



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

UPDATE ON SILOAM HOSPITALS SURABAYA - ROAD SUBSIDENCE ON GUBENG HIGHWAY, SURABAYA, INDONESIA

Bowsprit Capital Corporation Limited, as manager (the “**Manager**”) of First Real Estate Investment Trust (“**First REIT**”), wishes to provide unitholders with an update concerning the road subsidence that took place 18 December 2018 along Gubeng Highway, Surabaya, which is in close proximity to Siloam Hospitals Surabaya (the “**Road Subsidence**”). The Manager had previously informed unitholders of the Road Subsidence in an announcement dated 21 December 2018 (the “**December 2018 Announcement**”).

As first announced on 21 October 2015 and also mentioned in the December 2018 Announcement, First REIT had sold a portion of the land adjacent to Siloam Hospitals Surabaya to a subsidiary (the “**Developer**”) of PT Lippo Karawaci Tbk in connection with the development works to develop a new hospital (the “**Development Works**”).

In the December 2018 Announcement, the Manager notified unitholders that repairs and investigations in relation to the Road Subsidence were ongoing and that the Manager was monitoring the situation closely. The relevant Indonesian authorities are currently investigating the matter. The Road Subsidence has had a serious impact on the Development Works, which are currently no longer progressing on the proposed timetable and are on hold pending amongst other things the outcome of the investigations. For the avoidance of doubt, neither the Manager nor First REIT are involved in any investigation in connection with the Road Subsidence.

The Manager is closely monitoring this matter, including the ongoing investigations, and is evaluating First REIT’s options as the investigations progress. Whilst there are a number of options available to First REIT, which are currently being considered, given that the investigations are still ongoing and the Manager does not wish to prejudice the investigations, the Manager has not reached any conclusive decision in respect of such options.

In addition, the Manager has engaged a number of consultants to carry out land use studies and other surveys on the affected plots of land to assist in the evaluation of First REIT’s options. These studies and surveys are currently in progress.

The Manager will provide an update as and when there are any material developments.

By Order of the Board

Tan Kok Mian Victor
Executive Director and Chief Executive Officer
Bowsprit Capital Corporation Limited
(Company registration no. 200607070D)
As Manager of First Real Estate Investment Trust

10 January 2020

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 may only deal in their Units through trading on Singapore Exchange Securities Trading Limited ("**SGX-ST**"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This announcement 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 announcement 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.