

**FIRST REAL ESTATE INVESTMENT TRUST
2013 FIRST QUARTER 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.

FIRST REAL ESTATE INVESTMENT TRUST
2013 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

Summary of First REIT's results

	Group		
	1Q 2013	1Q 2012	Change
	S\$'000	S\$'000	%
Gross Revenue	17,516	14,009	25.0%
Net Property Income	17,115	13,867	23.4%
Distributable Amount	11,605	9,963	16.5%
Distribution per unit (cts)	1.74	1.59	9.4%
Annualised Distribution per unit (cts)	7.06	6.58	7.3%
<u>(Including other gain)¹</u>			
Distributable Amount	11,605	12,138	(4.4%)
Distribution per unit (cts)	1.74	1.93	(9.8%)
Annualised Distribution per unit (cts)	7.06	7.26 ²	(2.8%)

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 2012 which included the other gain distribution.

1(a)(i) Statement of Comprehensive Income

	Group		
	1Q 2013	1Q 2012	Change
	S\$'000	S\$'000	%
Gross revenue	17,516	14,009	25.0%
Property operating expenses	(401)	(142)	182.4%
Net property income	17,115	13,867	23.4%
Interest income	33	29	13.8%
Manager's management fees	(1,679)	(1,351)	24.3%
Trustee fees	(62)	(49)	26.5%
Finance costs	(2,109)	(1,056)	99.7%
Other (expenses)/income	(463)	266	NM
Total return for the period before income tax	12,835	11,706	9.6%
Income tax expense	(2,821)	(2,225)	26.8%
Total return for the period after income tax	10,014	9,481	5.6%
Other comprehensive income:			
Exchange differences on translating foreign operations, net of tax	239	(492)	NM
Total comprehensive income for the period	10,253	8,989	14.1%

FIRST REAL ESTATE INVESTMENT TRUST
2013 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

1(a)(ii) Statement of Distribution

	Group		
	1Q 2013	1Q 2012	Change
	S\$'000	S\$'000	%
Total return for the period after income tax	10,014	9,481	5.6%
Adjustments for tax purposes:			
- Manager's management fees settled in units	1,338	1,008	32.7%
- Foreign exchange adjustment loss/(gain)	268	(578)	NM
- Others	(15)	52	NM
Total available for distribution to Unitholders	11,605	9,963	16.5%
Unitholders' distribution:			
- as distributions from operations	8,669	7,915	9.5%
- as distribution of Unitholders' capital contribution	2,936	2,048	43.4%
- as distribution from other gain	-	2,175	-
Distribution amount to Unitholders	11,605	12,138	(4.4%)

Note :

NM – Not meaningful

FIRST REAL ESTATE INVESTMENT TRUST
2013 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

1(b)(i) Statements of Financial Position

Note	Group		Trust	
	31 Mar 2013	31 Dec 2012	31 Mar 2013	31 Dec 2012
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Assets				
Non-current Assets				
Investment properties	796,930	796,702	38,309	38,300
Investments in subsidiaries	-	-	464,015	465,923
Loan receivable, non-current	-	-	66,133	67,166
Deferred tax assets	606	606	606	606
Total non-current assets	797,536	797,308	569,063	571,995
Current Assets				
Trade and other receivables, current	7,884	9,646	2,435	2,503
Loan receivable, current	-	-	4,191	4,191
Other assets, current	1,514	1,376	141	12
Cash and cash equivalents	26,681	20,497	21,417	15,733
Total current assets	36,079	31,519	28,184	22,439
Total Assets	833,615	828,827	597,247	594,434
Unitholders' Funds and Liabilities				
Unitholders' Funds				
Issued equity	369,294	369,159	369,294	369,159
Retained earnings/(Accumulated losses)	187,174	180,691	(9,528)	(13,057)
Foreign exchange reserve	463	224	-	-
Total Unitholders' Funds	556,931	550,074	359,766	356,102
Non-current Liabilities				
Deferred tax liabilities	33,771	33,771	-	-
Other financial liabilities, non-current	213,301	212,842	213,301	212,842
Total non-current liabilities	247,072	246,613	213,301	212,842
Current Liabilities				
Income tax payable	1,260	1,182	-	-
Trade and other payable, current	12,515	14,003	22,260	23,622
Other liabilities, current	15,837	16,955	1,920	1,868
Total current liabilities	29,612	32,140	24,180	25,490
Total Liabilities	276,684	278,753	237,481	238,332
Total Unitholders' Funds and Liabilities	833,615	828,827	597,247	594,434

FIRST REAL ESTATE INVESTMENT TRUST
2013 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

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

	Group		Trust	
	31 Mar 2013	31 Dec 2012	31 Mar 2013	31 Dec 2012
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Secured Borrowings				
Amount repayable after one year	215,924	215,655	215,924	215,655
Less: Transaction costs in relation to Term Loan Facility	(2,623)	(2,813)	(2,623)	(2,813)
Total Borrowings, Non-current	213,301	212,842	213,301	212,842
Amount repayable within one year	-	-	-	-
Less: Transaction costs in relation to Term Loan Facility	-	-	-	-
Total Borrowings, Current	-	-	-	-

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

FIRST REAL ESTATE INVESTMENT TRUST
2013 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

1(c) Statement of Cash Flows

	Group	
	1Q 2013	1Q 2012
	<u>S\$'000</u>	<u>S\$'000</u>
Cash flows from operating activities		
Total return before income tax	12,835	11,706
Interest income	(33)	(29)
Interest expense	1,917	897
Amortisation of borrowing costs	191	159
Foreign exchange adjustment loss/(gain)	268	(578)
Manager's management fees settled in units	1,338	1,072
Operating cash flows before changes in working capital	16,516	13,227
Trade and other receivables, current	1,751	3,058
Other assets, current	(139)	(46)
Trade and other payables, current	(1,539)	(3,832)
Other liabilities	(1,117)	80
Net cash flows from operating activities before income tax	15,472	12,487
Income taxes paid	(2,742)	(2,224)
Net cash flows from operating activities	12,730	10,263
Cash flows from investing activities		
Interest received	39	30
Increase in investment properties	-	(618)
Net cash flows from/(used in) investing activities	39	(588)
Cash flows from financing activities		
Interest paid	(1,922)	(440)
Distribution to Unitholders	(4,663)	(12,141)
Net cash flows used in financing activities	(6,585)	(12,581)
Net increase/(decrease) in cash and cash equivalents	6,184	(2,906)
Cash and cash equivalents at beginning of the period	20,497	32,725
Cash and cash equivalents at end of the period	26,681	29,819

Note:

- 1) The increase in investment property was mainly due to the progress payment for the asset enhancement of The Lantor Residence.
- 2) The increase in interest paid was mainly due to higher loan amount drawdown as a result of the acquisition of Siloam Hospitals Makassar and Siloam Hospitals Manado & Hotel Aryaduta Manado in November 2012.
- 3) Distribution to Unitholders in 1Q 2013 was for the period from 26 November 2012 to 31 December 2012 paid in February 2013. Total Distribution for the quarter ending 31 December 2012 was about S\$11.1 million, inclusive of advance distribution for the period from 1 October 2012 to 25 November 2012 of about S\$6.5 million paid in December 2012. Distribution to Unitholders in 1Q 2012 was for the period from 1 October 2011 to 31 December 2011 paid in February 2012.

FIRST REAL ESTATE INVESTMENT TRUST
2013 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

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

	<u>Issued Equity</u>	<u>Retained Earnings</u>	<u>Foreign Exchange Reserve</u>	<u>Total Equity</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<u>Group</u>				
Opening balance as at 1 Jan 2013	369,159	180,691	224	550,074
Total comprehensive income for the period	-	10,014	239	10,253
Manager's management fees settled in units	1,267	-	-	1,267
Distribution to Unitholders	(1,132)	(3,531)	-	(4,663)
Closing balance as at 31 Mar 2013	369,294	187,174	463	556,931
<u>Opening balance as at 1 Jan 2012</u>				
Opening balance as at 1 Jan 2012	344,714	159,492	1,093	505,299
Total comprehensive income for the period	-	9,481	(492)	8,989
Manager's management fees settled in units	1,072	-	-	1,072
Distribution to Unitholders	(2,013)	(10,128)	-	(12,141)
Closing balance as at 31 Mar 2012	343,773	158,845	601	503,219
<u>Trust</u>				
Opening balance as at 1 Jan 2013	369,159	(13,057)	-	356,102
Total comprehensive income for the period	-	7,060	-	7,060
Manager's management fees settled in units	1,267	-	-	1,267
Distribution to Unitholders	(1,132)	(3,531)	-	(4,663)
Closing balance as at 31 Mar 2013	369,294	(9,528)	-	359,766
<u>Opening balance as at 1 Jan 2012</u>				
Opening balance as at 1 Jan 2012	344,714	2,245	-	346,959
Total comprehensive income for the period	-	7,481	-	7,481
Manager's management fees settled in units	1,072	-	-	1,072
Distribution to Unitholders	(2,013)	(10,128)	-	(12,141)
Closing balance as at 31 Mar 2012	343,773	(402)	-	343,371

FIRST REAL ESTATE INVESTMENT TRUST
2013 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

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

	Trust	
	1Q 2013	1Q 2012
Balance at beginning of period	664,948,936	627,680,294
Unitholders transactions:		
Issuance of new units	1,203,996	1,424,534
Issued units at end of period	666,152,932	629,104,828
New units to be issued		
- Manager's management fees payable in units	1,116,705	1,161,970
Total issued and issuable units	667,269,637	630,266,798

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 Mar 2013	31 Dec 2012
Issued units at end of period	666,152,932	664,948,936

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 2012.

FIRST REAL ESTATE INVESTMENT TRUST
2013 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

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 RAP7 (2012), the revised Statement of Recommended Accounting Practice 7 " Reporting Framework for Unit Trusts" issued by Institute of Certified Public Accountants of Singapore, which took effect from 1 July 2012, there has been no change in the accounting policies and methods of computation adopted by the Group.

The adoption of the revised recommended accounting practice 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	
	1Q 2013	1Q 2012 (Restated)
<u>Earnings per unit</u>		
Weighted average number of units in issue	665,858,622	630,604,262*
<u>Earnings per unit in cents</u>		
Basic and fully diluted basis	1.50	1.50
<u>Distribution per unit</u>		
Number of units in issue	666,152,932	629,104,828
<u>Distribution per unit in cents</u>		
Based on the number of units in issue at the end of the period	1.74	1.93

Note:

* The weighted average number of units in issue for 1Q 2012 has 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 Mar 2013	31 Dec 2012	31 Mar 2013	31 Dec 2012
Net asset value per unit (cents)	83.60	82.72	54.00	53.55

8. **Review of the performance**

1Q 2013 vs 1Q 2012

The result for this quarter includes the full quarter contribution from two of First REIT's latest properties (i.e. Siloam Hospitals Makassar ("SHMK") and Siloam Hospitals Manado & Hotel Aryaduta Manado ("MD property") which were acquired in November 2012).

Gross revenue for 1Q 2013 increased by 25.0% to S\$17.5 million compared to 1Q 2012, mainly due to the contribution from SHMK and MD property.

Property operating expenses for 1Q 2013 increased to S\$401,000 compared to 1Q 2012, mainly due to the expenses incurred for Sarang Hospital.

FIRST REAL ESTATE INVESTMENT TRUST
2013 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

Interest income for 1Q 2013 increased by 13.8% to S\$33,000 compared to 1Q 2012, mainly due to higher fixed deposits amount and interest rates.

Finance costs for 1Q 2013 increased by 99.7% to S\$2.1 million compared to 1Q 2012, mainly due to the higher loan amounts to part finance the acquisition of SHMK and MD property.

Other expenses for 1Q 2013 of S\$463,000 as compared to the other income for 1Q 2012 of S\$266,000, mainly due to unrealised exchange loss/gain on USD loan in the respective quarter.

Income tax for 1Q 2013 increased by 26.8% to S\$2.8 million compared to 1Q 2012, mainly due to the higher rental income.

As the result of the above, Total return after tax for 1Q 2013 increased by 5.6% to S\$10.0 million compared to 1Q 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.

The results for this quarter is in line with the commentary made in paragraph 10 of the previous quarter.

10. Commentary on the competitive conditions of the industry

The economic growth prospects for Asia Pacific are likely to remain strong in 2013. With rising affluence, ageing populations and increasing prevalence of chronic diseases, healthcare demand is expected to be sustained. In particular, Indonesia, Southeast Asia's largest economy, is expected to see steady growth in its healthcare expenditure, supported by the government's on-going initiative to attain universal health coverage for its population.

The growing affluence of the middle-class segment in Indonesia is driving strong demand for quality medical services. Increasingly, younger Indonesian consumers are uncompromising in their search for quality healthcare of international standards. The Siloam Group of Hospitals, the largest and most prominent hospital group in Indonesia, is well-positioned to cater to this middle to upper middle-income segment of the healthcare market. This, coupled with the current shortage of hospital beds of international standards, offers an opportunity for First REIT, which owns seven of the Siloam Hospitals.

In March 2013, First REIT announced the proposed acquisitions of two additional hospitals from the Siloam Group - Siloam Hospitals Bali in Bali and Siloam Hospitals TB Simatupang in South Jakarta. Upon completion of these acquisitions, First REIT will achieve its near-term target portfolio size of S\$1.0 billion from the current of about S\$800 million. The increased asset base will enhance First REIT's overall capital management flexibility which will help to facilitate future acquisitions.

Going forward, First REIT will continue on its expansion path by searching for more yield-accretive, quality healthcare assets in Asia. Its sponsor, Lippo Karawaci, has another 15 hospitals to which First REIT has first right of 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 for the rest of 2013.

FIRST REAL ESTATE INVESTMENT TRUST
2013 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

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 January 2013 to 31 March 2013

i. Distribution Type Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.07
Tax-Exempt Income	1.23
Capital	0.44
Total	1.74

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.

FIRST REAL ESTATE INVESTMENT TRUST
2013 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

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

Distribution Type

Name of Distribution Distribution for the period from 1 January 2012 to 31 March 2012

i. Distribution Type Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.14
Tax-Exempt Income	1.12
Capital	0.33
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.

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 from 5.00p.m. on 2 May 2013 for the purposes of determining each Unitholder's entitlement to First REIT's distribution. The ex-dividend date will be on 29 April 2013 at 9.00am.

11(d) Date Payable: 30 May 2013

FIRST REAL ESTATE INVESTMENT TRUST
2013 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

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

Not applicable.

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

First REIT has not obtained a general mandate from unitholders.

14. 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 March 2013:

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 March 2013 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.

15. Confirmation by the Board pursuant to Rule 705(4) of the Listing Manual

The Board of Directors of Bowsprit Capital Corporation Limited do hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render these interim financial results to be false or misleading in any material respect.

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 April 2013
