

**FIRST REAL ESTATE INVESTMENT TRUST  
2011 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 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) Pacific Healthcare Nursing Home @ Bukit Merah, 8) Pacific Healthcare Nursing Home II @ Bukit Panjang, 9) The Lentor Residence and 10) Sarang Hospital.

Its Indonesian assets are operated by Siloam Hospitals Group, a division 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. The Lentor Residence is operated by First Lentor Residence Pte. Ltd. In South Korea, the Sarang Hospital is operated 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.

**FIRST REAL ESTATE INVESTMENT TRUST**  
**2011 FULL YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

**Summary of First REIT's Results**

	Group					
	Quarter			Year-to-date		
	4Q 2011	4Q 2010	Change	31 Dec 2011	31 Dec 2010	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross Revenue	13,925	7,649	82.0%	54,006	30,274	78.4%
Net Property Income	13,773	7,559	82.2%	53,436	29,875	78.9%
Distributable Amount	12,115 <sup>1</sup>	5,434	122.9%	43,934 <sup>1</sup>	21,346	105.8%
Distribution per unit (cts)	1.93 <sup>1</sup>	0.87	121.8%	7.01 <sup>1</sup>	6.63	NC <sup>2</sup>
Adjusted Distribution per unit (cts)	1.93 <sup>1</sup>	0.87	121.8%	7.01 <sup>1</sup>	3.42 <sup>3</sup>	105.0%
Annualised Distribution per unit (cts)	7.01 <sup>1</sup>	6.63 <sup>4</sup>	NC <sup>2</sup>	7.01 <sup>1</sup>	6.63 <sup>4</sup>	NC <sup>2</sup>

Note:

NC = Not comparable

- 1) This includes other gain distribution out of a portion of the total gain on divestment of the Adam Road property of about S\$8.7 million. The balance of the gain will be distributed to unitholders at the discretion of the Manager of First REIT in future periods.
- 2) YTD 31 December 2011 vs YTD 31 December 2010 are not comparable due to the effect of the rights issue and acquisitions made in December 2010. (see also footnote 3)
- 3) Restated to take into account the effect of the rights issue in December 2010.
- 4) Actual paid for FY 2010 and the distribution for 4Q 2010 was based on enlarged units base as a result of rights issue in December 2010.

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

	Group					
	Quarter			Year-to-date		
	4Q 2011	4Q 2010 (Restated)	Change	31 Dec 2011	31 Dec 2010 (Restated)	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Gross revenue</b>	<b>13,925</b>	<b>7,649</b>	<b>82.0%</b>	<b>54,006</b>	<b>30,274</b>	<b>78.4%</b>
Property operating expenses	(152)	(90)	68.9%	(570)	(399)	42.9%
<b>Net property income</b>	<b>13,773</b>	<b>7,559</b>	<b>82.2%</b>	<b>53,436</b>	<b>29,875</b>	<b>78.9%</b>
Interest income	28	5	460.0%	104	26	300.0%
Manager's management fees	(1,351)	(837)	61.4%	(5,251)	(3,030)	73.3%
Trustee fees	(50)	(36)	38.9%	(193)	(127)	52.0%
Finance costs	(1,108)	(533)	107.9%	(3,778)	(2,231)	69.3%
Other expenses	(221)	(597)	(63.0%)	(1,696)	(969)	75.0%
<b>Net income before the undernoted</b>	<b>11,071</b>	<b>5,561</b>	<b>99.1%</b>	<b>42,622</b>	<b>23,544</b>	<b>81.0%</b>
Increase in fair values of investment properties	14,426	56,442	(74.4%)	14,426	56,442	(74.4%)
Gain on divestment of investment property	-	-	-	3,567	-	-
<b>Total return for the period/year before income tax</b>	<b>25,497</b>	<b>62,003</b>	<b>(58.9%)</b>	<b>60,615</b>	<b>79,986</b>	<b>(24.2%)</b>
Income tax for the period/year	(4,208)	(6,769)	(37.8%)	(9,664)	(10,486)	(7.8%)
<b>Total return for the period/year after income tax</b>	<b>21,289</b>	<b>55,234</b>	<b>(61.5%)</b>	<b>50,951</b>	<b>69,500</b>	<b>(26.7%)</b>

**FIRST REAL ESTATE INVESTMENT TRUST**  
**2011 FULL YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

**Other comprehensive income:**  
Exchange differences on translating  
foreign operations, net of tax

**Total comprehensive income for  
the period/year**

(53)	-	-	1,093	-	-
<b>21,236</b>	<b>55,234</b>	<b>(61.6%)</b>	<b>52,044</b>	<b>69,500</b>	<b>(25.1%)</b>

**1(a)(ii) Statement of Distribution**

	<b>Group</b>					
	<b>Quarter</b>			<b>Year-to-date</b>		
	<b>4Q 2011</b>	<b>4Q 2010 (Restated)</b>	<b>Change</b>	<b>31 Dec 2011</b>	<b>31 Dec 2010 (Restated)</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Total return for the period/year after income tax	21,289	55,234	(61.5%)	50,951	69,500	(26.7%)
Adjustments for tax purposes:						
- Manager's management fees settled in units	1,072	378	183.6%	4,499	1,085	314.7%
- Deferred rental income of property under asset enhancement	-	311	-	172	1,220	(85.9%)
- Change in fair values of investment properties, net of deferred tax	(12,432)	(50,929)	(75.6%)	(12,432)	(50,929)	(75.6%)
- Gain on divestment of investment property, net of deferred tax	-	-	-	4,063	-	-
- Foreign exchange differences	41	-	-	1,182	-	-
- Rights issue related expenses	-	435	-	-	435	-
- Others	(30)	5	(700.0%)	(124)	35	(454.3%)
<b>Total available for distribution to Unitholders</b>	<b>9,940</b>	<b>5,434</b>	<b>82.9%</b>	<b>48,311</b>	<b>21,346</b>	<b>126.3%</b>
Unitholders' distribution:						
- as distribution from operations	7,925	4,912	61.3%	31,807	19,276	65.0%
- as distribution of Unitholders' capital contribution	2,015	522	286.0%	7,777	2,070	275.7%
- as distribution from other gain	2,175	-	-	4,350	-	-
<b>Distributable amount to Unitholders</b>	<b>12,115</b>	<b>5,434</b>	<b>122.9%</b>	<b>43,934</b>	<b>21,346</b>	<b>105.8%</b>

Note:  
NM – Not meaningful

**FIRST REAL ESTATE INVESTMENT TRUST**  
**2011 FULL YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

**1(b)(i) Statement of Financial Position**

	Note	Group		Trust	
		31 Dec 2011	31 Dec 2010 (Restated)	31 Dec 2011	31 Dec 2010
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Assets</b>					
<b>Non-current Assets</b>					
Investment properties		617,981	612,800	36,000	62,400
Investment in subsidiaries		-	-	324,531	311,654
Loan receivables, non-current		-	-	71,356	75,546
Deferred tax assets		472	-	472	-
<b>Total non-current assets</b>		<b>618,453</b>	<b>612,800</b>	<b>432,359</b>	<b>449,600</b>
<b>Current Assets</b>					
Trade and other receivables, current		8,315	11,994	2,240	2,747
Loan receivables, current		-	-	4,191	4,192
Other assets, current		1,123	2,184	-	1,075
Cash and cash equivalents		32,725	27,593	25,917	25,893
<b>Total current assets</b>		<b>42,163</b>	<b>41,771</b>	<b>32,348</b>	<b>33,907</b>
<b>Total Assets</b>		<b>660,616</b>	<b>654,571</b>	<b>464,707</b>	<b>483,507</b>
<b>Unitholders' Funds and Liabilities</b>					
<b>Unitholders' Fund</b>					
Issued equity		344,714	346,350	344,714	346,350
Retained earnings		159,492	139,522	2,245	2,660
Foreign currency translation reserve		1,093	-	-	-
<b>Total Unitholders' Funds</b>		<b>505,299</b>	<b>485,872</b>	<b>346,959</b>	<b>349,010</b>
<b>Non-current Liabilities</b>					
Deferred tax liabilities		30,225	28,856	-	664
Other financial liabilities, non-current	1	49,361	57,350	49,361	57,350
Other liabilities, non-current		-	1,220	-	1,220
<b>Total non-current liabilities</b>		<b>79,586</b>	<b>87,426</b>	<b>49,361</b>	<b>59,234</b>
<b>Current Liabilities</b>					
Income tax payable, current		980	633	-	-
Trade and other payables, current	2	11,554	66,922	18,150	72,459
Other financial liabilities, current	1	48,430	-	48,430	-
Other liabilities, current		14,767	13,718	1,807	2,804
<b>Total current liabilities</b>		<b>75,731</b>	<b>81,273</b>	<b>68,387</b>	<b>75,263</b>
<b>Total Liabilities</b>		<b>155,317</b>	<b>168,699</b>	<b>117,748</b>	<b>134,497</b>
<b>Total Unitholders' Funds and Liabilities</b>		<b>660,616</b>	<b>654,571</b>	<b>464,707</b>	<b>483,507</b>

Note:

- Other financial liabilities, non-current and current, increased from S\$57.4 million to S\$97.8 million (i.e S\$49.4 million and S\$48.4 million) mainly due to drawdown of S\$50 million Term Loan Facility, to repay the withholding sum for the acquisition of Mochtar Riady Comprehensive Cancer Centre ("MRCCC"). The Group has also drawdown from the S\$70 million Term Loan Facility and S\$6.5 million Bridge Loan Facility for the acquisition of Sarang Hospital. The drawdown amount was partly offset by the repayment of S\$27.4 million towards the S\$70 million Term Loan Facility with the net proceeds from the divestment of the Adam Road property.

**FIRST REAL ESTATE INVESTMENT TRUST**  
**2011 FULL YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

2. Trade and other payables, current, decreased mainly due to payment of the S\$50 million withholding sum for the acquisition of MRCCC.

**1(b)(ii) Borrowings and Debt Securities**

	Group		Trust	
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b>Secured Borrowings</b>				
Amount repayable after one year	50,000	57,728	50,000	57,728
Less: Transaction costs in relation to Term Loan Facility	(639)	(378)	(639)	(378)
<b>Total Borrowings after one year</b>	<b>49,361</b>	<b>57,350</b>	<b>49,361</b>	<b>57,350</b>
Amount repayable within one year	48,652	-	48,652	-
Less: Transaction costs in relation to Term Loan Facility	(222)	-	(222)	-
<b>Total Borrowings within one year</b>	<b>48,430</b>	<b>-</b>	<b>48,430</b>	<b>-</b>

Note: The Borrowings are secured against all First REIT's investment properties except Sarang Hospital.

**FIRST REAL ESTATE INVESTMENT TRUST**  
**2011 FULL YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

**1(c) Statement of Cash Flows**

	<b>Group</b>	
	<b>31 Dec 2011</b>	<b>31 Dec 2010</b>
<b>Note</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from operating activities</b>		
Total return before income tax	60,615	79,986
Interest income	(104)	(26)
Interest expense	3,202	2,022
Amortisation of borrowing costs	576	209
Unrealised foreign exchange differences	1,182	-
Increase in fair values of investment properties	(14,426)	(56,442)
Gain on divestment of investment property	(3,567)	-
Write back of over accrual of rights issue related expenses	470	-
Manager's acquisition fees settled in units	350	-
Manager's management fees settled in units	3,804	896
<b>Operating cash flows before changes in working capital</b>	<b>52,102</b>	<b>26,645</b>
Trade and other receivables, current	3,683	(10,886)
Other assets, current	1,062	(482)
Trade and other payables, current	(5,683)	10,779
Other liabilities	(171)	6,942
<b>Net cash flows from operating activities before income tax</b>	<b>50,993</b>	<b>32,998</b>
Income tax paid	(8,420)	(5,444)
<b>Net cash flows from operating activities</b>	<b>42,573</b>	<b>27,554</b>
<b>Cash flows from investing activities</b>		
Interest received	99	27
Divestment of investment property	1 33,000	-
Increase in investment properties	2 (69,034)	(160,840)
<b>Net cash flows used in investing activities</b>	<b>(35,935)</b>	<b>(160,813)</b>
<b>Cash flows from financing activities</b>		
Increase in borrowings	2 66,082	4,840
Repayment of borrowings	(27,400)	-
Net proceed from rights issue	-	167,919
Cash restricted in use for bank facilities	-	4,000
Interest paid	(2,947)	(2,198)
Distribution to the unitholders	(37,241)	(21,206)
<b>Net cash flows (used in)/from financing activities</b>	<b>(1,506)</b>	<b>153,355</b>
<b>Net increase in cash and cash equivalents</b>	<b>5,132</b>	<b>20,096</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>27,593</b>	<b>7,497</b>
<b>Cash and cash equivalents at end of the year</b>	<b>32,725</b>	<b>27,593</b>
<b>Cash and cash equivalents in statement of cash flows:</b>		
Cash and cash equivalents on statement of financial position	32,725	27,593
Cash restricted in use for bank facilities	-	-
<b>Cash and cash equivalents in statement of cash flows</b>	<b>32,725</b>	<b>27,593</b>

Note:

- The sale proceeds from divestment of investment property came from the sale of Adam Road property.

**FIRST REAL ESTATE INVESTMENT TRUST**  
**2011 FULL YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

2. Increase in investment properties and borrowings are due to the payment of withholding sum for the acquisition of Mochtar Riady Comprehensive Cancer Centre (“MRCCC”) and the acquisition of Sarang Hospital in South Korea.

**1(d)(i) Statements of Changes in Unitholders’ Funds**

	<b>Issued Equity</b>	<b>Retained Earnings</b>	<b>Foreign Currency Translation Reserve</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Group</b>				
<b>Opening balance as at 1 Jan 2011</b>	<b>346,350</b>	<b>132,742</b>	-	<b>479,092</b>
Adjustments to opening balance (note 5)	-	6,780	-	6,780
Restated opening balance as at 1 Jan 2011	346,350	139,522	-	485,872
Total comprehensive income for the year	-	50,951	1,093	52,044
Manager’s management fees settled in units	3,804	-	-	3,804
Manager’s acquisition fees settled in units	350	-	-	350
Write back of over accrual of rights issue related expenses	470	-	-	470
Distribution to unitholders	(6,260)	(30,981)	-	(37,241)
<b>Closing balance as at 31 Dec 2011</b>	<b>344,714</b>	<b>159,492</b>	<b>1,093</b>	<b>505,299</b>
<b>Opening balance as at 1 Jan 2010</b>	<b>179,633</b>	<b>91,394</b>	-	<b>271,027</b>
Adjustments to opening balance (note 5)	-	(2,264)	-	(2,264)
Restated opening balance as at 1 Jan 2010	179,633	89,130	-	268,763
Rights issue net of related costs	167,919	-	-	167,919
Total comprehensive income for the year	-	69,500	-	69,500
Manager’s management fees settled in units	896	-	-	896
Distribution to unitholders	(2,098)	(19,108)	-	(21,206)
<b>Closing balance as at 31 Dec 2010</b>	<b>346,350</b>	<b>139,522</b>	-	<b>485,872</b>
<b>Trust</b>				
<b>Opening balance as at 1 Jan 2011</b>	<b>346,350</b>	<b>2,660</b>	-	<b>349,010</b>
Total comprehensive income for the year	-	30,566	-	30,566
Manager’s management fees settled in units	3,804	-	-	3,804
Manager’s acquisition fees settled in units	350	-	-	350
Write back of over accrual of rights issue related expenses	470	-	-	470
Distribution to unitholders	(6,260)	(30,981)	-	(37,241)
<b>Closing balance as at 31 Dec 2011</b>	<b>344,714</b>	<b>2,245</b>	-	<b>346,959</b>
<b>Opening balance as at 1 Jan 2010</b>	<b>179,633</b>	<b>2,690</b>	-	<b>182,323</b>
Rights issue net of related costs	167,919	-	-	167,919
Total comprehensive income for the year	-	19,078	-	19,078
Manager’s management fees settled in units	896	-	-	896
Distribution to unitholders	(2,098)	(19,108)	-	(21,206)
<b>Closing balance as at 31 Dec 2010</b>	<b>346,350</b>	<b>2,660</b>	-	<b>349,010</b>

**FIRST REAL ESTATE INVESTMENT TRUST**  
**2011 FULL YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

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

	Trust			
	Quarter		Year-to-date	
	4Q 2011	4Q 2010	31 Dec 2011	31 Dec 2010
<b>Balance at beginning of period/year</b>	<b>626,398,818</b>	<b>276,280,989</b>	<b>622,195,888</b>	<b>275,474,366</b>
Unitholders transactions:				
Issuance of new units	1,281,476	250,517	5,484,406	1,057,140
Issuance of rights units	-	345,664,382	-	345,664,382
<b>Balance at end of period/year</b>	<b>627,680,294</b>	<b>622,195,888</b>	<b>627,680,294</b>	<b>622,195,888</b>
New units to be issued				
- Manager's management fees payable in units	1,424,534	537,202	1,424,534	537,202
- Manager's acquisition fees payable in units	-	461,315	-	461,315
<b>Total issued and issuable units</b>	<b>629,104,828</b>	<b>623,194,405</b>	<b>629,104,828</b>	<b>623,194,405</b>

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of current financial period and as at the end of the immediately preceding year**

	Trust	
	31 Dec 2011	31 Dec 2010
<b>Issued units at end of period/year</b>	<b>627,680,294</b>	<b>622,195,888</b>

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

Not applicable.

**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 methods of computation applied in the financial statements for the current financial period are consistent with those applied in the audited financial statements for the year ended 31 December 2010.

**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 Singapore Financial Reporting Standards and related Interpretations as issued by the Singapore Accounting Standards Council, which took effect from 1 January 2011, the Group has early adopted the amendments to FRS 12 Deferred Tax – Recovery of Underlying Assets which is effectively on 1 January 2012.



**FIRST REAL ESTATE INVESTMENT TRUST**  
**2011 FULL YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

Adoption of these has resulted in some changes in the detailed application of the accounting policies and some modifications to financial statements presentation and these changes are summarised below:

	After \$'000	Before \$'000	Difference \$'000
<u>Statement of financial position:</u>			
Deferred tax liabilities at 1 January 2010	23,343	21,079	2,264
Deferred tax liabilities 31 December 2010	28,856	35,636	(6,780)
<u>Statement of total returns</u>			
Income tax expense for 2010	10,486	19,530	(9,044)
<u>Statement of changes in unitholders' funds</u>			
Retained earnings at 1 January 2010	89,130	91,394	(2,264)
Retained earnings at 31 December 2010	139,522	132,742	6,780
	Cents	Cents	Cents
<u>Earnings per unit in cents</u>			
Earnings per unit in cents for 2010	18.04	15.69	2.35

*Deferred Tax: Recovery of Underlying Assets*

The deferred tax relating to an asset is dependent on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in FRS 40 Investment Property. The Group has investment properties on freehold land whereby the land would be on the presumption that the carrying amount of the underlying asset will be recovered entirely by sale in accordance with the new amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets. The fair value of the land has to be ascertained separately. In prior years, the deferred tax amount was based on the recovery of the carrying amount of the asset through use method. The amendments are obligatory from 1 January 2012 but management has made an earlier application retrospectively for the reporting years presented retrospectively. The adjustments required are disclosed above. There is no impact on the distributable amount.

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

	Group			
	Quarter		Year-to-date	
	4Q 2011	4Q 2010 (Restated)	31 Dec 2011	31 Dec 2010 (Restated)
<b><u>Earnings per unit</u></b>				
Weighted average number of units in issue	627,401,712	388,303,943*	625,223,897	385,200,545*
<b><u>Earnings per unit in cents</u></b>				
Basic and fully diluted basis	3.39	14.22	8.15	18.04
<b><u>Distribution per unit</u></b>				
Number of units in issue	627,680,294	622,195,888	627,680,294	622,195,888
<b><u>Distribution per unit in cents</u></b>				
Based on the number of units in issue at the end of the period/year	1.93**	0.87	7.01**	6.63

Note:

\* The weighted average number of units in issue for 4Q 2010 and YTD 31 Dec 2010 have been restated to include the dilutive effect of the rights issue.

**FIRST REAL ESTATE INVESTMENT TRUST**  
**2011 FULL YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

\*\*This includes other gain distribution out of a portion of the total gain on divestment of the Adam Road property of about S\$8.7 million. The balance will be distributed to unitholders at the discretion of the Manager of First REIT in future periods.

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

	Group		Trust	
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
		(Restated)		
<b>Net asset value per unit (cents)</b>	80.50	78.08	55.28	56.09

**8. Review of the performance**

4Q 2011 vs 4Q 2010

Gross revenue for 4Q 2011 increased by 82.0% to S\$13.9 million compared to 4Q 2010 mainly due to maiden contributions from the three new properties namely Mochtar Riady Comprehensive Cancer Centre (“MRCCC”), Siloam Hospitals Lippo Cikarang and Sarang Hospital acquired in December 2010 and August 2011.

Property operating expenses for 4Q 2011 increased by 68.9% to S\$152,000 compared to 4Q 2010 mainly due to higher operating expenses from the above three new properties.

Interest income for 4Q 2011 increased to S\$28,000 compared to 4Q 2010 mainly due to higher fixed deposits amount.

Management fees for 4Q 2011 increased by 61.4% to S\$1.4 million compared to 4Q 2010 mainly due to higher net property income and total assets value as a result of the acquisition of the three new properties.

Trustee fees for 4Q 2011 increased by 38.9% to S\$50,000 compared to 4Q 2010 mainly due to higher total assets value as a result of the acquisition of the three new properties.

Finance costs for 4Q 2011 increased to S\$1.1 million compared to 4Q 2010 mainly due to higher loan amount to finance the acquisition of MRCCC and Sarang Hospital.

Other expenses for 4Q 2011 decreased to S\$221,000 compared to 4Q 2010 reflecting the rights issue related expenses incurred in Q4 2010.

Income tax for 4Q 2011 decreased by 37.8% to S\$4.2 million compared to 4Q 2010 because of lower deferred tax arising from fair value gain on revaluation of investment properties.

Total return for 4Q 2011 decreased by 61.5% to S\$21.3 million compared to 4Q 2010 mainly due to lower fair value gain on revaluation of investment properties partly offset by rental contribution from the three new properties acquired in December 2010 and August 2011.

FY 2011 vs FY 2010

Gross revenue for FY 2011 increased by 78.4% to S\$54.0 million compared to FY 2010 mainly due to maiden contributions from the three new properties namely Mochtar Riady Comprehensive Cancer Centre (“MRCCC”), Siloam Hospitals Lippo Cikarang and Sarang Hospital acquired in December 2010 and August 2011.

Property operating expenses for FY 2011 increased by 42.9% to S\$570,000 compared to FY 2010 mainly due to higher operating expenses from the above three new properties partly offset by the write back of provision for repair and maintenance.

Interest income for FY 2011 increased to S\$104,000 compared to FY 2010 mainly due to higher fixed deposits amount.

Management fees for FY 2011 increased by 73.3% to S\$5.3 million compared to FY 2010 mainly due to higher net property income and total assets value as a result of the acquisition of the three new properties.

**FIRST REAL ESTATE INVESTMENT TRUST**  
**2011 FULL YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

Trustee fees for FY 2011 increased by 52.0% to S\$193,000 compared to FY 2010 mainly due to higher total assets value as a result of the acquisition of the three new properties.

Finance costs for FY 2011 increased by 69.3% to S\$3.8 million compared to FY 2010 mainly due to higher loan amount to finance the acquisition of MRCCC and Sarang Hospital.

Other expenses for FY 2011 increased to S\$1.7 million compared to FY 2010 mainly due to unrealised exchange loss on USD loan translated at end of the year.

Income tax for FY 2011 decreased by 7.8% to S\$9.7 million compared to FY 2010 because of lower deferred tax arising from fair value gain on revaluation of investment properties and the write back of provision for deferred tax as a result of the divestment of Adam Road property.

Total return for FY 2011 decreased by 26.7% to S\$51.0 million compared to FY 2010 mainly due to lower fair value gain on revaluation of investment properties partly offset by rental contribution from the three new properties and the gain on divestment of Adam Road property.

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

**Statement of Total Return**

	Group					
	Quarter			Year-to-date		
	Actual	Forecast*		Actual	Forecast*	
	4Q 2011	4Q 2011	Change	31 Dec 2011	31 Dec 2011	Change
<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	
<b>Gross revenue</b>	<b>13,925</b>	<b>13,739</b>	<b>1.4%</b>	<b>54,006</b>	<b>54,509</b>	<b>(0.9%)</b>
Property operating expenses	(152)	(127)	19.7%	(570)	(503)	13.3%
<b>Net property income</b>	<b>13,773</b>	<b>13,612</b>	<b>1.2%</b>	<b>53,436</b>	<b>54,006</b>	<b>(1.1%)</b>
Interest income	28	5	460.0%	104	19	447.4%
Manager's management fees	(1,351)	(1,321)	2.3%	(5,251)	(5,242)	0.2%
Trustee fees	(50)	(48)	4.2%	(193)	(190)	1.6%
Finance costs	(1,108)	(1,139)	(2.7%)	(3,778)	(4,517)	(16.4%)
Other expenses	(221)	(102)	116.7%	(1,696)	(407)	316.7%
<b>Net income before the undernoted</b>	<b>11,071</b>	<b>11,007</b>	<b>0.6%</b>	<b>42,622</b>	<b>43,669</b>	<b>(2.4%)</b>
Increase in fair values of investment properties	14,426	46,790	(69.2%)	14,426	46,790	(69.2%)
Gain on divestment of investment property	-	-	-	3,567	-	-
<b>Total return for the period/year before income tax</b>	<b>25,497</b>	<b>57,797</b>	<b>(55.9%)</b>	<b>60,615</b>	<b>90,459</b>	<b>(33.0%)</b>
Income tax for the period/year	(4,208)	(15,934)	(73.6%)	(9,664)	(22,476)	(57.0%)
<b>Total return for the period/year after income tax</b>	<b>21,289</b>	<b>41,863</b>	<b>(49.1%)</b>	<b>50,951</b>	<b>67,983</b>	<b>(25.1%)</b>

Note:

NM – Not meaningful

The year-to-date forecast figures are disclosed in our circular to unitholders dated 10 November 2010. The above figures in forecast do not include the divestment of Adam Road property and the acquisition of Sarang Hospital.

Actual vs Forecast - Quarters

**FIRST REAL ESTATE INVESTMENT TRUST**  
**2011 FULL YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

---

Gross revenue for 4Q 2011 increased by 1.4% to S\$13.9 million compared to forecast mainly due to the maiden contribution from Sarang Hospital acquired in August 2011.

Property operating expenses for 4Q 2011 increased by 19.7% to S\$152,000 compared to forecast mainly due to higher property expenses from Sarang Hospital acquired in August 2011.

Interest income for 4Q 2011 increased to S\$28,000 compared to forecast mainly due to higher fixed deposits amount.

Management fees for 4Q 2011 increased by 2.3% to S\$1.4 million compared to forecast mainly due to higher net property income as a result of the acquisition of Sarang Hospital.

Finance costs for 4Q 2011 decreased by 2.7% to S\$1.1 million compared to forecast mainly due to lower interest rate and loan amount.

Other expenses for 4Q 2011 increased to S\$221,000 compared to forecast mainly due to higher operating expenses.

Increases in fair values of investment properties decreased to S\$14.4 million compared to forecast mainly due to the recognition of the fair value gain of investment properties for MRCCC and SHLC in FY 2010 as a result of early completion of acquisition than forecasted.

Income tax for 4Q 2011 decreased by 73.6% to S\$4.2 million compared to forecast mainly due to lower deferred tax arising from fair value gain on revaluation of investment properties.

Actual vs Forecast – Year-to-date

Gross revenue for FY 2011 decreased by 0.9% to S\$54.0 million compared to forecast mainly due to the absence of rental income from the Adam Road property as a result of the divestment partly offset by the maiden contribution from Sarang Hospital acquired in August 2011.

Property operating expenses for FY 2011 increased by 13.3% to S\$570,000 compared to forecast mainly due to higher property expenses for Sarang Hospital partly offset by write back of provision for repair and maintenance.

Interest income for FY 2011 increased to S\$104,000 compared to forecast mainly due to higher fixed deposits amount.

Finance costs for FY 2011 decreased by 16.4% to S\$3.8 million compared to forecast mainly due to lower interest rate and loan amount.

Other expenses for FY 2011 increased to S\$1.7 million compared to forecast mainly due to unrealised exchange loss on USD loan translated at end of the year.

Increases in fair values of investment properties decreased to S\$14.4 million compared to forecast mainly due to the recognition of the fair value gain of investment properties for MRCCC and SHLC in FY 2010 as a result of early completion of acquisition than forecasted.

Income tax for FY 2011 decreased by 57.0% to S\$9.7 million compared to forecast mainly due to lower deferred tax arising from fair value gain on revaluation of investment properties and the write back of provision for deferred tax as a result of the divestment of Adam Road property.

**FIRST REAL ESTATE INVESTMENT TRUST**  
**2011 FULL YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

	Group					
	Quarter			Year-to-date		
	Actual	Forecast*		Actual	Forecast*	
	4Q 2011	4Q 2011	Change	31 Dec 2011	31 Dec 2011	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total return for the period/year after income tax	21,289	41,863	(49.1%)	50,951	67,983	(25.1%)
Adjustments for tax purposes:						
- Manager's management fees settled in units	1,072	1,199	(10.6%)	4,499	4,755	(5.4%)
- Deferred rental income of property under asset enhancement	-	148	-	172	590	(70.8%)
- Gain on divestment of investment property, net of deferred tax	-	-	-	4,063	-	-
- Change in fair values of investment properties, net of deferred tax	(12,432)	(33,060)	(62.4%)	(12,432)	(33,060)	(62.4%)
- Unrealised foreign exchange differences	41	-	-	1,182	-	-
- Others	(30)	(4)	(650.0%)	(124)	(13)	(853.8%)
<b>Total available for distribution to Unitholders</b>	<b>9,940</b>	<b>10,146</b>	<b>(2.0%)</b>	<b>48,311</b>	<b>40,255</b>	<b>20.0%</b>

Note:

NM - not meaningful

The actual distribution to unitholders for 4Q 2011 is in line with the forecast stated in our circular to unitholders dated 10 November 2010.

The actual distribution to unitholders for FY 2011 increased compared to forecast stated in our circular to unitholders dated 10 November 2010 mainly due to gain on divestment of Adam Road property.

**10. Commentary on the competitive conditions of the industry**

Despite the volatile economic climate, the Trust's resilient structure has been held out well, providing consistent growth across all its. First REIT believes that all healthcare market in Asia is largely underserved and continues to hold potential growth prospects. For this reason, First REIT will continue to explore yield-accretive acquisitions in Asia.

Going forward, First REIT expects Indonesia to remain a key focus, and the Trust sees strong potential as Indonesia's consumption growth continues to grow, which invariably will increase the demand for quality healthcare services. We have been in discussions with its sponsor PT Lippo Karawaci Tbk to acquire some of its upcoming properties on which it has a right of first refusal.

Singapore's ageing population and current "bed shortage" will continue to drive the demand for more nursing homes and community hospitals. In recent years, the government has introduced further initiatives for improved palliative and tertiary care. First REIT's three nursing homes remain well positioned to respond to the resultant opportunities. As part of its asset enhancement strategy for its properties, the Trust is adding a new 5-storey extension block at The Lentor Residence which is slated for completion in the second half of 2012.

In FY 2011, First REIT acquired a nursing and rehabilitative hospital in South Korea, a country which boasts one of the highest quality healthcare systems in Asia, supported by top-notch medical

**FIRST REAL ESTATE INVESTMENT TRUST**  
**2011 FULL YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

professionals, facilities and technology. South Korea is also experiencing a rapidly ageing population, which will see strong demand for nursing and rehabilitative services there as well.

Even after its recent acquisitions, First REIT enjoys a relatively low debt-to-property valuation ratio of 16.0%, which is significantly lower than the regulatory limit of 35%. First REIT will therefore have sufficient headroom to pursue further acquisitions to strengthen its property portfolio when the opportunity arises.

Barring any unforeseen circumstances, the Manager does not expect any significant or adverse changes to First REIT's performance in 2012.

**11. Distributions**

11(a) Current financial period reported on

Any distributions declared for the current financial period? Yes

Distribution Type

Name of Distribution (a) Distribution for the period from 1 October 2011 to 31 December 2011

i. Distribution Type Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.08
Tax-Exempt Income	1.19
Capital	0.32
Other Gain	0.34
Total	1.93

Note:

The other gain distribution is a portion of the total gain on divestment of the Adam Road property of about S\$8.7 million. The balance will be distributed to unitholders at the discretion of the Manager of First REIT in future periods.

Distribution per unit for 4Q 2011 is based on the enlarged units base after rights issue on December 2010 and is in line with the forecast stated in our circular to unitholders dated 10 November 2010.

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

**FIRST REAL ESTATE INVESTMENT TRUST**  
**2011 FULL YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

**11. Distributions (cont'd)**

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.

Other Gain Distribution

Distribution of other gain is not a taxable distribution to the unitholders.

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 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

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 at 5.00p.m. on 3 February 2012 for the purposes of determining each Unitholder's entitlement to First REIT's distribution. The ex-dividend date will be on 1 February 2012 at 9.00am.

11(d) Date Payable: 29 February 2012

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

Not applicable.

**FIRST REAL ESTATE INVESTMENT TRUST**  
**2011 FULL YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

**13. If no IPT mandate has been obtained, a statement to that effect**

First REIT has not obtained a general mandate from unitholders.

**14. 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 areas.

	<b>Indonesia</b>	<b>Singapore</b>	<b>Korea</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2011</b>				
Gross revenue	50,173	3,028	805	54,006
Net property income	49,892	2,861	683	53,436
Interest income	46	58	-	104
Manager's management fees				(5,251)
Trustee fees				(193)
Finance costs				(3,778)
Other trust expenses				(1,696)
Net income before undernoted				42,622
Increase in fair values of investment properties	15,330	(225)	(679)	14,426
Gain on divestment of investment property	-	3,567	-	3,567
Net income for the year before income tax				60,615
Income tax	(10,771)	1,135	(28)	(9,664)
Total return for the year after income tax				50,951
<b>2010 (Restated)</b>				
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 before undernoted				23,544
Increase in fair values of investment properties	53,335	3,107	-	56,442
Net income for the year before income tax				79,986
Income tax	(9,958)	(528)	-	(10,486)
Total return for the year after income tax				69,500
<b>Assets and liabilities</b>				
<b>2011</b>				
Segment assets including properties	578,709	62,564	19,343	660,616
Total assets				660,616
<b>2010</b>				
Segment assets including properties	564,077	90,494	-	654,571
Total assets				654,571



**FIRST REAL ESTATE INVESTMENT TRUST**  
**2011 FULL YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

15. **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.

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

	<b>31 Dec 2011</b>	<b>31 Dec 2010</b>	<b>Changes</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>'%</b>
Gross revenue reported for first half year	26,403	(Restated) 14,994	76.1
Total return after income tax for first half year	21,946	9,456	132.1
Total return after income tax but before change in fair values of investment properties net of deferred tax for first half year, and includes deferred rental income from Adam Road property	21,946	10,056	118.2
Gross revenue reported for second half year	27,603	15,280	80.6
Total return after income tax for second half year	29,005	60,044	(51.7)
Total return after income tax but before change in fair values of investment properties net of deferred tax for second half year, and includes deferred rental income from Adam Road property	16,573	9,735	70.2

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

	<b>Latest Full Year</b>	<b>Previous Full Year</b>
	<b>\$'000</b>	<b>\$'000</b>
Distribution to unitholders	37,241	21,206

18. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual, Bowsprit Capital Corporation Limited the "**Company**", as manager of First Real Estate Investment Trust ("**First REIT**") wishes to confirm that there was no person occupying managerial position in the Company or any of its principal subsidiaries who is a relative of a Director or Chief Executive Officer or Substantial Shareholder of the Company or Substantial Unitholder of First REIT for the financial year ended 31 December 2011.

**FIRST REAL ESTATE INVESTMENT TRUST**  
**2011 FULL YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

---

**19. 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 2011:

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"), the shareholder loan repayment by the Singapore SPC and other gain relates to a portion of the total gain on divestment of the Adam Road property.
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 2011 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  
26 January 2012

---