

**APPENDIX DATED 15 MARCH 2019**

**THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

This Appendix is circulated to holders of units in First Real Estate Investment Trust ("**First REIT**", the units in First REIT, the "**Units**", and the holders of Units, "**Unitholders**"). Its purpose is to provide Unitholders with information on the Proposed Distribution Date Trust Deed Supplement (as defined herein) to be tabled at the annual general meeting of Unitholders to be held at Mandarin Ballroom III, Level 6, Main Tower, Mandarin Orchard Singapore, 333 Orchard Road, Singapore 238867 on Tuesday, 9 April 2019 at 2:30 p.m. ("**AGM**").

Singapore Exchange Securities Trading Limited (the "**SGX-ST**") takes no responsibility for the accuracy of any statements or opinions made, or reports contained, in this Appendix. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your Units, you should immediately forward this Appendix to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

# **FIRST REIT**

## **FIRST REAL ESTATE INVESTMENT TRUST**

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

MANAGED BY

## **BOWSPRIT CAPITAL CORPORATION LIMITED**

(Company Registration Number: 200607070D)

**APPENDIX TO UNITHOLDERS IN RELATION TO:**

**THE PROPOSED DISTRIBUTION DATE TRUST DEED SUPPLEMENT**

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# FIRST REIT

(Constituted in the Republic of Singapore)

pursuant to a trust deed dated 19 October 2006 (as amended))

## Directors of the Manager

Mr Christopher James Williams (Chairman and Non-Executive Non-Independent Director)  
Mr Chan Pengee Adrian (Lead Independent Director)  
Mr Tan Chuan Lye (Independent Director)  
Mr Martin Lechner (Independent Director)  
Mr Ferris Charles Bye (Independent Director)  
Mr Ketut Budi Wijaya (Non-Executive Non-Independent Director)  
Mr Tan Kok Mian Victor (Executive Director and Chief Executive Officer)

## Registered Office

50 Collyer Quay  
#06-01 OUE Bayfront  
Singapore 049321

15 March 2019

To: Unitholders of First Real Estate Investment Trust

Dear Sir/Madam

## 1. INTRODUCTION

The purpose of this Appendix is to provide Unitholders with information on Extraordinary Resolution 4 as set out in the Notice of AGM.

Bowsprit Capital Corporation Limited, in its capacity as manager of First REIT (the "**Manager**"), is seeking approval from Unitholders at the AGM for the proposed supplement to the trust deed dated 19 October 2006 constituting First REIT, as amended, restated or supplemented from time to time (the "**Trust Deed**") to amend provisions regarding the distribution payment period in relation to the payment of the distributions of First REIT in the manner set out in Annex A of this Appendix (the "**Proposed Distribution Date Trust Deed Supplement**").

Approval of Unitholders by way of Extraordinary Resolution is required in respect of the passing of Extraordinary Resolution 4.

## 2. THE PROPOSED DISTRIBUTION DATE TRUST DEED SUPPLEMENT AND ITS RATIONALE

### 2.1 Background

On 26 October 2018, the Manager announced the completion of the following transactions (collectively, the "**Transactions**"):

- (i) the acquisition of 100.0% of the shares in the Manager by OUE Limited ("**OUE**") and OUE Lippo Healthcare Limited ("**OUELH**") from LK REIT Management Pte. Ltd., an indirect wholly-owned subsidiary of PT Lippo Karawaci Tbk ("**Lippo Karawaci**"); and

- (ii) the acquisition of 83,593,683 units in First REIT by OLH Healthcare Investments Pte. Ltd., an indirect wholly-owned subsidiary of OUELH, from Bridgewater International Limited, an indirect wholly-owned subsidiary of Lippo Karawaci.

Accordingly, as a result of the Transactions, the Manager is now a wholly-owned subsidiary of the OUE Group. For the purposes of this Appendix, “**OUE Group**” refers to OUE and its subsidiaries.

In addition, OUE is the sponsor of (a) OUE Hospitality Trust (“**OUE H-Trust**”), a stapled group comprising OUE Hospitality Real Estate Investment Trust (“**OUE H-REIT**”) and OUE Hospitality Business Trust (“**OUE H-BT**”); and (b) OUE Commercial Real Estate Investment Trust (“**OUE C-REIT**”). OUE owns 100.0% of each of (i) OUE Hospitality REIT Management Pte. Ltd., the manager of OUE H-REIT; (ii) OUE Hospitality Trust Management Pte. Ltd., the trustee-manager of OUE H-BT; and (iii) OUE Commercial REIT Management Pte. Ltd., the manager of OUE C-REIT.

Following the Transactions, the Manager has conducted a review (“**Post-Completion Review**”) of, among others, the administrative and logistical operations of the Manager as well as the corporate and compliance policies of First REIT, with a view to aligning the policies of the Manager with that of the OUE Group where appropriate.

Given that the time period permitted for the payment of distributions (the “**Distribution Payment Period**”) of both OUE H-Trust and OUE C-REIT is 90 days, the Manager wishes to amend the Trust Deed such that the Distribution Payment Period of First REIT under the Trust Deed shall be 90 days after the last day of each calendar quarter instead of 60 days, to be in line with that of OUE H-Trust and OUE C-REIT.

(Paragraph 2.3 provides further details of the rationale for the Proposed Distribution Date Trust Deed Supplement.)

## 2.2 The Proposed Distribution Date Trust Deed Supplement

Based on the existing terms of the Trust Deed, Clause 10.6.1 of the Trust Deed states:

*“The Trustee must in respect of each Distribution Period pay to each Holder, his Distribution Entitlement on or before the Distribution Date for the Distribution Period.”*

The definitions of certain terms in Clause 1.1 of the Trust Deed are as follows:

*“**Distribution Calculation Date**” means 31 March, 30 June, 30 September and 31 December in each year occurring after 31 December 2006 or such other date or dates as the Manager may determine;*

*“**Distribution Date**” means a Business Day which is no later than 60 days after the Distribution Calculation Date for the relevant Distribution Period;*

*“**Distribution Entitlement**” means the entitlement to the Distribution Amount determined in accordance with Clause 10.5.2;*

*“**Distribution Period**” means:*

- (i) *for the first Distribution Period, the period from and including the date of establishment of the Trust to and including 31 March 2007;*

- (ii) *for the last Distribution Period, the period from and including the day after the immediately preceding Distribution Calculation Date to and including the date of termination of the Trust; and*
- (iii) *in all other circumstances, the period from and including the day after the immediately preceding Distribution Calculation Date to and including the next occurring Distribution Calculation Date;”*

It is proposed that the Distribution Payment Period of First REIT be amended from 60 days after the Distribution Calculation Date to 90 days. Accordingly, it is envisaged that clause 1.1 of the Trust Deed be amended as follows (the “**Proposed Amendment**”):

“**“Distribution Date”** means a Business Day which is no later than ~~90~~**60** days after the Distribution Calculation Date for the relevant Distribution Period;”

In connection with the foregoing, and subject to the approval of Unitholders, the Manager proposes to amend the Trust Deed in the form of a supplemental deed to amend Clause 1.1 of the Trust Deed regarding the Distribution Payment Period of First REIT.

(See **Annex A** for further details of the Proposed Distribution Date Trust Deed Supplement.)

## **2.3 Rationale for the Proposed Distribution Date Trust Deed Supplement**

### **2.3.1 Unitholders not materially prejudiced as First REIT can earn interest on the distribution amount during the 30-day interim period.**

Unitholders are not materially prejudiced by the change in timing of First REIT’s Distribution Payment Period from 60 days to 90 days given that First REIT is able to earn interest on the distribution amount by placing the funds, once received, in fixed deposits during the interim period of 30 days. The longer Distribution Payment Period may therefore provide the Manager with more flexibility in terms of how to deploy the funds of First REIT to optimise returns in the best interests of Unitholders.

### **2.3.2 The change in the Distribution Payment Date will streamline the operations of the Manager and First REIT, generating savings in time and resources.**

Based on the Manager’s Post-Completion Review, if the Distribution Payment Period of First REIT were to remain at 60 days, First REIT would have to operate on a different payment cycle and operating cycle from OUE H-Trust and OUE C-REIT.

In contrast, by aligning the Distribution Payment Period of First REIT with that of OUE H-Trust and OUE C-REIT, the Manager will be able to align the timing of First REIT’s administrative operations with those of OUE H-Trust and OUE C-REIT, thus saving on time, costs and other resources. This will free up man-hours for the Manager and enable the personnel of the Manager to spend more time on other operations for the benefit of First REIT.

For instance, the Manager will be able to hold board and board committee meetings of the Manager closer to the respective meetings of OUE H-Trust and OUE C-REIT. This would result in savings in terms of board expenses for logistical and administrative matters, thus freeing up more of the Manager's budget for other operations in the management of First REIT.

### **3. RECOMMENDATIONS**

Having considered the relevant factors, including the rationale for the Proposed Distribution Date Trust Deed Supplement as set out in Paragraph 2 above, the directors of the Manager (the "**Directors**") recommend that Unitholders vote at the AGM in favour of the resolution relating to the Proposed Distribution Date Trust Deed Supplement.

### **4. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed Distribution Date Trust Deed Supplement, First REIT and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

### **5. DOCUMENTS ON DISPLAY**

The Trust Deed will also be available for inspection during normal business hours at the registered office of the Manager at 50 Collyer Quay, #06-01 OUE Bayfront Singapore 049321 for so long as First REIT continues to be in existence<sup>1</sup>.

Yours faithfully  
BOWSPRIT CAPITAL CORPORATION LIMITED  
(as manager of First Real Estate Investment Trust)  
(Company registration number: 200607070D)

Mr Tan Kok Mian Victor  
Executive Director and Chief Executive Officer

<sup>1</sup> Prior appointment with the Manager (telephone: +65 6435 0168) will be appreciated.

## **IMPORTANT NOTICE**

This Appendix does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any securities of First REIT in Singapore or any other jurisdictions. The value of Units and the income derived from them may fall as well as rise. 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.

Unitholders 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.

The past performance of First REIT is not necessarily indicative of the future performance of First REIT.

This Appendix 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. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

If you have sold or transferred all your Units, you should immediately forward this Appendix, together with the Notice of AGM and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Appendix is not for distribution, directly or indirectly, in or into the United States. It is not an offer of securities for sale into the United States. The Units may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended) unless they are registered or exempt from registration. There will be no public offer of securities in the United States.

## GLOSSARY

In this Appendix, the following definitions apply throughout unless otherwise stated:

<b>AGM</b>	:	The Annual General Meeting of First REIT to be held at Mandarin Ballroom III, Level 6, Main Tower, Mandarin Orchard Singapore, 333 Orchard Road, Singapore 238867 on Tuesday, 9 April 2019 at 2:30 p.m. to approve the matters set out in the Notice of AGM
<b>Appendix</b>	:	This Appendix to Unitholders dated 15 March 2019
<b>Directors</b>	:	The directors of the Manager
<b>Distribution Calculation Date</b>	:	31 March, 30 June, 30 September and 31 December in each year occurring after 31 December 2006 or such other date or dates as the Manager may determine
<b>Distribution Payment Period</b>	:	The time period permitted for the payment of the distributions
<b>Extraordinary Resolution</b>	:	A resolution proposed and passed as such by a majority consisting of 75.0 per cent. or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
<b>First REIT</b>	:	First Real Estate Investment Trust, a unit trust constituted in the Republic of Singapore pursuant to the Trust Deed dated 19 October 2006
<b>Lippo Karawaci</b>	:	PT Lippo Karawaci Tbk
<b>Manager</b>	:	Bowsprit Capital Corporation Limited, in its capacity as manager of First REIT
<b>OUE</b>	:	OUE Limited
<b>OUE Group</b>	:	OUE and its subsidiaries
<b>OUE C-REIT</b>	:	OUE Commercial Real Estate Investment Trust
<b>OUE H-BT</b>	:	OUE Hospitality Business Trust
<b>OUE H-REIT</b>	:	OUE Hospitality Real Estate Investment Trust
<b>OUE H-Trust</b>	:	OUE Hospitality Trust
<b>OUELH</b>	:	OUE Lippo Healthcare Limited
<b>Post-Completion Review</b>	:	The review by the Manager of, among others, the administrative and logistical operations of the Manager as well as the corporate and compliance policies of First REIT, with a view to aligning the policies of the Manager with that of the OUE Group where appropriate.



<b>Proposed Amendment</b>	:	The proposed amendment of the Trust Deed as set out in paragraph 2.2 of this Appendix.
<b>Proposed Distribution Date Trust Deed Supplement</b>	:	The proposed Trust Deed supplement to amend provisions regarding the Distribution Payment Period of First REIT
<b>SGX-ST</b>	:	Singapore Exchange Securities Trading Limited
<b>Transactions</b>	:	The (i) acquisition of 100.0% of the shares in the Manager by OUE and OUELH from LK REIT Management Pte. Ltd., an indirect wholly-owned subsidiary of Lippo Karawaci and (ii) acquisition of 83,593,683 units in First REIT by OLH Healthcare Investments Pte. Ltd., an indirect wholly-owned subsidiary of OUELH, from Bridgewater International Limited, an indirect wholly-owned subsidiary of Lippo Karawaci
<b>Trust Deed</b>	:	The trust deed dated 19 October 2006 constituting First REIT, entered into between the Trustee and the Manager, as amended, varied, or supplemented from time to time
<b>Trustee</b>	:	Perpetual (Asia) Limited, in its capacity as trustee of First REIT
<b>Unit</b>	:	A unit representing an undivided interest in First REIT
<b>Unitholders</b>	:	Unitholders of First REIT

The terms “Depositor” and “Depository Register” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Appendix shall be a reference to Singapore time unless otherwise stated.

The exchange rates used in this Appendix are for reference only. No representation is made that any Indonesian Rupiah amounts could have been or could be converted into Singapore dollar amounts at any of the exchange rates used in this Appendix, at any other rate or at all.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

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**PROPOSED DISTRIBUTION DATE TRUST DEED SUPPLEMENT**

The proposed form of the amendments to the Trust Deed, subject to Unitholders passing the resolution to approve the Proposed Distribution Date Trust Deed Supplement, is as follows:

- that Clause 1.1 of the Trust Deed be amended by making amendments to the definition of Distribution Date in accordance with the following additions and deletions indicated by the underlined text and the deleted text below:

“**Distribution Date**” means a Business Day which is no later than 90~~60~~ days after the Distribution Calculation Date for the relevant Distribution Period;”

