

**FIRST REAL ESTATE INVESTMENT TRUST
2012 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 twelve 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) Siloam Hospitals Manado and Hotel Aryaduta Manado, 8) Siloam Hospitals Makassar, 9) Pacific Healthcare Nursing Home @ Bukit Merah, 10) Pacific Healthcare Nursing Home II @ Bukit Panjang, 11) The Lentor Residence and 12) Sarang Hospital.

Its hospital assets in Indonesia are operated by Siloam Hospitals Group, a division of PT Lippo Karawaci Tbk, a strong brand name in the Indonesian healthcare industry supported by a team of international healthcare professionals whereas The Imperial Aryaduta Hotel and Country Club and Hotel Aryaduta Manado are operated by The Aryaduta Hotel and Resort Group. 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.

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Summary of First REIT's Results

| | Group | | | | | |
|--|-------------------------|---------------------|--------------|-------------------------|---------------------|-------------|
| | Quarter | | | Full Year | | |
| | 4Q 2012 | 4Q 2011 | Change | 31 Dec 2012 | 31 Dec 2011 | Change |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Gross Revenue | 15,415 | 13,925 | 10.7% | 57,646 | 54,006 | 6.7% |
| Net Property Income | 15,291 | 13,773 | 11.0% | 57,236 | 53,436 | 7.1% |
| Distributable Amount | 11,060 | 9,940 | 11.3% | 41,690 | 39,584 | 5.3% |
| Distribution per unit (cts) | 1.72³ | 1.59 | 8.2% | 6.58³ | 6.33 | 3.9% |
| Annualised Distribution per unit (cts) | 6.58 ³ | 6.33 | 3.9% | 6.58 ³ | 6.33 | 3.9% |
| <u>(Including other gain)¹</u> | | | | | | |
| Distributable Amount | 11,060 ³ | 12,115 ² | (8.7%) | 46,040 ³ | 43,934 ² | 4.8% |
| Distribution per unit (cts) | 1.72 ³ | 1.93 ² | (10.9%) | 7.26 ³ | 7.01 ² | 3.6% |
| Annualised Distribution per unit (cts) | 7.26 ³ | 7.01 ² | 3.6% | 7.26 ³ | 7.01 ² | 3.6% |

Note:

- 1) The other gain distribution ("other gain") is the gain on divestment of the Adam Road property which was paid in 3Q 2011, 4Q 2011, 1Q 2012 and 2Q 2012.
- 2) Actual distribution paid for FY 2011 and this included the other gain distribution.
- 3)(a) 30,900,000 new units ("Private Placement Units") were issued on 26 November 2012. Unitholders on the register with CDP on 23 November 2012 ("Existing Unitholders") received an advance distribution on 26 December 2012, of 1.02 cents per unit for the period from 1 October 2012 to 25 November 2012. Thereafter, the Private Placement units will rank pari passu in all respects with the units in issue as at 25 November 2012, including the entitlements of all future distributions.
 - (b) The advance distribution of 1.02 cents per unit for the period from 1 October to 25 November 2012 paid on 26 December 2012 was calculated based on applicable number of units in issue as at 25 November 2012.
 - (c) The distributable amount for the period from 26 November 2012 to 31 December 2012 of 0.70 cents per unit is payable on 28 February 2013. Please refer to section 11 for more details on the distribution.

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

| | Group | | | | | |
|--|----------------|---------------|----------------|----------------|---------------|--------------|
| | Quarter | | | Full Year | | |
| | 4Q 2012 | 4Q 2011 | Change | 31 Dec 2012 | 31 Dec 2011 | Change |
| <u>S\$'000</u> | <u>S\$'000</u> | <u>%</u> | <u>S\$'000</u> | <u>S\$'000</u> | <u>%</u> | |
| Gross revenue | 15,415 | 13,925 | 10.7% | 57,646 | 54,006 | 6.7% |
| Property operating expenses | (124) | (152) | (18.4%) | (410) | (570) | (28.1%) |
| Net property income | 15,291 | 13,773 | 11.0% | 57,236 | 53,436 | 7.1% |
| Interest income | 30 | 28 | 7.1% | 132 | 104 | 26.9% |
| Manager's management fees | (1,537) | (1,351) | 13.8% | (5,633) | (5,251) | 7.3% |
| Trustee fees | (56) | (50) | 12.0% | (204) | (193) | 5.7% |
| Finance costs | (1,323) | (1,108) | 19.4% | (4,291) | (3,778) | 13.6% |
| Other expenses | (298) | (221) | 34.8% | (128) | (1,696) | (92.5%) |
| Net income before the undernoted | 12,107 | 11,071 | 9.4% | 47,112 | 42,622 | 10.5% |
| Increase in fair values of investment properties | 30,823 | 14,426 | 113.7% | 30,823 | 14,426 | 113.7% |
| Gain on divestment of investment property | - | - | - | - | 3,567 | - |
| Total return for the period/year before income tax | 42,930 | 25,497 | 68.4% | 77,935 | 60,615 | 28.6% |
| Income tax for the period/year | (5,914) | (4,208) | 40.5% | (12,691) | (9,664) | 31.3% |
| Total return for the period/year after income tax | 37,016 | 21,289 | 73.9% | 65,244 | 50,951 | 28.1% |
| Other comprehensive income: | | | | | | |
| Exchange differences on translating foreign operations, net of tax | 8 | (53) | NM | (869) | 1,093 | NM |
| Total comprehensive income for the period/year | 37,024 | 21,236 | 74.3% | 64,375 | 52,044 | 23.7% |

Note:

NM – Not meaningful

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1(a)(ii) Statement of Distribution

| | Group | | | | | |
|---|----------------|----------------|---------------|--------------------|--------------------|----------------|
| | Quarter | | | Full Year | | |
| | 4Q 2012 | 4Q 2011 | Change | 31 Dec 2012 | 31 Dec 2011 | Change |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Total return for the period/year after income tax | 37,016 | 21,289 | 73.9% | 65,244 | 50,951 | 28.1% |
| Adjustments for tax purposes: | | | | | | |
| - Manager's management fees settled in units | 1,268 | 1,072 | 18.3% | 4,567 | 4,499 | 1.5% |
| - Deferred rental income of property under asset enhancement | - | - | - | - | 172 | - |
| - Change in fair values of investment properties, net of deferred tax | (27,411) | (12,432) | 120.5% | (27,411) | (12,432) | 120.5% |
| - Gain on divestment of investment property, net of deferred tax | - | - | - | - | 4,063 | - |
| - Foreign exchange differences | (33) | 41 | NM | (996) | 1,182 | NM |
| - Others | 220 | (30) | NM | 286 | (124) | NM |
| Total available for distribution to Unitholders | 11,060 | 9,940 | 11.3% | 41,690 | 48,311 | (13.7%) |
| Unitholders' distribution: | | | | | | |
| - as distribution from operations | 8,671 | 7,925 | 9.4% | 33,133 | 31,807 | 4.2% |
| - as distribution of Unitholders' capital contribution | 2,389 | 2,015 | 18.6% | 8,557 | 7,777 | 10.0% |
| - as distribution from other gain | - | 2,175 | - | 4,350 | 4,350 | - |
| Distributable amount to Unitholders | 11,060 | 12,115 | (8.7%) | 46,040 | 43,934 | 4.8% |

Note:

NM – Not meaningful

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1(b)(i) Statement of Financial Position

| | Note | Group | | Trust | |
|---|------|----------------|----------------|----------------|----------------|
| | | 31 Dec 2012 | 31 Dec 2011 | 31 Dec 2012 | 31 Dec 2011 |
| | | <u>S\$'000</u> | <u>S\$'000</u> | <u>S\$'000</u> | <u>S\$'000</u> |
| Assets | | | | | |
| Non-current Assets | | | | | |
| Investment properties | 1 | 796,702 | 617,981 | 38,300 | 36,000 |
| Investments in subsidiaries | 2 | - | - | 465,923 | 324,531 |
| Loan receivable, non-current | | - | - | 67,166 | 71,356 |
| Deferred tax assets | | 606 | 472 | 606 | 472 |
| Total non-current assets | | 797,308 | 618,453 | 571,995 | 432,359 |
| Current Assets | | | | | |
| Trade and other receivables, current | | 9,646 | 8,315 | 2,503 | 2,240 |
| Loan receivable, current | | - | - | 4,191 | 4,191 |
| Other assets, current | | 1,376 | 1,123 | 12 | - |
| Cash and cash equivalents | 3 | 20,497 | 32,725 | 15,733 | 25,917 |
| Total current assets | | 31,519 | 42,163 | 22,439 | 32,348 |
| Total Assets | | 828,827 | 660,616 | 594,434 | 464,707 |
| Unitholders' Funds and Liabilities | | | | | |
| Unitholders' Fund | | | | | |
| Issued equity | 4 | 369,159 | 344,714 | 369,159 | 344,714 |
| Retained earnings | | 180,691 | 159,492 | (13,057) | 2,245 |
| Foreign currency translation reserve | | 224 | 1,093 | - | - |
| Total Unitholders' Funds | | 550,074 | 505,299 | 356,102 | 346,959 |
| Non-current Liabilities | | | | | |
| Deferred tax liabilities | | 33,771 | 30,225 | - | - |
| Other financial liabilities, non-current | 5 | 212,842 | 49,361 | 212,842 | 49,361 |
| Total non-current liabilities | | 246,613 | 79,586 | 212,842 | 49,361 |
| Current Liabilities | | | | | |
| Income tax payable | | 1,182 | 980 | - | - |
| Trade and other payables, current | 6 | 14,003 | 11,554 | 23,622 | 18,150 |
| Other financial liabilities, current | 4 | - | 48,430 | - | 48,430 |
| Other liabilities, current | 7 | 16,955 | 14,767 | 1,868 | 1,807 |
| Total current liabilities | | 32,140 | 75,731 | 25,490 | 68,387 |
| Total Liabilities | | 278,753 | 155,317 | 238,332 | 117,748 |
| Total Unitholders' Funds and Liabilities | | 828,827 | 660,616 | 594,434 | 464,707 |

Note:

- Investment properties increased from S\$618.0 million to S\$796.7 million mainly due to the acquisition of Siloam Hospitals Manado and Hotel Ayaduta Manado ("MD property") and Siloam Hospitals Makassar ("SHMK") on 30 November 2012.
- Investments in subsidiaries increased from S\$324.5 million to S\$465.9 million mainly due to the acquisition of MD property and SHMK.
- Cash and cash equivalents decreased from S\$32.7 million to S\$20.5 million mainly due to the distribution of the gain on divestment of Adam Road property and the advance distribution for the period from 1 October 2012 to 25 November 2012 paid on 26 December 2012.

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4. Issued equity increased from S\$344.7 million to S\$369.2 million mainly due to the private placement completed on 26 November 2012.
5. Other financial liabilities, non-current and current, increased from S\$97.8 million to S\$212.8 million mainly due to drawdown of S\$118.0 million from the S\$168.0 million Term Loan Facility for the acquisition of MD property and SHMK.

The Group has also drawdown the other S\$50 million from the S\$168.0 million Term Loan Facility to refinance the term loan facilities due on 30 November 2012.

6. Trade and other payables, current, increased from S\$11.6 million to S\$14.0 million mainly due to the provision of acquisition and private placement related costs.
7. Other liabilities, current increased from S\$14.8 million to S\$17.0 million mainly due to the advance rental from MD property and SHMK.

1(b)(ii) Borrowings and Debt Securities

| | Group | | Trust | |
|---|----------------|----------------|----------------|----------------|
| | 31 Dec 2012 | 31 Dec 2011 | 31 Dec 2012 | 31 Dec 2011 |
| | <u>S\$'000</u> | <u>S\$'000</u> | <u>S\$'000</u> | <u>S\$'000</u> |
| Secured Borrowings | | | | |
| Amount repayable after one year | 215,655 | 50,000 | 215,655 | 50,000 |
| Less: Transaction costs in relation to Term Loan Facility | (2,813) | (639) | (2,813) | (639) |
| Total Borrowings after one year | 212,842 | 49,361 | 212,842 | 49,361 |
| Amount repayable within one year | - | 48,652 | - | 48,652 |
| Less: Transaction costs in relation to Term Loan Facility | - | (222) | - | (222) |
| Total Borrowings within one year | - | 48,430 | - | 48,430 |

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

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1(c) Statement of Cash Flows

| | Group | |
|---|--------------------|--------------------|
| | 31 Dec 2012 | 31 Dec 2011 |
| | Note | S\$'000 |
| Cash flows from operating activities | | |
| Total return before income tax | 77,935 | 60,615 |
| Interest income | (132) | (104) |
| Interest expense | 3,821 | 3,202 |
| Amortisation of borrowing costs | 470 | 576 |
| Unrealised foreign exchange differences | (996) | 1,182 |
| Increase in fair values of investment properties | (30,823) | (14,426) |
| 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 | 1,429 | 350 |
| Manager's management fees settled in units | 4,567 | 4,499 |
| Operating cash flows before changes in working capital | 56,271 | 52,797 |
| Trade and other receivables, current | (1,292) | 3,683 |
| Other assets, current | (253) | 1,062 |
| Trade and other payables, current | 1,958 | (6,378) |
| Other liabilities | 2,164 | (171) |
| Net cash flows from operating activities before income tax | 58,848 | 50,993 |
| Income tax paid | (9,077) | (8,420) |
| Net cash flows from operating activities | 49,771 | 42,573 |
| Cash flows from investing activities | | |
| Interest received | 137 | 99 |
| Divestment of investment property | 1 - | 33,000 |
| Increase in investment properties | 2 (148,787) | (69,034) |
| Net cash flows used in investing activities | (148,650) | (35,935) |
| Cash flows from financing activities | | |
| Increase in borrowings | 3 115,577 | 66,082 |
| Repayment of borrowings | 4 - | (27,400) |
| Net proceeds from private placement | 5 28,175 | - |
| Interest paid | (3,526) | (2,947) |
| Distribution to the unitholders | (53,575) | (37,241) |
| Net cash flows from/(used in) financing activities | 86,651 | (1,506) |
| Net (decrease)/increase in cash and cash equivalents | (12,228) | 5,132 |
| Cash and cash equivalents at beginning of the year | 32,725 | 27,593 |
| Cash and cash equivalents at end of the year | 20,497 | 32,725 |

Note:

- 1) The divestment of investment property came from the sale of the Adam Road property in 1Q 2011.
- 2) For FY 2012, the increase in investment properties mainly due to the acquisition of MD property and SHMK in 4Q 2012. In FY 2011, the increase in investment properties relates mainly to the payment of the withholding sum for acquisition of the Mochtar Riady Comprehensive Cancer Centre ("MRCCC") in 1Q 2011 and the acquisition of Sarang Hospital in South Korea in 3Q 2011.
- 3) The increase in borrowings in 2012 relates to the drawdown of loan for the acquisition of MD property and SHMK. The increase in borrowings in 2011 relates to the drawdown of loan for payment of the withholding sum for the acquisition of MRCCC in 1Q and the acquisition of Sarang Hospital in 3Q.
- 4) The repayment of borrowings came from the divestment of the Adam Road property in 1Q 2011.

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5) This relates to the net proceeds received from the private placement in 4Q 2012.

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

| | Issued Equity | Retained Earnings | Foreign Currency Translation Reserve | Total |
|---|--------------------------|------------------------------|---|----------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Group | | | | |
| Opening balance as at 1 Jan 2012 | 344,714 | 159,492 | 1,093 | 505,299 |
| Total comprehensive income for the year | - | 65,244 | (869) | 64,375 |
| Private placement net of related costs | 28,175 | - | - | 28,175 |
| Manager's management fees settled in units | 4,371 | - | - | 4,371 |
| Manager's acquisition fees settled in units | 1,429 | - | - | 1,429 |
| Distribution to unitholders | (9,530) | (44,045) | - | (53,575) |
| Closing balance as at 31 Dec 2012 | 369,159 | 180,691 | 224 | 550,074 |
| Opening balance as at 1 Jan 2011 | | | | |
| | 346,350 | 132,742 | - | 479,092 |
| Adjustments to opening balance | - | 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) |
| Closing balance as at 31 Dec 2011 | 344,714 | 159,492 | 1,093 | 505,299 |
| Trust | | | | |
| Opening balance as at 1 Jan 2012 | 344,714 | 2,245 | - | 346,959 |
| Total comprehensive income for the year | - | 28,743 | - | 28,743 |
| Private placement net of related costs | 28,175 | - | - | 28,175 |
| Manager's management fees settled in units | 4,371 | - | - | 4,371 |
| Manager's acquisition fees settled in units | 1,429 | - | - | 1,429 |
| Distribution to unitholders | (9,530) | (44,045) | - | (53,575) |
| Closing balance as at 31 Dec 2012 | 369,159 | (13,057) | - | 356,102 |
| Opening balance as at 1 Jan 2011 | | | | |
| | 346,350 | 2,660 | - | 349,010 |
| 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) |
| Closing balance as at 31 Dec 2011 | 344,714 | 2,245 | - | 346,959 |

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

| | Trust | | | |
|--|--------------------|--------------------|--------------------|--------------------|
| | Quarter | | Full Year | |
| | 4Q 2012 | 4Q 2011 | 31 Dec 2012 | 31 Dec 2011 |
| Balance at beginning of period/year | 631,528,484 | 626,398,818 | 627,680,294 | 622,195,888 |
| Unitholders transactions: | | | | |
| Manager's management fees paid in units | 1,114,925 | 1,281,476 | 4,963,115 | 5,484,406 |
| Issuance of private placement units | 30,900,000 | - | 30,900,000 | - |
| Manager's acquisition fees paid in units | 1,405,527 | - | 1,405,527 | - |
| Balance at end of period/year | 664,948,936 | 627,680,294 | 664,948,936 | 627,680,294 |
| New units to be issued | | | | |
| - Manager's management fees payable in units | 1,203,996 | 1,424,534 | 1,203,996 | 1,424,534 |
| Total issued and issuable units | 666,152,932 | 629,104,828 | 666,152,932 | 629,104,828 |

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 2012 | 31 Dec 2011 |
| Issued units at end of period/year | 664,948,936 | 627,680,294 |

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 2011.

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 ("FRS") and related Interpretations as issued by the Singapore Accounting Standards Council, which took effect from 1 January 2012, there has been no change in the accounting policies and methods of computation adopted by the Group.

The adoption of the new/revised FRS and interpretations did not have any material impact on the financial statements of the Group.

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

| | Group | | | |
|---|-------------|-----------------------|-------------|---------------------------|
| | Quarter | | Full Year | |
| | 4Q 2012 | 4Q 2011 (Restated) | 31 Dec 2012 | 31 Dec 2011 (Restated) |
| <u>Earnings per unit</u> | | | | |
| Weighted average number of units in issue | 646,384,213 | 628,914,705* | 635,626,661 | 627,104,192* |
| <u>Earnings per unit in cents</u> | | | | |
| Basic and fully diluted basis | 5.73 | 3.39* | 10.26 | 8.12* |
| <u>Distribution per unit</u> | | | | |
| Number of units in issue | 664,948,936 | 627,680,294 | 664,948,936 | 627,680,294 |
| <u>Distribution per unit in cents</u> | | | | |
| Based on the number of units in issue at the end of the period/year | 1.72 | 1.93 | 7.26 | 7.01 |

Note:

* The weighted average number of units in issue for 4Q 2011 and YTD 31 Dec 2011 have been restated to include the dilutive effect of the private placement.

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

| | Group | | Trust | |
|---|-------------|-------------|-------------|-------------|
| | 31 Dec 2012 | 31 Dec 2011 | 31 Dec 2012 | 31 Dec 2011 |
| Net asset value per unit (cents) | 82.72 | 80.50 | 53.55 | 55.28 |

8. Review of the performance

4Q 2012 vs 4Q 2011

Gross revenue for 4Q 2012 increased by 10.7% to S\$15.4 million compared to 4Q 2011 mainly due to higher rental income from the existing properties and the maiden contributions from two new properties namely Siloam Hospitals Manado and Hotel Aryaduta Manado (“MD property”) and Siloam Hospitals Makassar (“SHMK”) acquired in November 2012.

Property operating expenses for 4Q 2012 decreased by 18.4% to S\$124,000 compared to 4Q 2011 mainly due to lower operating expenses from the existing properties partly offset by the operating expenses from the two new properties.

Interest income for 4Q 2012 increased by 7.1% to S\$30,000 compared to 4Q 2011 mainly due to higher amount of fixed deposits and interest rates.

Management fees for 4Q 2012 increased by 13.8% to S\$1.5 million compared to 4Q 2011 mainly due to higher net property income and total assets value as a result of the acquisition of the two new properties.

Trustee fees for 4Q 2012 increased by 12.0% to S\$56,000 compared to 4Q 2011 mainly due to higher total assets value as a result of the acquisition of the two new properties.

Finance costs for 4Q 2012 increased by 19.4% to S\$1.3 million compared to 4Q 2011 mainly due to higher loan amount to finance the acquisition of MD property and SHMK.

Other expenses for 4Q 2012 increased by 34.8% to S\$298,000 compared to 4Q 2011 mainly due to the acquisition and private placement related costs incurred in Q4 2012.

Income tax for 4Q 2012 increased by 40.5% to S\$5.9 million compared to 4Q 2011 because of higher deferred tax arising from the fair value gain on revaluation of investment properties.

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Total return for 4Q 2012 increased by 73.9% to S\$37.0 million compared to 4Q 2011 mainly due to higher fair value gain on revaluation of investment properties.

Total return for 4Q 2012 (excludes fair value gain revaluation) increased by 7.9% to S\$9.6 million compared to 4Q 2011 of S\$8.9 million mainly due to higher rental income from existing properties and the maiden contributions from the two new properties, which were acquired in November 2012.

FY 2012 vs FY 2011

Gross revenue for FY 2012 increased by 6.7% to S\$57.6 million compared to FY 2011 mainly due to higher rental income from the existing properties and the maiden contribution from the MD property and SHMK which were acquired in November 2012.

Property operating expenses for FY 2012 decreased by 28.1% to S\$410,000 compared to FY 2011 mainly due to the refund of property taxes for The Lantor Residence partly offset by the expenses incurred for the MD property and SHMK.

Interest income for FY 2012 increased by 26.9% to S\$132,000 compared to FY 2011 mainly due to higher amount of fixed deposits and interest rates.

Management fees for FY 2012 increased by 7.3% to S\$5.6 million compared to FY 2011 mainly due to higher net property income and total assets value as a result of the acquisition of the two new properties.

Trustee fees for FY 2012 increased by 5.7% to S\$204,000 compared to FY 2011 mainly due to higher total assets value as a result of the acquisition of the two new properties.

Finance costs for FY 2012 increased by 13.6% to S\$4.3 million compared to FY 2011 mainly due to higher loan amount to finance the acquisition of MD property and SHMK.

Other expenses for FY 2012 decreased by 92.5% to S\$128,000 compared to FY 2011 mainly due to unrealised exchange gain on USD loan translated at end of the year.

Income tax for FY 2012 increased by 31.3% to S\$12.7 million compared to FY 2011 because of higher deferred tax arising from the fair value gain on revaluation of investment properties.

Total return for FY 2012 increased by 28.1% to S\$65.2 million compared to FY 2011 mainly due to higher fair value gain on revaluation of investment properties.

Total return for FY 2012 (excludes fair value gain revaluation and gain on divestment of Adam Road property) increased by 8.0% to S\$37.8 million compared to FY 2011 of S\$35.0 million mainly due to higher rental income from the existing properties and maiden contributions from the two new properties, which were acquired in November 2012.

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

First REIT has not disclosed any forecast to the market.

10. Commentary on the competitive conditions of the industry

The expanded portfolio of 12 properties predominantly in Indonesia, serves to strengthen First REIT's income streams. Its increased asset base will also enhance its overall capital management flexibility and serves to facilitate future acquisitions.

Going forward, while steady rental income is expected from its expanded stable of hospitals and healthcare facilities, First REIT continues to be on an expansion path to grow and diversify its portfolio. It continues in its search for more yield-accretive, quality healthcare assets in Asia to achieve a target portfolio size of S\$1 billion in the short and medium term, from the current S\$796.7 million.

Strong economic growth in the Asia Pacific region, in particular, Indonesia, where First REIT has a foothold, continues to drive the demand for quality healthcare facilities. Indonesia, Southeast Asia's largest economy, has shown remarkable economic growth in 2012, and is focused on driving domestic consumption.

In Indonesia, the demand for quality medical services is expected to grow, driven by a growing middle-class segment of affluent consumers, a shortage of hospital beds, particularly for private hospitals of international standards, and the government's on-going initiative to attain universal health coverage for its population. Younger Indonesian consumers are attracted to local hospitals which practice international healthcare standards like the Siloam Hospitals Group, the largest and most prominent hospital group in Indonesia, owned by First REIT's sponsor, Lippo Karawaci. Lippo Karawaci has a strong pipeline of 17 hospitals to-date to which First REIT has right-of-first-refusal, providing a steady and strong pipeline of healthcare assets available for acquisition.

Barring any unforeseen circumstances, the Manager does not expect any significant or adverse changes to First REIT's performance in 2013.

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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 26 November 2012 to 31 December 2012

i. Distribution Type Income / Capital

| Distribution Type | Distribution Rate (cents per unit) |
|-------------------|---------------------------------------|
| Taxable Income | 0.03 |
| Tax-Exempt Income | 0.50 |
| Capital | 0.17 |
| Total | 0.70 |

Note:

The advance distribution for the period from 1 October 2012 to 25 November 2012 of 1.02 cents per units was paid on 26 December 2012. Please refer to the announcement dated 30 November 2012 for details of the advance distribution.

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.

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11. Distributions (cont'd)

11(b) Corresponding period of the immediately preceding period

Any distributions declared for the corresponding period of the immediate preceding period? Yes
 However, the distributions relate to the period from 1 October 2011 to 31 December 2011 as there was no similar advance distribution.

Distribution Type

Name of Distribution 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 |

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.

Other Gain Distribution

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

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 31 January 2013 for the purposes of determining each Unitholder's entitlement to First REIT's distribution. The ex-dividend date will be on 29 January 2013 at 9.00am.

11(d) Date Payable: 28 February 2013

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

Not applicable.

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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.

| | Indonesia | Singapore | Korea | Total |
|--|------------------|------------------|---------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| 2012 | | | | |
| Gross revenue | 52,602 | 3,089 | 1,955 | 57,646 |
| Net property income | 52,319 | 3,132 | 1,785 | 57,236 |
| Interest income | 40 | 84 | 8 | 132 |
| Manager's management fees | | | | (5,633) |
| Trustee fees | | | | (204) |
| Finance costs | | | | (4,291) |
| Other trust expenses | | | | (128) |
| Net income before undernoted | | | | 47,112 |
| Increase in fair values of investment properties | 33,444 | (787) | (1,834) | 30,823 |
| Net income for the year before income tax | | | | 77,935 |
| Income tax | (12,786) | 134 | (39) | (12,691) |
| Total return for the year after income tax | | | | 65,244 |
| 2011 | | | | |
| 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 |

| Assets and liabilities | Indonesia | Singapore | Korea | Total |
|-------------------------------------|------------------|------------------|---------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| 2012 | | | | |
| Segment assets including properties | 756,530 | 55,118 | 17,179 | 828,827 |
| Total assets | | | | 828,827 |
| 2011 | | | | |
| Segment assets including properties | 578,709 | 62,564 | 19,343 | 660,616 |
| Total assets | | | | 660,616 |

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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:-**

| | 31 Dec 2012 | 31 Dec 2011 | Changes |
|--|--------------------|--------------------|----------------|
| | \$'000 | \$'000 | '% |
| Gross revenue reported for first half year | 28,042 | 26,403 | 6.2 |
| Total return after income tax for first half year | 18,282 | 21,946 | (16.7) |
| Total return after income tax but before change in fair values of investment properties net of deferred tax for first half year | 18,282 | 21,946 | (16.7) |
| Gross revenue reported for second half year | 29,604 | 27,603 | 7.2 |
| Total return after income tax for second half year | 46,962 | 29,005 | 61.9 |
| Total return after income tax but before change in fair values of investment properties net of deferred tax for second half year | 19,551 | 16,573 | 18.0 |

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 :**

| | Latest Full Year | Previous Full Year |
|-----------------------------|-------------------------|---------------------------|
| | \$'000 | \$'000 |
| Distribution to unitholders | 53,575 | 37,241 |

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 2012.

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 2012:

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") and the shareholder loan repayment by the Singapore SPC.
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 2012 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
23 January 2013
