

**FIRST REAL ESTATE INVESTMENT TRUST
2010 FULL YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

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 ten properties located in Singapore and Indonesia, 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) Pacific Healthcare Nursing Home @ Bukit Merah, 8) Pacific Healthcare Nursing Home II @ Bukit Panjang, 9) The Lentor Residence and 10) proposed Pacific Cancer Centre @ Adam Road.

Its Indonesian assets are operated by PT Siloam International Hospitals, a wholly-owned subsidiary of PT Lippo Karawaci Tbk, a strong brand name in Indonesian healthcare industry supported by a team of international healthcare professionals. 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. Both operators are companies in which Pacific Healthcare Holdings Ltd have substantial interest. The Lentor Residence is operated by First Lentor Residence Pte. Ltd. while proposed The Pacific Cancer Centre @ Adam Road is operated by Health Promise Pte. Ltd..

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.

FIRST REAL ESTATE INVESTMENT TRUST
2010 FULL YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

Summary of First REIT's results

	Group					
	Quarter			Year-to-date		
	4Q 2010	4Q 2009	Change	31 Dec 2010	31 Dec 2009	Change
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
Gross Revenue	7,649	7,667	(0.2%)	30,274	30,162	0.4%
Net Property Income	7,559	7,580	(0.3%)	29,875	29,850	0.1%
Distributable Amount	5,434	5,284	2.8%	21,346	20,964	1.8%
Distribution per unit (cts)	0.87*	1.92	(54.7%)	6.63*	7.62	(13.0%)
Adjusted Distribution per unit (cts)	1.96**	1.92	2.1%	7.72	7.62	1.3%

Note:

*Distribution per unit is lower for 4Q 2010 and YTD 31 Dec 2010 due to the issuance of 345,664,382 Rights Units on 31 December 2010 in relation to the acquisition of Mochtar Riady Comprehensive Cancer Centre and Siloam Hospitals Lippo Cikarang. These new rights units are entitled to participate in the Q4 2010 distribution. If the new rights units issued on 31 December 2010 are excluded in the computation, the adjusted distribution per unit would have been 1.96 cents and 7.72 cents for 4Q 2010 and YTD 31 Dec 2010 respectively.

** For Unitholders who subscribed to the new rights units, the effective distribution per unit would be equivalent to 1.96 cents.

1(a)(i) Consolidated Statement of Comprehensive Income

	Group					
	Quarter			Year-to-date		
	4Q 2010	4Q 2009	Change	31 Dec 2010	31 Dec 2009	Change
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
Gross revenue	7,649	7,667	(0.2%)	30,274	30,162	0.4%
Property operating expenses	(90)	(87)	3.4%	(399)	(312)	27.9%
Net property income	7,559	7,580	(0.3%)	29,875	29,850	0.1%
Interest income	5	8	(37.5%)	26	43	(39.5%)
Manager's management fees	(837)	(681)	22.9%	(3,030)	(2,818)	7.5%
Trustee fees	(36)	(30)	20.0%	(127)	(122)	4.1%
Finance costs	(533)	(599)	(11.0%)	(2,231)	(1,982)	12.6%
Other expenses	(597)	11	NM	(969)	(275)	NM
Net income for the period/year	5,561	6,289	(11.6%)	23,544	24,696	(4.7%)
Increase in fair value of investment properties	56,442	13,979	NM	56,442	13,979	NM

FIRST REAL ESTATE INVESTMENT TRUST
2010 FULL YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

	Group					
	Quarter			Year-to-date		
	4Q 2010	4Q 2009	Change	31 Dec 2010	31 Dec 2009	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total return for the period/year before income tax	62,003	20,268	NM	79,986	38,675	NM
Income tax for the period/year	(15,813)	813	NM	(19,530)	(2,713)	NM
Total return for the period/year after income tax	46,190	21,081	NM	60,456	35,962	68.1%
Other comprehensive income for the period/year, net of tax	-	-	-	-	-	-
Total comprehensive income for the period/year	46,190	21,081	NM	60,456	35,962	68.1%

*NM: Not meaningful

1(a)(ii) Statement of Distribution

	Group					
	Quarter			Year-to-date		
	4Q 2010	4Q 2009	Change	31 Dec 2010	31 Dec 2009	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total comprehensive income for the period/year	46,190	21,081	NM	60,456	35,962	68.1%
Add back non-cash items and other adjustments :						
- Management fees payable in units	378	191	97.9%	1,085	979	10.8%
- Deferred rental income of property under asset enhancement	311	-	-	1,220	-	-
- Change in fair value of investment properties net of deferred tax	(41,885)	(15,993)	NM	(41,885)	(15,993)	NM
- Rights issue related expenses	435	-	-	435	-	-
- Other adjustments	5	5	-	35	16	NM
Total Distribution to Unitholders	5,434	5,284	2.8%	21,346	20,964	1.8%
Unitholders' distribution:						
- as distribution from operations	4,912	4,762	3.1%	19,276	18,894	2.0%
- as distribution of Unitholders' capital contribution	522	522	-	2,070	2,070	-
Total Distribution to Unitholders	5,434	5,284	2.8%	21,346	20,964	1.8%

**FIRST REAL ESTATE INVESTMENT TRUST
2010 FULL YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

1(b)(i) Statement of Financial Position

	Note	Group		Trust	
		31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
		<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Assets					
Non-current Assets					
Investment properties	1	612,800	340,910	62,400	54,600
Investment in subsidiaries	2	-	-	311,654	176,543
Loan receivables	3	-	-	75,546	-
Total non-current assets		612,800	340,910	449,600	231,143
Current Assets					
Trade and other receivables, current	4	11,994	1,109	2,747	2,091
Loan receivables, current	3	-	-	4,192	-
Other assets, current		2,184	1,136	1,075	595
Cash and cash equivalents	5	27,593	11,497	25,893	10,699
Total current assets		41,771	13,742	33,907	13,385
Total Assets		654,571	354,652	483,507	244,528
Unitholders' Funds and Liabilities					
Unitholders' Fund					
Issued equity	6	346,350	179,633	346,350	179,633
Retained earnings		132,742	91,394	2,660	2,690
Total Unitholders' Funds		479,092	271,027	349,010	182,323
Non-current Liabilities					
Deferred tax liabilities	7	35,636	21,079	664	135
Other financial liabilities, non-current	8	57,350	52,301	57,350	52,301
Other liabilities, non-current	9	1,220	-	1,220	-
Total non-current liabilities		94,206	73,380	59,234	52,436
Current Liabilities					
Income tax payable, current		633	538	-	-
Trade and other payable, current	10	66,922	1,711	72,459	7,025
Other liabilities, current	11	13,718	7,996	2,804	2,744
Total current liabilities		81,273	10,245	75,263	9,769
Total Liabilities		175,479	83,625	134,497	62,205
Total Unitholders' Funds and Liabilities		654,571	354,652	483,507	244,528

Notes:

- Investment properties increased from S\$340.9 million to S\$612.8 million mainly due to the completion of acquisition of Mochtar Riady Comprehensive Cancer Centre ("MRCCC") and Siloam Hospitals Lippo Cikarang ("SHLC") on 31 December 2010.

FIRST REAL ESTATE INVESTMENT TRUST
2010 FULL YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

2. Investment in subsidiaries increased from S\$176.5 million to S\$311.7 million mainly due to the acquisition of MRCCC and SHLC.
3. Loan receivables relates to the loan extended to a subsidiary for the acquisition of MRCCC.
4. Trade receivables and other receivables increased from S\$1.1 million to S\$12.0 million mainly due to higher prepaid taxes as a result of the acquisition of MRCCC and SHLC.
5. Cash and cash equivalent increased from S\$11.5 million to S\$27.6 million mainly due to the net proceeds received from rights issue.
6. Issued equity increased from S\$179.6 million to S\$346.3 million due the issuance of rights units completed on 31 December 2010.
7. Deferred tax liabilities increased from S\$21.0 million to S\$35.6 million due to the higher provision made on the increase in fair value of investment properties.
8. Other financials liabilities, non-current comprise the bank borrowings of S\$57.3 million (net of transaction costs) which are secured by all assets relating to First REIT's investment properties.
9. Other liabilities, non-current relates to the deferred rental income from proposed Pacific Cancer Centre @ Adam Road as the property is currently under redevelopment.
10. Trade and other payables, current increased from S\$1.7 million to S\$66.9 million mainly due to withholding sum payable to vendor for the acquisition of MRCCC and the provision for acquisition and rights issue related fees.
11. Other liabilities, current increased from S\$8.0 million to S\$13.7 million mainly due to the advance rental received from the two new properties, namely MRCCC and SHLC.

1(b)(ii) Borrowings and Debt Securities

	Group		Trust	
	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
	S\$'000	S\$'000	S\$'000	S\$'000
Secured Borrowings				
Amount repayable after one year	57,728	52,815	57,728	52,815
Less: Transaction costs in relation to Term Loan Facility	(378)	(514)	(378)	(514)
Total Borrowings	57,350	52,301	57,350	52,301
Amount repayable within one year	-	-	-	-
Less: Transaction costs in relation to Term Loan Facility	-	-	-	-
Total Borrowings	-	-	-	-

Note: The Borrowings is secured against all assets relating to First REIT's investment properties.

**FIRST REAL ESTATE INVESTMENT TRUST
2010 FULL YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

1(c) Consolidated Statement of Cash Flows

	Group	
	31 Dec 2010	31 Dec 2009
Note	S\$'000	S\$'000
Cash flows from operating activities		
Total return before income tax	79,986	38,675
Adjustments for:		
Interest income	(26)	(43)
Interest expense	2,022	1,767
Amortisation of borrowing costs	209	215
Increase in fair value of investment properties	1 (56,442)	(13,979)
Manager's management fees settled in units	896	966
Operating cash flows before changes in working capital	26,645	27,601
Trade and other receivables, current	2 (10,886)	229
Other assets, current	(482)	(239)
Trade and other payables, current	2 10,779	(494)
Other liabilities	3 6,942	310
Net cash flows from operating activities before income tax	32,998	27,407
Income tax paid	(5,444)	(4,750)
Net cash flows from operating activities	27,554	22,657
Cash flows from investing activities		
Interest received	27	63
Increase in investment properties	4 (160,840)	(2,031)
Net cash flows from investing activities	(160,813)	(1,968)
Cash flows from financing activities		
Increase in borrowings	5 4,840	1,313
Cash restricted in use for bank facilities	4,000	(4,000)
Interest paid	(2,198)	(1,923)
Distribution to the Unitholders	(21,206)	(20,999)
Net proceed from Rights Issue	6 167,919	-
Net cash flows used in financing activities	153,355	(25,609)
Net decrease in cash and cash equivalents	20,096	(4,920)
Cash and cash equivalents at beginning of the year	7,497	12,417
Cash and cash equivalents at end of the year	27,593	7,497
Cash and cash equivalents in cash flow statement :		
Cash and cash equivalents per balance sheet	27,593	11,497
Cash restricted in use for bank facilities	-	(4,000)
Cash and cash equivalents in cash flow statement	27,593	7,497

Notes:

- 1) The increase in the fair value of investment properties mainly due to the acquisition of the two new properties, Mochtar Riady Comprehensive Cancer Centre ("MRCCC") and Siloam Hospitals Lippo Cikarang ("SHLC").

FIRST REAL ESTATE INVESTMENT TRUST
2010 FULL YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

- 2) The increase in trade and other receivables and trade and other payables relates to the prepaid taxes claimable from the tax authority payable to the vendors for the acquisition of MRCCC and SHLC.
- 3) Other liabilities relates to the advance rental received from the two new properties, namely MRCCC and SHLC.
- 4) The increase in investment properties relates mainly to the acquisition of MRCCC and SHLC.
- 5) The increase in borrowings relates to the drawdown of loan for progress payments for the redevelopment of proposed Pacific Cancer Centre @ Adam Road.
- 6) This relates to the net proceed received from the rights issue.

1(d)(i) Statements of Changes in Unitholders' Funds

	Issued Equity	Retained Earnings	Total
	S\$'000	S\$'000	S\$'000
Group			
Opening balance as at 1 Jan 2010	179,633	91,394	271,027
Rights issue net of related costs	167,919	-	167,919
Total comprehensive income for the period	-	60,456	60,456
Manager's management fees settled in units	896	-	896
Distribution to Unitholders	(2,098)	(19,108)	(21,206)
Closing balance as at 31 Dec 2010	346,350	132,742	479,092
Opening balance as at 1 Jan 2009	180,756	74,342	255,098
Total comprehensive income for the period	-	35,962	35,962
Manager's management fees settled in units	966	-	966
Distribution to Unitholders	(2,089)	(18,910)	(20,999)
Closing balance as at 31 Dec 2009	179,633	91,394	271,027
Trust			
Opening balance as at 1 Jan 2010	179,633	2,690	182,323
Rights issue net of related costs	167,919	-	167,919
Total comprehensive income for the period	-	19,078	19,078
Manager's management fees settled in units	896	-	896
Distribution to Unitholders	(2,098)	(19,108)	(21,206)
Closing balance as at 31 Dec 2010	346,350	2,660	349,010
Opening balance as at 1 Jan 2009	180,756	4,784	185,540
Total comprehensive income for the period	-	16,816	16,816
Manager's management fees settled in units	966	-	966
Distribution to Unitholders	(2,089)	(18,910)	(20,999)
Closing balance as at 31 Dec 2009	179,633	2,690	182,323

1(d)(ii) Details of any changes in the issued and issuable units

	Trust			
	Quarter		Year-to-date	
	4Q 2010	4Q 2009	31 Dec 2010	31 Dec 2009
Balance at beginning of period/year	276,280,989	275,133,627	275,474,366	273,671,344
Unitholders transactions:				
Issuance of new units	250,517	340,739	1,057,140	1,803,022
Issuance of rights units	345,664,382	-	345,664,382	-
Issued units at end of period/year	622,195,888	275,474,366	622,195,888	275,474,366
New units to be issued				
- Manager's management fees payable in units	537,202	235,644	537,202	235,644
- Manager's acquisition fee payable in units	461,315	-	461,315	-
Total issued and issuable units	623,194,405	275,710,010	623,194,405	275,710,010

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by our auditors.

3. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter)

Not applicable

4. Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been applied

Except as disclosed in paragraph 5 below, the accounting policies and method of computation applied in the financial statement for the current financial period are consistent with those applied in the audited financial statements for the year ended 31 December 2009.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Other than the adoption of various new/revised FRS and related Interpretations as issued by the Singapore Accounting Standards Council, which took effect from 1 January 2010, there has been no change in the accounting policies and methods of computation adopted by the Group.

The adoption of the new/revised accounting standards and interpretations does not have any material impact on the financial statements of the Group.

6. Earnings per unit (“EPU”) and available distribution per unit (“DPU”) for the financial period

	Group			
	Quarter		Year-to-date	
	4Q 2010	4Q 2009	31 Dec 2010	31 Dec 2009
Weighted average number of units in issue	388,303,943	383,419,341	385,200,545	383,133,377
Earnings per unit in cents (EPU)				
Basic and fully diluted basis	11.90	5.50	15.69	9.39
Number of units in issue	622,195,888	275,474,366	622,195,888	275,474,366
Distribution per unit in cents (DPU)				
Based on the number of units in issue at the end of the period	0.87	1.92	6.63	7.62

7. Net asset value (“NAV”) per unit at the end of the period

	Group		Trust	
	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
Net asset value per unit (cents)	77.00*	98.39	56.09*	66.19

Note:

* Based on enlarged share base as a result of rights issue.

8. Review of the performance

4Q 2010 vs 4Q 2009

Gross Revenue for 4Q 2010 decreased slightly by 0.2% to S\$7.6 million compared to 4Q 2009. Higher rental income from the Indonesia properties was offset by the deferment of rental income from proposed Pacific Cancer Centre @ Adam Road as the property is currently under redevelopment. Including the deferred rental income from proposed Pacific Cancer Centre @ Adam Road, would have increased the Group’s Gross Revenue by 3.8% to S\$8.0 million compared to 4Q 2009.

Property operating expenses for 4Q 2010 increased to S\$90,000 compared to 4Q 2009 mainly due to higher property tax for The Lentor Residence in Q4 2010.

Interest income for 4Q 2010 decreased by 37.5% to S\$5,000 compared to 4Q 2009 mainly due to lower market interest rates for fixed deposits.

Management fee for 4Q 2010 increased by 22.9% to S\$837,000 compared to 4Q 2009 mainly due to higher total assets value as a result of two new properties in Indonesia acquired in December 2010.

Finance costs for 4Q 2010 decreased by 11.0% to S\$533,000 compared to 4Q 2009 mainly due to the lower overall interest rate for the loan facility.

Other expenses for 4Q 2010 increased to S\$597,000 compared to 4Q 2009 mainly due to one-off rights issue related expenses.

Income tax for 4Q 2010 increased to S\$15.8 million compared to 4Q 2009 mainly due to higher deferred tax provision as a result of the increase in fair value of the investment properties. This also includes the two new properties acquired in December 2010.

8. Review of the performance (cont'd)

Total return for 4Q 2010 increased to S\$46.2 million compared to 4Q 2009 mainly due to increase in fair value of the investment properties.

FY 2010 vs FY 2009

Gross Revenue for FY 2010 increased slightly by 0.4% to S\$30.3 million compared FY 2009. Higher rental income from the Indonesia properties was partly offset by the deferment of rental income from proposed Pacific Cancer Centre @ Adam Road as the property is currently under redevelopment. Including the deferred rental income from proposed Pacific Cancer Centre @ Adam Road, would have increased the Group's Gross Revenue by 4.4% to S\$31.5 million compared to FY 2009.

Property operating expenses for FY 2010 increased by 27.9% to S\$399,000 compared to FY 2009 mainly due to higher property tax for The Lentor Residence.

Interest income for FY 2010 decreased by 39.5% to S\$26,000 compared to FY 2009 mainly due to lower market interest rates for fixed deposits.

Management fee for FY 2010 increased by 7.5% to S\$3.0 million compared to FY 2009 mainly due to higher total assets value as a result of two new properties acquired in December 2010.

Finance costs for FY 2010 increased by 12.6% to S\$2.2 million compared to FY 2009 mainly due to the higher interest cost for the loan facility refinanced in June 2009.

Other expenses for FY 2010 increased by S\$694,000 compared to FY 2009 mainly due to rights issue related expenses. Other expenses were lower in FY 2009 because of a write back of professional fees and exchange gain.

Income tax for FY 2010 increased to S\$19.5 million compared to FY 2009 mainly due to higher deferred tax provision on the increase in fair value of investment properties. This also includes the two new properties acquired in December 2010.

Total return for FY 2010 increased by 68.1% to S\$60.5 million compared to FY 2009 mainly due to increase in fair value of investment properties. Excluding the increase in fair value of investment properties, total return for FY 2010 decreased by 7.0% to S\$18.6 million mainly due to the deferment of the rental income from proposed Pacific Centre @ Adam Road and one-off rights issue expenses incurred. Including the deferred rental income and the one-off rights issue expenses, the total return for FY 2010 would have increased by 1.3% to S\$20.2 million.

9. Variance between the forecast or prospectus statement (if disclosed previously) and the actual results

Consolidated Statement of Comprehensive Income

	Note	Group		
		Actual	Forecast	Change
		S\$'000	S\$'000	%
Gross revenue		30,274	30,274	-
Property operating expenses		(399)	(393)	1.5%
Net property income		29,875	29,881	-
Interest income		26	24	8.3%
Manager's management fees	1	(3,030)	(2,942)	3.0%
Trustee fees		(127)	(121)	5.0%
Finance costs		(2,231)	(2,272)	(1.8%)
Other expenses	2	(969)	(487)	99.0%
Total return for the year before income tax		23,544	24,083	(2.2%)
Income tax for the year		(4,973)	(4,974)	-
Total return for the year after income tax	3	18,571	19,109	(2.8%)

Notes:

- 1) Management fee for FY 2010 increased by 3.0% to S\$3.0 million compared to forecast mainly due to higher total assets value as a result of the completion of the acquisition of the two new properties in December 2010, namely Mochtar Riady Comprehensive Cancer Centre and Siloam Hospitals Lippo Cikarang.
- 2) Other expenses for FY 2010 increased by S\$482,000 compared to forecast mainly due to rights issue related expenses.
- 3) The above figures do not include the increase in fair value for investment properties net of deferred tax.

**FIRST REAL ESTATE INVESTMENT TRUST
2010 FULL YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

Statement of Distribution

	Year-to-date		
	Actual	Forecast	Change
	S\$'000	S\$'000	%
Total return for the year after income tax	18,571	19,109	(2.8%)
Add back non-cash items and other adjustments :			
- Management fees payable in units	1,085	934	16.2%
- Deferred rental income of property under asset enhancement	1,220	1,220	-
- Rights issue expenses	435	-	-
- Other adjustments	35	31	12.9%
Total Distribution to Unitholders	21,346	21,294	0.2%
Unitholders' distribution:			
- as distribution from operations	19,276	19,224	0.3%
- as distribution of Unitholders' capital contribution	2,070	2,070	-
Total Distribution to Unitholders	21,346	21,294	0.2%

The actual distribution to Unitholders for FY 2010 is in line with the forecast stated in our circular to Unitholders dated 10 November 2010.

10. Commentary on the competitive conditions of the industry

The Manager believes that the healthcare market in Asia, particularly Indonesia, is underserved and has good growth potential. Coupled with a stable economic outlook and a stronger balance sheet, First REIT expects its acquisition growth to gain momentum.

First REIT will continue to look for quality healthcare-related assets in Asia. First REIT's objective is to raise the asset base to S\$1 billion in the next two to three years. First REIT's potential acquisition pipeline is strong as it has the first right of refusal to acquire new healthcare properties from its sponsor, PT Lippo Karawaci Tbk, which has plans to grow its healthcare business by having 25 hospitals in the next 5 years.

On asset enhancements, First REIT will also add a new extension block to Lantor Residence, estimated to cost about S\$5.0 million. This asset enhancement is expected to commence after it receives the necessary regulatory approvals.

**FIRST REAL ESTATE INVESTMENT TRUST
2010 FULL YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

The Manager expects distributable income in Projection Year 2011 to increase by 89% to S\$40.3 million, as a result of the enlarged portfolio. This translates to a DPU of 6.4 cents.

Going forward, First REIT's long-term master leases of minimum 10 years and built-in step-up rental features in its 10 properties will continue to provide stable returns to unitholders.

11. Distributions

11(a) Current financial period reported on

Any distributions declared for the current financial period? Yes

Distribution Type

Name of Distribution Distribution for the period from 1 October 2010 to 31 December 2010

i. Distribution Type Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.07
Tax-Exempt Income	0.72
Capital	0.08
Total	0.87

Note:

Distribution per unit is lower for 4Q 2010 due to the issuance of 345,664,382 Rights Units on 31 December 2010 in relation to the acquisition of Mochtar Riady Comprehensive Cancer Centre and Siloam Hospitals Lippo Cikarang. These new units are entitled to participate in the Q4 2010 distribution. If the new Units issued on 31 December 2010 are excluded in the computation, the adjusted distribution per unit would have been 1.96 cents.

Tax Rate

Taxable Income Distribution

Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from Singapore income tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

Tax-Exempt Income Distribution

Tax-Exempt Income Distribution is exempt from Singapore income tax in the hands of all unitholders.

Capital Distribution

Capital Distribution represents a return of capital to unitholders for Singapore income tax purposes and is therefore not subject to Singapore income tax. For unitholders who are liable to Singapore income tax on profits from the sale of First REIT Units, the amount of Capital Distribution will be applied to

**FIRST REAL ESTATE INVESTMENT TRUST
2010 FULL YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

11. Distributions (cont'd)

reduce the cost base of their First REIT Units for Singapore income tax purposes.

11(b) Corresponding period of the immediately preceding period

Any distributions declared for the corresponding period of the immediate preceding period? Yes

Distribution Type

Name of Distribution Distribution for the period from 1 October 2009 to 31 December 2009

i. Distribution Type Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.16
Tax-Exempt Income	1.57
Capital	0.19
Total	1.92

Tax Rate

Taxable Income Distribution

Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from Singapore income tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

Tax-Exempt Income Distribution

Tax-Exempt Income Distribution is exempt from Singapore income tax in the hands of all unitholders.

Capital Distribution

Capital Distribution represents a return of capital to unitholders for Singapore income tax purposes and is therefore not subject to Singapore income tax. For unitholders who are liable to Singapore income tax on profits from the sale of First REIT Units, the amount of Capital Distribution will be applied to reduce the cost base of their First REIT Units for Singapore income tax purposes.

11(c) Book closure date: The Transfer Books and Register of Unitholders of First Real Estate Investment Trust will be closed from 5.00p.m. on 31 January 2011 for the purposes of determining each Unitholder's entitlement to First REIT's distribution. The ex-dividend date will be on 27 January 2011 at 9.00am.

11(d) Date Payable: 28 February 2011

12. If no distribution has been declared/recommended, a statement to that effect

Not applicable.

FIRST REAL ESTATE INVESTMENT TRUST
2010 FULL YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

13. Segment Reporting

No business segmental result has been prepared as all the investment properties are mainly used for healthcare and/or healthcare-related purposes. The main segment would be by geographical area.

	Indonesia	Singapore	Total
	\$'000	\$'000	\$'000
2010			
Gross Revenue	27,305	2,969	30,274
Net Property Income	27,220	2,655	29,875
Interest income	8	18	26
Manager's management fees			(3,030)
Trustee fees			(127)
Finance costs			(2,231)
Other trust expenses			(969)
Net income			23,544
Increase in fair value of investment properties	53,335	3,107	56,442
Income tax	(19,002)	(528)	(19,530)
Total return for the financial year after tax			60,456

	Indonesia	Singapore	Total
	\$'000	\$'000	\$'000
2009			
Gross Revenue	26,056	4,106	30,162
Net Property Income	25,840	4,010	29,850
Interest income	9	34	43
Manager's management fees			(2,818)
Trustee fees			(122)
Finance costs			(1,982)
Other trust expenses			(275)
Net income			24,696
Increase/(Decrease) in fair value of investment properties	15,310	(1,331)	13,979
Income tax	(2,961)	248	(2,713)
Total return for the financial year after tax			35,962

	Indonesia	Singapore	Total
	\$'000	\$'000	\$'000
Assets and Liabilities			
2010			
Segment assets including properties	564,077	90,494	654,571
Total assets			654,571
Segment liabilities	51,628	123,851	175,479
Total liabilities			175,479
2009			
Segment assets including properties	288,281	66,371	354,652
Total assets			354,652
Segment liabilities	27,552	56,073	83,625
Total liabilities			83,625

FIRST REAL ESTATE INVESTMENT TRUST
2010 FULL YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

14. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business and geographical segments.**

Refer to the review of actual performance on paragraph 8.

15. **A breakdown of sales as follows:-**

	31 Dec 2010	31 Dec 2009	Changes
	\$'000	\$'000	%
Gross revenue reported for first half year	14,994	14,904	0.6
Total return after income tax for first half year	9,456	9,894	(4.4)
Total return after income tax but before change in fair value of investment properties net of deferred tax for first half year, and includes deferred rental income from proposed Pacific Cancer Centre @ Adam Road	10,056	9,894	1.6
Gross revenue reported for second half year	15,280	15,258	0.1
Total return after income tax for second half year	51,000	26,068	95.6
Total return after income tax but before change in fair value of investment properties net of deferred tax for second half year, and includes deferred rental income from proposed Pacific Cancer Centre @ Adam Road	9,735	10,075	(3.4)

16. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows :**

	Latest Full Year	Previous Full Year
	\$'000	\$'000
Distribution to unitholders	21,206	20,999

17. Certificate pursuant to Paragraph 7.3 of the Property Funds Guidelines

The Manager hereby certifies that in relation to the distribution to the unitholders of First REIT for the quarter ended 31 December 2010:

1. First REIT will declare a distribution ("Distribution") in excess of its profits (defined as the total return for the period before distribution for the purpose of this certification). The excess is attributed to capital receipts comprising amounts received by First REIT from the redemption of redeemable preference shares in the Singapore special purpose companies ("SPCs").
2. The Manager is satisfied on reasonable grounds that, immediately after making the Distribution, First REIT will be able to fulfill, from its deposited properties, its liabilities as they fall due.

The distribution is computed based on the accounts of First REIT for the quarter ended 31 December 2010 and is verified by our external tax consultant.

First REIT's current distribution policy is to distribute at least 90.0% of its tax-exempt income (after deduction of applicable expenses) and capital receipts.

BY ORDER OF THE BOARD OF
BOWSPRIT CAPITAL CORPORATION LIMITED
(AS MANAGER OF FIRST REAL ESTATE INVESTMENT TRUST)

Dr Ronnie Tan Keh Poo @ Tan Kay Poo
Chief Executive Officer
21 January 2011
