitals Manado & Hotel Aryaduta Manado, 8) Siloam Hospitals Makassar, 9) Siloam Hospitals Bali, 10) Siloam Hospitals TB Simatupang, 11) Siloam Hospitals Purwakarta, 12) Siloam Sriwijaya, 13) Siloam Hospitals Kupang & Lippo Plaza Kupang, 14) Pacific Healthcare Nursing Home @ Bukit Merah, 15) Pacific Healthcare Nursing Home II @ Bukit Panjang, 16) The Lentor Residence and 17) Sarang Hospital.

Its hospital assets in Indonesia are operated by PT Siloam International Hospitals Tbk, a subsidiary of PT Lippo Karawaci Tbk, a strong brand name in the Indonesian healthcare industry supported by a team of international healthcare professionals, whereas the Imperial Aryaduta Hotel & Country Club and Hotel Aryaduta Manado are operated by The Aryaduta Hotel & Resort Group. Lippo Plaza Kupang is managed by PT Lippo Malls Indonesia. In Singapore, the nursing homes at Bukit Merah and Bukit Panjang are operated by Pacific Healthcare Nursing Home Pte Ltd and Pacific Eldercare and Nursing Pte Ltd respectively. The Lentor Residence is operated by The Lentor Residence Pte Ltd, while Sarang Hospital in South Korea is managed by a private doctor.

Through First REIT, investors can participate in an asset class that has a focus towards Asia's growing healthcare sector, which is boosted by an increase in life expectancy in Indonesia and the rest of Southeast Asia.

IMPORTANT NOTICE

The value of units in First REIT ("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 of First REIT may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (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.