

**FIRST REAL ESTATE INVESTMENT TRUST
2013 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 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 & 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 PT Siloam International Hospitals Tbk, a subsidiary 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 & 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 2013	4Q 2012	Change	31 Dec 2013	31 Dec 2012	Change
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
Gross Revenue	22,839	15,415	48.2%	83,280	57,646	44.5%
Net Property Income	21,653	15,291	41.6%	80,208	57,236	40.1%
Distributable Amount	13,955	11,060	26.2%	52,086	41,690	24.9%
Distribution per unit (cts)	1.97	1.72	14.5%	7.52	6.58	14.3%
Annualised Distribution per unit (cts)	7.52	6.58	14.3%	7.52	6.58	14.3%
<u>(Including other gain)¹</u>						
Distributable Amount	13,955	11,060	26.2%	52,086	46,040	13.1%
Distribution per unit (cts)	1.97	1.72	14.5%	7.52	7.26 ²	3.6%
Annualised Distribution per unit (cts)	7.52	7.26 ²	3.6%	7.52	7.26 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 2012 and which included the other gain distribution.

Distribution Details

Distribution	1 October 2013 to 31 December 2013
Distribution type	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
Distribution rate	Total : 1.97 cents per unit (a) Taxable income distribution - 0.08 cents per unit (b) Tax-exempt income distribution - 1.24 cents per unit (c) Capital distribution - 0.65 cents per unit
Book closure date	27 January 2014 at 5.00 pm
Ex-dividend date	23 January 2014 at 9.00 am
Payment date	28 February 2014

Distribution Reinvestment Plan

On 9 January 2014, First REIT has announced the establishment of a distribution reinvestment plan ("DRP"), which will give Unitholders of First REIT the option to receive distributions in the form of fully-paid new units in First REIT in lieu of part only or all of the cash amount of any distribution to which the DRP applies. The DRP will apply to the above distribution.

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1(a)(i) Statement of Comprehensive Income

	Group					
	Quarter			Full Year		
	4Q 2013	4Q 2012	Change	31 Dec 2013	31 Dec 2012	Change
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Gross revenue	22,839	15,415	48.2%	83,280	57,646	44.5%
Property operating expenses [^]	(1,186)	(124)	NM	(3,072)	(410)	NM
Net property income	21,653	15,291	41.6%	80,208	57,236	40.1%
Interest income	46	30	53.3%	163	132	23.5%
Manager's management fees	(2,194)	(1,537)	42.7%	(7,977)	(5,633)	41.6%
Trustee fees	(83)	(56)	48.2%	(299)	(204)	46.6%
Finance costs*	(3,860)	(1,323)	191.8%	(12,373)	(4,291)	188.3%
Other expenses	(289)	(298)	(3.0%)	(1,692)	(128)	NM
Net income before the undernoted	15,273	12,107	26.2%	58,030	47,112	23.2%
Gain on revaluation of investment properties	33,551	30,823	8.9%	61,334	30,823	99.0%
Total return for the period/year before income tax	48,824	42,930	13.7%	119,364	77,935	53.2%
Income tax income/(expense)	7,869	(5,914)	NM	(1,532)	(12,691)	(87.9%)
Total return for the period/year after income tax	56,693	37,016	53.2%	117,832	65,244	80.6%
Other comprehensive income:						
Exchange differences on translating foreign operations, net of tax	(25)	8	NM	396	(869)	NM
Total comprehensive income for the period/year	56,668	37,024	53.1%	118,228	64,375	83.7%

Note:

NM – Not meaningful

The result for 4Q 2013 includes the full quarter contribution from Siloam Hospitals Manado & Hotel Aryaduta Manado ("MD property"), Siloam Hospitals Makassar ("SHMK"), Siloam Hospitals Bail ("SHBL") and Siloam Hospitals TB Simatupang ("SHTS") which were acquired in November 2012 and May 2013 respectively.

[^] Property operating expenses for 4Q 2013 and FY 2013 increased to S\$1.2 million and S\$3.1 million respectively compared to 4Q 2012 and FY 2012 due to the higher expenses incurred for Sarang Hospital, property tax for Lentor Residence, building management and building audit fees for Indonesia properties and higher professional fees. Property operating expenses for FY 2012 was also lower due to the property tax refund for The Lentor Residence.

* Finance costs for 4Q 2013 and FY 2013 increased to S\$3.9 million and S\$12.4 million respectively compared to 4Q 2012 and FY 2012 due to higher loans to finance the acquisition of the new properties. The Trust took up S\$141.6 million debts to part finance the acquisition of SHBL and SHTS in May 2013 and another S\$118.0 million loan to part finance the acquisition of MD property and SHMK in November 2012.

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1(a)(ii) Statement of Distribution

	Group					
	Quarter			Full Year		
	4Q 2013	4Q 2012	Change	31 Dec 2013	31 Dec 2012	Change
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Total return for the period/year after income tax	56,693	37,016	53.2%	117,832	65,244	80.6%
Adjustments for tax purposes:						
- Manager's management fees settled in units	1,682	1,268	32.6%	5,902	4,567	29.2%
- Change in fair value of investment properties, net of deferred tax	(45,022)	(27,411)	64.2%	(73,001)	(27,411)	166.3%
- Foreign exchange adjustment losses/(gain)	111	(33)	NM	586	(996)	NM
- Others	491	220	123.2%	767	286	168.2%
Total available for distribution to Unitholders	13,955	11,060	26.2%	52,086	41,690	24.9%
Unitholders' distribution:						
- as distribution from operations	9,361	8,671	8.0%	36,138	33,133	9.1%
- as distribution of Unitholders' capital contribution	4,594	2,389	92.3%	15,948	8,557	86.4%
- as distribution from other gain	-	-	-	-	4,350	-
Distributable amount to Unitholders	13,955	11,060	26.2%	52,086	46,040	13.1%

Note:

NM – Not meaningful

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1(b)(i) Statements of Financial Position

	Note	Group		Trust	
		31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
		S\$'000	S\$'000	S\$'000	S\$'000
Assets					
Non-current Assets					
Investment properties	1	1,052,266	796,702	39,100	38,300
Investments in subsidiaries	2	-	-	639,721	465,923
Loan receivable, non-current		-	-	62,976	67,166
Deferred tax assets		490	606	490	606
Total non-current assets		1,052,756	797,308	742,287	571,995
Current Assets					
Trade and other receivables, current	3	24,702	9,646	2,174	2,503
Loan receivable, current		-	-	4,191	4,191
Other assets, current		1,744	1,376	116	12
Cash and cash equivalents		29,331	20,497	25,091	15,733
Total current assets		55,777	31,519	31,572	22,439
Total Assets		1,108,533	828,827	773,859	594,434
Unitholders' Funds and Liabilities					
Unitholders' Fund					
Issued equity	4	414,109	369,159	414,109	369,159
Retained earnings/(Accumulated losses)		268,170	180,691	(21,936)	(13,057)
Foreign exchange reserve		620	224	-	-
Total Unitholders' Funds		682,899	550,074	392,173	356,102
Non-current Liabilities					
Deferred tax liabilities		21,988	33,771	-	-
Other financial liabilities, non-current	5	353,798	212,842	353,798	212,842
Total non-current liabilities		375,786	246,613	353,798	212,842
Current Liabilities					
Income tax payable		1,532	1,182	-	-
Trade and other payables, current	6	30,009	14,003	25,852	23,622
Other liabilities, current		18,307	16,955	2,036	1,868
Total current liabilities		49,848	32,140	27,888	25,490
Total Liabilities		425,634	278,753	381,686	238,332
Total Unitholders' Funds and Liabilities		1,108,533	828,827	773,859	594,434

Note:

- Investment properties increased from S\$796.7 million to S\$1.05 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\$639.7 million mainly due to the acquisition of SHBL and SHTS.
- Trade and other receivables, current increased from S\$9.6 million to S\$24.7 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\$414.1 million mainly due to issuance of units to complete the acquisition of SHTS in May 2013.
5. Other financial liabilities, non-current increased from S\$212.8 million to S\$354.0 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\$30.0 million mainly due to the taxes refundable from the Indonesia tax authority payable to the vendors of SHBL and SHTS.

1(b)(ii) Borrowings and Debt Securities

	Group		Trust	
	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable after one year				
Secured	257,842	215,655	257,842	215,655
Unsecured	100,000	-	100,000	-
Less: Transaction costs in relation to Term Loan Facility/Notes	(4,044)	(2,813)	(4,044)	(2,813)
Total Borrowings, Non-current	353,798	212,842	353,798	212,842
Amount repayable within one year				
Secured	-	-	-	-
Unsecured	-	-	-	-
Less: Transaction costs in relation to Term Loan Facility/Notes	-	-	-	-
Total Borrowings, Current	-	-	-	-

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.

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1(c) Statement of Cash Flows

	Group	
	4Q 2013	4Q 2012
	<u>Note</u>	<u>S\$'000</u>
Cash flows from operating activities		
Total return before income tax	48,824	42,930
Interest income	(46)	(30)
Interest expense	3,323	1,225
Amortisation of borrowing costs	538	98
Foreign exchange adjustment loss/(gain)	111	(33)
Increase in fair value of investment properties	(33,551)	(30,823)
Manager's management fees settled in units	1,682	1,268
Operating cash flows before changes in working capital	20,881	14,635
Trade and other receivables, current	1,773	(6,671)
Other assets, current	249	23
Trade and other payables, current	(1,828)	10,259
Other liabilities, current	55	2,142
Net cash flows from operating activities before income tax	21,130	20,388
Income taxes paid	(3,579)	(2,335)
Net cash flows from operating activities	17,551	18,053
Cash flows from investing activities		
Interest received	40	29
Increase in investment properties	1	(146,622)
Net cash flows used in investing activities	(141)	(146,593)
Cash flows from financing activities		
Increase in borrowings	2	115,577
Net proceeds from private placement	3	28,175
Interest paid	(4,071)	(509)
Distribution to unitholders	4	(17,082)
Net cash flows used in financing activities	(17,921)	126,161
Net decrease in cash and cash equivalents	(511)	(2,379)
Cash and cash equivalents at beginning of the period	29,842	22,876
Cash and cash equivalents at end of the period	29,331	20,497

Note:

- 1) For 4Q 2012, the increase in investment properties is mainly due to the acquisition of Siloam Hospitals Manado and Hotel Aryaduta Manado ("MD property") and Siloam Hospitals Makassar ("SHMK").
- 2) The increase in borrowings in 4Q 2012 relates to the drawdown of loan for the acquisition of MD property and SHMK.
- 3) This relates to the net proceeds received from the private placement in 4Q 2012 to part finance the acquisition of MD property and SHMK.
- 4) The decrease in distribution for 4Q 2013 is mainly due to advance distribution for the period from 1 October 2012 to 25 November 2012 being paid earlier in December 2012.

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

	Group	
	31 Dec 2013	31 Dec 2012
Note	S\$'000	S\$'000
Cash flows from operating activities		
Total return before income tax	119,364	77,935
Interest income	(163)	(132)
Interest expense	11,132	3,821
Amortisation of borrowing costs	1,241	470
Foreign exchange adjustment loss/(gain)	586	(996)
Increase in fair value of investment properties	(61,334)	(30,823)
Manager's management fees settled in units	5,902	4,567
Operating cash flows before changes in working capital	76,728	54,842
Trade and other receivables, current	(15,106)	(1,292)
Other assets, current	(368)	(253)
Trade and other payables, current	13,461	3,387
Other liabilities, current	1,352	2,164
Net cash flows from operating activities before income tax	76,067	58,848
Income taxes paid	(12,850)	(9,077)
Net cash flows from operating activities	63,217	49,771
Cash flows from investing activities		
Interest received	168	137
Increase in investment properties	(141,884)	(148,787)
Net cash flows used in investing activities	(141,716)	(148,650)
Cash flows from financing activities		
Increase in borrowings	140,649	115,577
Net proceeds from private placement	-	28,175
Interest paid	(10,522)	(3,526)
Distribution to unitholders	(42,794)	(53,575)
Net cash flows from financing activities	87,333	86,651
Net increase/(decrease) in cash and cash equivalents	8,834	(12,228)
Cash and cash equivalents at beginning of the year	20,497	32,725
Cash and cash equivalents at end of the year	29,331	20,497

Note:

- 1) The increase in investment properties is mainly to due to acquisition of Siloam Hospitals Bali ("SHBL") and Siloam Hospitals TB Simatupang ("SHTS") in 2Q 2013.
- 2) The increase in borrowings in FY 2013 relates to the drawdown of loan for the acquisition of SHBL and SHTS.
- 3) The decrease in distribution for 31 December 2013 is mainly due to other gain distribution being paid in Q1 2012 and Q2 2012 and the advance distribution for period from 1 October 2012 to 25 November 2012 being paid earlier in December 2012.

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

	Group		Trust	
	4Q 2013	4Q 2012	4Q 2013	4Q 2012
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Balance at beginning of the financial period	638,565	499,375	405,081	335,824
<u>Operations</u>				
Total return after tax	56,693	37,016	(574)	6,603
<u>Translation transactions</u>				
Net movement in foreign exchange reserve	(25)	8	-	-
<u>Unitholders' transactions</u>				
Manager's management fees paid in units	1,516	1,153	1,516	1,153
Manager's acquisition fees paid in units	-	1,429	-	1,429
Private placement net of related costs	-	28,175	-	28,175
Distribution to Unitholders	(13,850)	(17,082)	(13,850)	(17,082)
Balance at end of the financial period	682,899	550,074	392,173	356,102

	Group		Trust	
	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Balance at beginning of the financial year	550,074	505,299	356,102	346,959
<u>Operations</u>				
Total return after tax	117,832	65,244	21,474	28,743
<u>Translation transactions</u>				
Net movement in foreign exchange reserve	396	(869)	-	-
<u>Unitholders' transactions</u>				
Manager's management fees paid in units	5,487	4,371	5,487	4,371
Manager's acquisition fees paid in units	1,904	1,429	1,904	1,429
Purchase consideration of investment property paid in units	50,000	-	50,000	-
Private placement net of related costs	-	28,175	-	28,175
Distribution to Unitholders	(42,794)	(53,575)	(42,794)	(53,575)
Balance at end of the financial year	682,899	550,074	392,173	356,102

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

	Trust			
	Quarter		Full Year	
	4Q 2013	4Q 2012	31 Dec 2013	31 Dec 2012
Balance at beginning of period/year	705,234,148	631,528,484	664,948,936	627,680,294
Unitholders transactions:				
- Manager's management fees paid in units	1,395,305	1,114,925	4,851,969	4,963,115
- Purchase consideration paid in units	-	-	35,450,935	-
- Issuance of private placement units	-	30,900,000	-	30,900,000
- Manager's acquisition fees paid in units	-	1,405,527	1,377,613	1,405,527
Balance at end of period/year	706,629,453	664,948,936	706,629,453	664,948,936
New units to be issued				
- Manager's management fees payable in units	1,612,847	1,203,996	1,612,847	1,203,996
Total issued and issuable units	708,242,300	666,152,932	708,242,300	666,152,932

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 2013	31 Dec 2012
Issued units at end of period/year	706,629,453	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.

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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.

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

	Group			
	Quarter		Full Year	
	4Q 2013	4Q 2012	31 Dec 2013	31 Dec 2012
<u>Earnings per unit</u>				
Weighted average number of units in issue	706,265,460	646,384,213	693,448,811	635,626,661
<u>Earnings per unit in cents</u>				
Basic and fully diluted basis	8.03	5.73	16.99	10.26
<u>Distribution per unit</u>				
Number of units in issue	706,629,453	664,948,936	706,629,453	664,948,936
<u>Distribution per unit in cents</u>				
Based on the number of units in issue at the end of the period/year	1.97	1.72	7.52	7.26

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

	Group		Trust	
	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
	Net asset value per unit (cents)	96.64	82.72	55.50

8. **Review of the performance**

4Q 2013 vs 4Q 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"), as well as Siloam Hospitals Bali ("SHBL") and Siloam Hospitals TB Simatupang ("SHTS") which were acquired in November 2012 and May 2013 respectively.

Gross revenue for 4Q 2013 increased by 48.2% to S\$22.8 million compared to 4Q 2012, mainly due to the contribution from the newly-acquired properties.

Property operating expenses for 4Q 2013 increased to S\$1.2 million compared to 4Q 2012, mainly due to higher expenses incurred for Sarang Hospital, building management and building audit fees for Indonesia properties and higher professional fees.

Interest income for 4Q 2013 increased by 53.3% to S\$46,000 compared to 4Q 2012, mainly due to higher fixed deposits amount and interest rates.

Manager's management fees for 4Q 2013 increased by 42.7% to S\$2.2 million compared to 4Q 2012, mainly due to the higher net property income and total assets value.

Trustee fees for 4Q 2013 increased by 48.2% to S\$83,000 compared to 4Q 2012, mainly due to the higher total assets value.

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Finance costs for 4Q 2013 increased to S\$3.8 million compared to 4Q 2012, mainly due to the drawdown of higher loans to finance the acquisition of SHBL and SHTS. The Trust took up S\$141.6 million loan to part finance the acquisition of SHBL and SHTS in May 2013 and another S\$118.0 million loan to part finance the acquisition of MD property and SHMK in November 2012.

Income tax income for 4Q 2013 of S\$7.9 million as compared to income tax expense for 4Q 2012 of S\$5.9 million, mainly due to write back of provision for deferred tax on fair value gain on revaluation of investment properties in this quarter partly offset by higher rental income.

Total return after tax for 4Q 2013 increased by 53.2% to S\$56.7 million compared to 4Q 2012 mainly due to higher increase in the fair value gain on revaluation of investment properties and the write back of provision for deferred tax. Exclude fair value gain on revaluation of investment properties net of deferred tax, total return after tax for 4Q 2013 increased by 21.9% to S\$11.7 million compared to 4Q 2012 of S\$9.6 million mainly due to the acquisition of the new properties.

FY 2013 vs FY 2012

Gross revenue for FY 2013 increased by 44.5% to S\$83.3 million compared to FY 2012, mainly due to the contribution from the newly-acquired properties.

Property operating expenses for FY 2013 increased to S\$3.1 million compared to FY 2012, mainly due to higher expenses incurred for Sarang Hospital, building management and building audit fees for Indonesia properties, higher professional fees partly offset by the property tax refund for The Lentor Residence which was recognised in 3Q 2012.

Interest income for FY 2013 increased by 23.5% to S\$163,000 compared to FY 2012, mainly due to higher fixed deposits amount and interest rates.

Manager's management fees for FY 2013 increased by 41.6% to S\$8.0 million compared to FY 2012, mainly due to the higher net property income and total assets value as a result of the acquisition of the new properties.

Trustee fees for FY 2013 increased by 46.6% to S\$299,000 compared to FY 2012, mainly due to the higher total assets value.

Finance costs for FY 2013 increased to S\$12.4 million compared to FY 2012, mainly due to the higher loan drawdown to finance the acquisition of the new properties. The Trust took up S\$141.6 million loan to part finance the acquisition of SHBL and SHTS in May 2013 and another S\$118.0 million loan to part finance the acquisition of MD property and SHMK in November 2012.

Other expenses for FY 2013 increased to S\$1.7 million compared to FY 2012, mainly due to the acquisition and multi-currency medium term note programme related costs incurred in 2Q 2013 and unrealised exchange difference on USD loan.

Income tax for FY 2013 decreased by 87.9% to S\$1.5 million compared to FY 2012, mainly due to write back of provision for deferred tax on fair value gain on revaluation of investment properties.

Total return after tax for FY 2013 increased by 80.6% to S\$117.9 million compared to FY 2012 mainly due to higher fair value gain on revaluation of investment properties and write back of provision for deferred tax on fair value gain on revaluation of investment properties. Excluding the fair value gain on revaluation net of deferred tax, total return after tax for FY 2013 increased by 18.8% to S\$44.9 million compared to FY 2012 of S\$37.8 million mainly due to contributions from the new 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

On 31 December 2013, Indonesia launched its universal healthcare programme which provides healthcare insurance for all its citizens. The initial phase of its roll-out currently covers 121.6 million poor and unemployed Indonesians and public servants, and will be made available for all 250 million Indonesians by January 2019. This scheme will assure lower-income Indonesians get free outpatient and class III treatment – the lowest category of care.¹

With rising demand for healthcare services, the growing middle-class and the younger Indonesia consumers will be seeking for better quality and faster private medical facilities.

PT Siloam International Hospitals Tbk (“Siloam”), the largest and most prominent hospital group in Indonesia, is well-positioned to cater to this growing demand for better quality healthcare. First REIT currently owns nine of the Siloam hospitals and its Sponsor, PT Lippo Karawaci Tbk, has a strong pipeline of 24 hospitals to which First REIT has right-of-first-refusal, providing a steady and strong pipeline of healthcare assets available for future acquisitions.

Moving forward, First REIT will continue to look at expanding its footprint in Indonesia as the healthcare market broadens. Alongside acquisitions, it will also explore asset enhancement initiatives with existing properties such as Siloam Hospitals Surabaya, Siloam Hospitals Kebon Jeruk and Imperial Aryaduta Hotel & Country Club. Outside Indonesia, it will continue to search for more yield-accretive and quality healthcare assets in Asia to expand and diversify its portfolio.

Barring any unforeseen circumstances, the Manager does not expect any significant or adverse changes to First REIT’s performance in 2014.

¹*The Straits Times – Health insurance to cover all Indonesians, dated 13 January 2014*

FIRST REAL ESTATE INVESTMENT TRUST
2013 FULL YEAR 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 (a) Distribution for the period from 1 October 2013 to 31 December 2013

i. Distribution Type Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.08
Tax-Exempt Income	1.24
Capital	0.65
Total	1.97

On 9 January 2014, First REIT has announced the establishment of a distribution reinvestment plan("DRP") which unitholders may elect to receive new units of First REIT shares in lieu of part only or all of the cash amount of any distribution to which the plan applies. The DRP applies to above 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.

FIRST REAL ESTATE INVESTMENT TRUST
2013 FULL YEAR 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 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.

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 27 January 2014 for the purposes of determining each Unitholder's entitlement to First REIT's distribution. The ex-distribution date will be on 23 January 2014 at 9.00am.

11(d) Date Payable: 28 February 2014

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.

FIRST REAL ESTATE INVESTMENT TRUST
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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
2013				
Gross revenue	77,821	3,458	2,001	83,280
Net property income/(expense)	77,291	3,214	(297)	80,208
Interest income	58	105	-	163
Manager's management fees				(7,977)
Trustee fees				(299)
Finance costs				(12,373)
Other trust expenses				(1,692)
Net income before undernoted				58,030
Increase/(decrease) in fair values of investment properties	67,484	678	(6,828)	61,334
Net income for the year before income tax				119,364
Income tax expense	(1,399)	(115)	(18)	(1,532)
Total return for the year after income tax				117,832
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/(decrease) 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 income/(expense)	(12,786)	134	(39)	(12,691)
Total return for the year after income tax				65,244

	Indonesia	Singapore	Korea	Total
	\$'000	\$'000	\$'000	\$'000
Assets and liabilities				
2013				
Segment assets including properties	1,034,620	65,332	8,581	1,108,533
Total assets				1,108,533
2012				
Segment assets including properties	756,530	55,118	17,179	828,827
Total assets				828,827

**FIRST REAL ESTATE INVESTMENT TRUST
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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 2013	31 Dec 2012	Changes
	\$'000	\$'000	'%
Gross revenue reported for first half year	37,641	28,042	34.2
Total return after income tax for first half year	49,015	18,282	168.1
Total return after income tax but before change in fair values of investment properties net of deferred tax for first half year	21,036	18,282	15.1
Gross revenue reported for second half year	45,639	29,604	54.2
Total return after income tax for second half year	68,817	46,962	46.5
Total return after income tax but before change in fair values of investment properties net of deferred tax for second half year	23,795	19,551	21.7

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	42,794	53,575

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 2013.

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 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 December 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.

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
17 January 2014
