

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

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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 fourteen 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) Siloam Hospitals Bali, 10) Siloam Hospitals TB Simatupang, 11) Pacific Healthcare Nursing Home @ Bukit Merah, 12) Pacific Healthcare Nursing Home II @ Bukit Panjang, 13) The Lentor Residence and 14) 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			Year-to-date		
	2Q 2013	2Q 2012	Change	30 Jun 2013	30 Jun 2012	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>	20,125	14,033	43.4%	37,641	28,042	34.2%
<b>Net Property Income</b>	19,696	13,903	41.7%	36,811	27,770	32.6%
Distributable Amount	12,655	9,997	26.6%	24,260	19,660	23.4%
<b>Distribution per unit (cts)</b>	1.85	1.59	16.4%	3.59	3.18	12.9%
Annualised Distribution per unit (cts)	7.24	6.58	10.0%	7.24	6.58	10.0%
<b><u>(Including other gain)<sup>1</sup></u></b>						
Distributable Amount	12,655	12,172	4.0%	24,260	24,310	(0.2%)
Distribution per unit (cts)	1.85	1.93	(4.1%)	3.59	3.86	(7.0%)
Annualised Distribution per unit (cts)	7.24	7.26 <sup>2</sup>	(0.3%)	7.24	7.26 <sup>2</sup>	(0.3%)

**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 and which included the other gain distribution.
- 3)(a) 35,450,935 new units ("Consideration Units") were issued on 22 May 2013. Unitholders on the register with CDP on 21 May 2013 ("Existing Unitholders") received an advance distribution on 26 June 2013, of 0.99 cents per unit for the period from 1 April 2013 to 21 May 2013. Thereafter, the Consideration Units will rank pari passu in all respects with the units in issue as at 21 May 2013, including the entitlements of all future distributions.
  - (b) The advance distribution of 0.99 cents per unit for the period from 1 April 2013 to 21 May 2013 paid on 26 June 2013 was calculated based on applicable number of units in issue as at 21 May 2013.
  - (c) The distributable amount for the period from 22 May 2013 to 30 Jun 2013 of 0.86 cents per unit is payable on 29 August 2013. Please refer to section 11 for more details on the distribution.
- 4) Despite an increase of 5.5% in the total number of units in May 2013 as a result of the acquisition of Siloam Hospitals Bali and Siloam Hospitals TB Simatupang, DPU for 2Q 2013 increased by 16.4% to 1.85 cents compared to 2Q 2012

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

	Group					
	Quarter			Year-to-date		
	2Q 2013	2Q 2012	Change	30 Jun 2013	30 Jun 2012	Change
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
<b>Gross revenue</b>	<b>20,125</b>	<b>14,033</b>	<b>43.4%</b>	<b>37,641</b>	<b>28,042</b>	<b>34.2%</b>
Property operating expenses	(429)	(130)	230.0%	(830)	(272)	205.1%
<b>Net property income</b>	<b>19,696</b>	<b>13,903</b>	<b>41.7%</b>	<b>36,811</b>	<b>27,770</b>	<b>32.6%</b>
Interest income	40	36	11.1%	73	65	12.3%
Manager's management fees	(1,962)	(1,346)	45.8%	(3,641)	(2,697)	35.0%
Trustee fees	(74)	(49)	51.0%	(136)	(98)	38.8%
Finance costs	(2,811)	(1,020)	175.6%	(4,920)	(2,076)	137.0%
Other expenses	(665)	(462)	43.9%	(1,128)	(196)	475.5%
<b>Net income before the undernoted</b>	<b>14,224</b>	<b>11,062</b>	<b>28.6%</b>	<b>27,059</b>	<b>22,768</b>	<b>18.8%</b>
Gain on revaluation of investment properties *	27,783	-	-	27,783	-	-
<b>Total return for the period before income tax</b>	<b>42,007</b>	<b>11,062</b>	<b>279.7%</b>	<b>54,842</b>	<b>22,768</b>	<b>140.9%</b>
Income tax expense	(3,006)	(2,261)	33.0%	(5,827)	(4,486)	29.9%
<b>Total return for the period after income tax</b>	<b>39,001</b>	<b>8,801</b>	<b>343.1%</b>	<b>49,015</b>	<b>18,282</b>	<b>168.1%</b>
<b>Other comprehensive income:</b>						
Exchange differences on translating foreign operations, net of tax	258	251	2.8%	497	(241)	NM
<b>Total comprehensive income for the period</b>	<b>39,259</b>	<b>9,052</b>	<b>333.7%</b>	<b>49,512</b>	<b>18,041</b>	<b>174.4%</b>

Note:

NM – Not meaningful

\* The gain on revaluation of investment properties is due to acquisition of Siloam Hospitals Bali and Siloam Hospitals TB Simatupang in May 2013 which were at a discount to valuation.

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

	Group					
	Quarter			Year-to-date		
	2Q 2013	2Q 2012	Change	30 Jun 2013	30 Jun 2012	Change
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Total return for the period after income tax	39,001	8,801	343.1%	49,015	18,282	168.1%
Adjustments for tax purposes:						
- Manager's management fees settled in units	1,366	1,138	20.0%	2,704	2,146	26.0%
- Change in fair value of investment properties, net of deferred tax	(27,979)	-	-	(27,979)	-	-
- Foreign exchange adjustment gain	299	255	17.3%	567	(323)	NM
- Others	(32)	4	NM	(47)	56	NM
<b>Total available for distribution to Unitholders</b>	<b>12,655</b>	<b>10,198</b>	<b>24.1%</b>	<b>24,260</b>	<b>20,161</b>	<b>20.3%</b>
Unitholders' distribution:						
- as distribution from operations	8,830	7,947	11.1%	17,499	15,862	10.3%
- as distribution of Unitholders' capital contribution	3,825	2,050	86.6%	6,761	4,098	65.0%
- as distribution from other gain	-	2,175	-	-	4,350	-
<b>Distributable amount to Unitholders</b>	<b>12,655</b>	<b>12,172</b>	<b>4.0%</b>	<b>24,260</b>	<b>24,310</b>	<b>(0.2%)</b>

Note:

NM – Not meaningful

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

	Note	Group		Trust	
		30 Jun 2013 S\$'000	31 Dec 2012 S\$'000	30 Jun 2013 S\$'000	31 Dec 2012 S\$'000
<b>Assets</b>					
<b>Non-current Assets</b>					
Investment properties	1	1,018,587	796,702	38,309	38,300
Investments in subsidiaries	2	-	-	654,862	465,923
Loan receivable, non-current		-	-	65,088	67,166
Deferred tax assets		606	606	606	606
<b>Total non-current assets</b>		<b>1,019,193</b>	<b>797,308</b>	<b>758,865</b>	<b>571,995</b>
<b>Current Assets</b>					
Trade and other receivables, current	3	27,765	9,646	2,718	2,503
Loan receivable, current		-	-	4,191	4,191
Other assets, current		1,808	1,376	202	12
Cash and cash equivalents		22,103	20,497	16,774	15,733
<b>Total current assets</b>		<b>51,676</b>	<b>31,519</b>	<b>23,885</b>	<b>22,439</b>
<b>Total Assets</b>		<b>1,070,869</b>	<b>828,827</b>	<b>782,750</b>	<b>594,434</b>
<b>Unitholders' Funds and Liabilities</b>					
<b>Unitholders' Fund</b>					
Issued equity	4	417,865	369,159	417,865	369,159
Retained earnings/(Accumulated losses)		212,630	180,691	(15,910)	(13,057)
Foreign exchange reserve		721	224	-	-
<b>Total Unitholders' Funds</b>		<b>631,216</b>	<b>550,074</b>	<b>401,955</b>	<b>356,102</b>
<b>Non-current Liabilities</b>					
Deferred tax liabilities		33,575	33,771	-	-
Other financial liabilities, non-current	5	312,861	212,842	312,861	212,842
<b>Total non-current liabilities</b>		<b>346,436</b>	<b>246,613</b>	<b>312,861</b>	<b>212,842</b>
<b>Current Liabilities</b>					
Income tax payable		1,392	1,182	-	-
Trade and other payables, current	6	31,787	14,003	24,284	23,622
Other financial liabilities, current	5	41,600	-	41,600	-
Other liabilities, current		18,438	16,955	2,050	1,868
<b>Total current liabilities</b>		<b>93,217</b>	<b>32,140</b>	<b>67,934</b>	<b>25,490</b>
<b>Total Liabilities</b>		<b>439,653</b>	<b>278,753</b>	<b>380,795</b>	<b>238,332</b>
<b>Total Unitholders' Funds and Liabilities</b>		<b>1,070,869</b>	<b>828,827</b>	<b>782,750</b>	<b>594,434</b>

Note:

- Investment properties increased from S\$796.7 million to S\$1.02 billion mainly due to the acquisition of Siloam Hospitals Bali ("SHBL") and Siloam Hospitals TB Simatupang ("SHTS") in May 2013.
- Investments in subsidiaries increased from S\$465.9 million to S\$654.9 million mainly due to the acquisition of SHBL and SHTS.
- Trade and other receivables, current increased from S\$9.6 million to S\$27.8 million mainly due to the tax refunds from the Indonesia tax authority payable to the vendors of SHBL and SHTS.

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4. Issued equity increased from S\$369.2 million to S\$417.9 million mainly due to issuance of units to complete the acquisition of SHTS in May 2013.
5. Other financial liabilities, current and non-current increased from S\$212.8 million to S\$354.5 million due to the drawdown of loan facility and the issuance of fixed rate notes to finance the acquisition of SHBL and SHTS.
6. Trade and other payables, current increased from S\$14.0 million to S\$31.8 million mainly due to the taxes refundable from the Indonesia tax authority to the vendors of SHBL and SHTS.

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

	<b>Group</b>		<b>Trust</b>	
	<b>30 Jun 2013</b>	<b>31 Dec 2012</b>	<b>30 Jun 2013</b>	<b>31 Dec 2012</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Amount repayable after one year</b>				
Secured	216,222	215,655	216,222	215,655
Unsecured	100,000	-	100,000	-
Less: Transaction costs in relation to Term Loan Facility/Notes	(3,361)	(2,813)	(3,361)	(2,813)
<b>Total Borrowings, Non-current</b>	<b>312,861</b>	<b>212,842</b>	<b>312,861</b>	<b>212,842</b>
<b>Amount repayable within one year</b>				
Secured	-	-	-	-
Unsecured	41,600	-	41,600	-
Less: Transaction costs in relation to Term Loan Facility/Notes	-	-	-	-
<b>Total Borrowings, Current</b>	<b>41,600</b>	<b>-</b>	<b>41,600</b>	<b>-</b>

**Details of Collaterals**

As security for the borrowings, the following have been granted in favour of the lenders :

- (a) a mortgage over all the investment properties except Sarang Hospital, Siloam Hospitals Bali and Siloam Hospitals TB Simatupang.
- (b) pledge of shares of all the subsidiaries except Kalmore (Korea) Limited, Kalmore Investments Pte Ltd, Globalink Investments Pte Ltd, Fortuna Capital Pte Ltd, Great Capital Pte Ltd and Key Capital Pte Ltd.

First REIT is finalizing a fixed rate loan to refinance the existing loans due in November 2013 and January 2015, which will be announced in due course.

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

	Group	
	2Q 2013	2Q 2012
	<u>Note</u>	<u>S\$'000</u>
<b>Cash flows from operating activities</b>		
Total return before income tax	42,007	11,062
Interest income	(40)	(36)
Interest expense	2,600	858
Amortisation of borrowing costs	211	162
Foreign exchange adjustment loss	299	255
Increase in fair value of investment properties	(27,783)	-
Manager's management fees settled in units	1,366	1,138
<b>Operating cash flows before changes in working capital</b>	<b>18,660</b>	<b>13,439</b>
Trade and other receivables, current	(19,854)	2,983
Other assets, current	(293)	(184)
Trade and other payables, current	18,736	(3,221)
Other liabilities, current	2,606	118
<b>Net cash flows from operating activities before income tax</b>	<b>19,855</b>	<b>13,135</b>
Income taxes paid	(3,070)	(2,231)
<b>Net cash flows from operating activities</b>	<b>16,785</b>	<b>10,904</b>
<b>Cash flows from investing activities</b>		
Interest received	38	44
Increase in investment properties	(141,703)	(622)
<b>Net cash flows used in investing activities</b>	<b>(141,665)</b>	<b>(578)</b>
<b>Cash flows from financing activities</b>		
Increase in borrowings	140,649	-
Interest paid	(2,131)	(1,372)
Distribution to Unitholders	(18,216)	(12,164)
<b>Net cash flows from/(used in) financing activities</b>	<b>120,302</b>	<b>(13,536)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(4,578)</b>	<b>(3,210)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>26,681</b>	<b>29,819</b>
<b>Cash and cash equivalents at end of the period</b>	<b>22,103</b>	<b>26,609</b>

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**1(c) Statement of Cash Flows (Cont'd)**

	Group	
	30 Jun 2013	30 Jun 2012
<b>Note</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from operating activities</b>		
Total return before income tax	54,842	22,768
Interest income	(73)	(65)
Interest expense	4,517	1,755
Amortisation of borrowing costs	402	321
Foreign exchange adjustment loss/(gain)	567	(323)
Increase in fair value of investment properties	(27,783)	-
Manager's management fees settled in units	2,704	2,146
<b>Operating cash flows before changes in working capital</b>	<b>35,176</b>	<b>26,602</b>
Trade and other receivables, current	(18,103)	6,041
Other assets, current	(432)	(230)
Trade and other payables, current	17,197	(6,989)
Other liabilities, current	1,489	198
<b>Net cash flows from operating activities before income tax</b>	<b>35,327</b>	<b>25,622</b>
Income taxes paid	(5,812)	(4,455)
<b>Net cash flows from operating activities</b>	<b>29,515</b>	<b>21,167</b>
<b>Cash flows from investing activities</b>		
Interest received	77	74
Increase in investment properties	(141,703)	(1,240)
<b>Net cash flows used in investing activities</b>	<b>(141,626)</b>	<b>(1,166)</b>
<b>Cash flows from financing activities</b>		
Increase in borrowings	140,649	-
Interest paid	(4,053)	(1,812)
Distribution to Unitholders	(22,879)	(24,305)
<b>Net cash flows from/(used in) financing activities</b>	<b>113,717</b>	<b>(26,117)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,606</b>	<b>(6,116)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>20,497</b>	<b>32,725</b>
<b>Cash and cash equivalents at end of the period</b>	<b>22,103</b>	<b>26,609</b>

Note:

- 1) The increase in fair value of investment properties relates to the acquisition of Siloam Hospitals Bali ("SHBL") and Siloam Hospitals TB Simatupang ("SHTS").
- 2) The increase in investment properties mainly due to the acquisition of SHBL and SHTS in May 2013.
- 3) The increase in borrowings relates to the drawdown of loan facility and issuance of fixed rate notes for the acquisition of SHBL and SHTS.
- 4) The increase in distribution for 2Q 2013 mainly due to advance distribution paid in June 2013.



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

	Group		Trust	
	2Q 2013	2Q 2012	2Q 2013	2Q 2012
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b>Balance at beginning of the financial period</b>	556,931	503,219	359,766	343,371
<b><u>Operations</u></b>				
Total return after tax	39,001	8,801	7,163	6,752
<b><u>Translation transactions</u></b>				
Net movement in foreign exchange reserve	258	251	-	-
<b><u>Unitholders' transactions</u></b>				
Manager's management fees paid in units	1,338	1,008	1,338	1,008
Manager's acquisition fees paid in units	1,904	-	1,904	-
Purchase consideration of investment property paid in units	50,000	-	50,000	-
Distribution to Unitholders	(18,216)	(12,164)	(18,216)	(12,164)
<b>Balance at end of the financial period</b>	631,216	501,115	401,955	338,967

	Group		Trust	
	30 Jun 2013	30 Jun 2012	30 Jun 2013	30 Jun 2012
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b>Balance at beginning of the financial year</b>	550,074	505,299	356,102	346,959
<b><u>Operations</u></b>				
Total return after tax	49,015	18,282	14,223	14,233
<b><u>Translation transactions</u></b>				
Net movement in foreign exchange reserve	497	(241)	-	-
<b><u>Unitholders' transactions</u></b>				
Manager's management fees paid in units	2,605	2,080	2,605	2,080
Manager's acquisition fees paid in units	1,904	-	1,904	-
Purchase consideration of investment property paid in units	50,000	-	50,000	-
Distribution to Unitholders	(22,879)	(24,305)	(22,879)	(24,305)
<b>Balance at end of the financial period</b>	631,216	501,115	401,955	338,967

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

	Trust			
	Quarter		Year-to-date	
	2Q 2013	2Q 2012	30 Jun 2013	30 Jun 2012
<b>Balance at beginning of period</b>	<b>666,152,932</b>	<b>629,104,828</b>	<b>664,948,936</b>	<b>627,680,294</b>
Unitholders transactions:				
- Manager's management fees paid in units	1,116,705	1,161,970	2,320,701	2,586,504
- Purchase consideration paid in units	35,450,935	-	35,450,935	-
- Manager's acquisition fees paid in units	1,377,613	-	1,377,613	-
<b>Balance at end of period</b>	<b>704,098,185</b>	<b>630,266,798</b>	<b>704,098,185</b>	<b>630,266,798</b>
New units to be issued				
- Manager's management fees payable in units	1,135,963	1,261,686	1,135,963	1,261,686
<b>Total issued and issuable units</b>	<b>705,234,148</b>	<b>631,528,484</b>	<b>705,234,148</b>	<b>631,528,484</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	
	30 Jun 2013	31 Dec 2012
<b>Issued units at end of period/year</b>	<b>704,098,185</b>	<b>664,948,936</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 2012.

**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 The Institute of Singapore Chartered Accountants, 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.

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

	Group			
	Quarter		Year-to-date	
	2Q 2013	2Q 2012	30 Jun 2013	30 Jun 2012
<b><u>Earnings per unit</u></b>		<b>(Restated)</b>		<b>(Restated)</b>
Weighted average number of units in issue	683,097,205	631,918,920*	674,525,534	631,261,591*
<b><u>Earnings per unit in cents</u></b>				
Basic and fully diluted basis	5.71	1.39	7.27	2.90
<b><u>Distribution per unit</u></b>				
Number of units in issue	704,098,185	630,266,798	704,098,185	630,266,798
<b><u>Distribution per unit in cents</u></b>				
Based on the number of units in issue at the end of the period	1.85	1.93	3.59	3.86

**Note:**

\* The weighted average number of units in issue for 2Q 2012 and YTD 30 June 2012 have been restated to include the dilutive effect of the private placement took place in November 2012.

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

	Group		Trust	
	30 Jun 2013	31 Dec 2012	30 Jun 2013	31 Dec 2012
<b>Net asset value per unit (cents)</b>	89.65	82.72	57.09	53.55

**8. Review of the performance**

2Q 2013 vs 2Q 2012

The result for this quarter includes the full quarter contribution from Siloam Hospitals Makassar (“SHMK”) and Siloam Hospitals Manado & Hotel Aryaduta Manado (“MD property”) which were acquired in November 2012, as well as partial maiden contribution from Siloam Hospitals Bali (“SHBL”) and Siloam Hospitals TB Simatupang (“SHTS”) which were acquired in May 2013.

Gross revenue for 2Q 2013 increased by 43.4% to S\$20.1 million compared to 2Q 2012, mainly due to the contribution from the four newly acquired properties.

Property operating expenses for 2Q 2013 increased to S\$429,000 compared to 2Q 2012, mainly due to the expenses incurred for Sarang Hospital.

Interest income for 2Q 2013 increased by 11.1% to S\$40,000 compared to 2Q 2012, mainly due to higher fixed deposits amount and interest rates.

Manager's management fees for 2Q 2013 increased by 45.8% to S\$2.0 million compared to 2Q 2012, mainly due to the higher net property income and total assets value as a result of the acquisition of four new properties .

Trustee fees for 2Q 2013 increased by 51.0% to S\$74,000 compared to 2Q 2012, mainly due to the higher total assets value as a result of the acquisition of four new properties.

Finance costs for 2Q 2013 increased to S\$2.8 million compared to 2Q 2012, mainly due to the higher loan amounts to finance the acquisition of the four new properties.

Other expenses for 2Q 2013 increased by 43.9% to S\$665,000 compared to 2Q 2012 mainly due to the costs related to the acquisition and multi-currency medium term note programme incurred in 2Q 2013.

Income tax for 2Q 2013 increased by 33.0% to S\$3.0 million compared to 2Q 2012, mainly due to higher rental income.

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Total return after tax for 2Q 2013 increased to S\$39.0 million compared to 2Q 2012 mainly due to contribution from the four newly acquired properties and the fair value gain on revaluation of the SHBL and SHTS. Excluding the fair value gain on revaluation net of deferred tax, total return after tax for 2Q 2013 increased by 25.2% to S\$11.0 million compared to 2Q 2012 mainly due to contributions from the four newly acquired properties.

1H 2013 vs 1H 2012

Gross revenue for 1H 2013 increased by 34.2% to S\$37.6 million compared to 1H 2012, mainly due to the contribution from the four newly acquired properties.

Property operating expenses for 1H 2013 increased to S\$830,000 compared to 1H 2012, mainly due to the expenses incurred for Sarang Hospital.

Interest income for 1H 2013 increased by 12.3% to S\$73,000 compared to 1H 2012, mainly due to higher fixed deposits amount and interest rates.

Manager's management fees for 1H 2013 increased by 35.0% to S\$3.6 million compared to 1H 2012, mainly due to the higher net property income and total assets value as a result of the acquisition of four new properties .

Trustee fees for 1H 2013 increased by 38.8% to S\$136,000 compared to 1H 2012, mainly due to the higher total assets value as a result of the acquisition of four new properties.

Finance costs for 1H 2013 increased to S\$4.9 million compared to 1H 2012, mainly due to the higher loan amounts to finance the acquisition of the four new properties.

Other expenses for 1H 2013 increased to S\$1.1 million compared to 1H 2012 mainly due to the acquisition and multi-currency medium term note programme related costs incurred in 2Q 2013 and unrealised exchange loss on USD loan.

Income tax for 1H 2013 increased by 29.9% to S\$5.8 million compared to 1H 2012, mainly due to higher rental income.

Total return after tax for 1H 2013 increased to S\$49.0 million compared to 1H 2012 mainly due to contribution from the four newly acquired properties and the fair value gain on revaluation of the SHBL and SHTS. Excluding the fair value gain on revaluation net of deferred tax, total return after tax for 1H 2013 increased by 15.1% to S\$21.0 million compared to 1H 2012 mainly due to contributions from the four newly acquired properties.

**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**

First REIT continues to maintain a strong foothold in Indonesia, the largest economy in Southeast Asia and a country with a growing healthcare market. Total healthcare expenditure in Indonesia is expected to rise approximately 14.0% between 2013 and 2015 to an estimated US\$27.0 billion<sup>1</sup>. This is driven by a combination of economic and demographic factors.

The growing affluence of the middle-class segment in Indonesia is driving strong demand for quality medical services. Increasingly, younger Indonesian consumers are seeking healthcare of higher quality. Life expectancy is higher and so is the number of older people in the population. Coupled with the current shortage of hospital beds of international standards and the government's on-going initiative to attain universal health coverage for its population, demand for quality healthcare is set to grow.

The Siloam Group of Hospitals, which is the largest and most prominent hospital group in Indonesia, is well-positioned to cater to the growing demand for healthcare and in particular, the middle to upper middle-income segment of the market. First REIT's Sponsor, Lippo Karawaci, has a strong pipeline of 14 hospitals to-date to which First REIT has right-of-first-refusal, providing a steady and strong pipeline of healthcare assets available for future acquisition.

With the growing healthcare market and a strong pipeline of hospitals from its Sponsor, First REIT will continue to look at expanding its footprints in Indonesia. At the same time, it will continue to search for more yield-accretive and quality healthcare assets in other parts of Asia to expand its portfolio size.

In addition, First REIT is also finalising a fixed-rate loan to refinance its existing loans due in November 2013 and January 2015, which will be announced in due course. With this, First REIT will be able to refinance its existing loans at a favourable interest rate.

Going forward, the Trust will also continue to explore asset enhancement initiatives with existing properties such as Siloam Hospitals Surabaya, Siloam Hospitals Kebon Jeruk and Imperial Aryaduta Hotel & Country Club.

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

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<sup>1</sup> Source: WHO, Frost & Sullivan

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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 (a) Distribution for the period from 1 April 2013 to 30 June 2013

i. Distribution Type Income / Capital

Period	<b>22 May 2013 to 30 June 2013 *</b>	1 April 2013 to 21 May 2013 #	<b>1 April 2013 to 30 June 2013 #</b>
Distribution Type	<b>Distribution Rate (cents per unit)</b>	Distribution Rate (cents per unit)	<b>Distribution Rate (cents per unit)</b>
Taxable Income	<b>0.05</b>	0.03	<b>0.08</b>
Tax-Exempt Income	<b>0.52</b>	0.70	<b>1.22</b>
Capital	<b>0.29</b>	0.26	<b>0.55</b>
Total	<b>0.86</b>	0.99	<b>1.85</b>

Note:

\* The distribution for the period from 22 May 2013 to 30 June 2013 of 0.86 cents per units will be paid on 29 August 2013.

# The advance distribution for the period from 1 April 2013 to 21 May 2013 of 0.99 cents per units was paid on 26 Jun 2013. Please refer to the announcement dated 22 May 2013 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

Distribution Type

Name of Distribution Distribution for the period from 1 April 2012 to 30 June 2012

i. Distribution Type Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.07
Tax-Exempt Income	1.19
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 at 5.00p.m. on 6 August 2013 for the purposes of determining each Unitholder's entitlement to First REIT's distribution. The ex-distribution date will be on 2 August 2013 at 9.00am.

11(d) Date Payable: 29 August 2013

**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 30 June 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 30 June 2013 and is verified by our external tax consultant.

First REIT's current distribution policy is to distribute at least 90.0% of its taxable and tax-exempt income (after deduction of applicable expenses) and certain 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  
26 July 2013