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

ANNOUNCEMENT
TERMINATION OF CONDITIONAL SALE AND PURCHASE AGREEMENT FOR YOGYAKARTA PROPERTY

Further to the announcements dated 3 February 2016 and 15 June 2016 (the "**Announcements**") in relation to the proposed joint venture and joint acquisition by First Real Estate Investment Trust ("**First REIT**") and Lippo Malls Indonesia Retail Trust ("**LMIR Trust**") of the integrated development comprising a hospital component known as "Siloam Hospitals Yogyakarta" ("**SHYG**") and a retail mall component known as Lippo Plaza Jogja ("**LPJ**" together with SHYG, the "**Yogyakarta Property**"), Bowsprit Capital Corporation Limited, in its capacity as manager of First REIT (the "**Manager**"), wishes to announce that Icon1 Holdings Pte. Ltd., a wholly-owned subsidiary of First REIT ("**First REIT SingCo**"), and Icon2 Investments Pte. Ltd., a wholly-owned subsidiary of LMIR Trust ("**LMIRT SingCo**"), have decided to mutually terminate the conditional sale and purchase agreement ("**Property CSPA**") which was entered into on 3 February 2016 with PT Mulia Citra Abadi (the "**Vendor**") for the acquisition of the Yogyakarta Property. First REIT SingCo and LMIRT SingCo have also mutually terminated the joint venture agreement ("**JVA**") entered into on 3 February 2016 with each other in connection with the joint acquisition of the Yogyakarta Property.

The parties have decided to terminate the Property CSPA and JVA to provide more time for the Vendor to obtain the relevant licenses for the operation of SHYG as well as to carry out asset enhancement works to LPJ. For the avoidance of doubt, the parties intend to continue with the transaction on mutually agreeable terms after the commencement of operations of SHYG upon approval of all relevant licenses (expected to be in the later part of 2017) and after the asset enhancement works. Notwithstanding the termination of the Property CSPA, First REIT and LMIR Trust each continues to have a right of first refusal ("**ROFR**") from PT. Lippo Karawaci Tbk (as the sponsor of both First REIT and LMIR Trust, the "**Sponsor**") over SHYG and LPJ respectively, provided that the conditions for the Sponsor's grant of the ROFRs continue to be met.

The termination of the Property CSPA and the JVA 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 2017.

Save as disclosed in the Announcements and the announcements dated 3 February 2016 and 15 June 2016 by LMIR Trust, none of the directors of the Manager or substantial unitholders of First REIT has any interest, direct or indirect, in the termination of the Property CSPA and JVA.

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)

17 January 2017

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.