

**FIRST REAL ESTATE INVESTMENT TRUST  
2014 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 fifteen 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) Siloam Hospitals Purwakarta, 12) Pacific Healthcare Nursing Home @ Bukit Merah, 13) Pacific Healthcare Nursing Home II @ Bukit Panjang, 14) The Lantor Residence and 15) 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 Lantor Residence is operated by First Lantor 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 2014	2Q 2013	Change	30 Jun 2014	30 Jun 2013	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>	23,043	20,125	14.5%	45,511	37,641	20.9%
<b>Net Property Income</b>	22,723	19,696	15.4%	44,896	36,811	22.0%
Distributable Amount	14,371	12,655	13.6%	28,566	24,260	17.7%
<b>Distribution per unit (cts)</b>	2.00	1.85	8.1%	3.99	3.59	11.1%
Annualised Distribution per unit (cts)	8.05	7.52 <sup>1</sup>	7.0%	8.05	7.52 <sup>1</sup>	7.0%

Note:

- 1) Actual distribution paid for FY 2013.

**Distribution Details**

<b>Distribution</b>	1 April 2014 to 30 June 2014
<b>Distribution type</b>	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
<b>Distribution rate</b>	Total : 2.00 cents per unit (a) Taxable income distribution - 0.07 cents per unit (b) Tax-exempt income distribution - 1.28 cents per unit (c) Capital distribution - 0.65 cents per unit
<b>Book closure date</b>	23 July 2014 at 5.00 pm
<b>Ex-dividend date</b>	21 July 2014 at 9.00 am
<b>Payment date</b>	29 August 2014

**Distribution Reinvestment Plan**

On 9 January 2014, First REIT 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. The Manager will announce the pricing of the DRP units to be issued which will be based on the market price less a discount of 3% (similar to 4Q 2013 and 1Q 2014 DRP) on 23 July 2014.

**Overseas unitholders who wish to be eligible to participate in the DRP should provide an address in Singapore for service of notices and documents to the Manager c/o The Central Depository Pte Limited ("CDP"), 9 North Buona Vista Drive #01-19/20 The Metropolis Singapore 138588, not later than three market days prior to the book closure date. Unitholders should note that all correspondences and notices will be sent to their last registered address with CDP.**

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

	Group					
	Quarter			Year-to-date		
	2Q 2014	2Q 2013	Change	30 Jun 2014	30 Jun 2013	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Gross revenue</b>	23,043	20,125	14.5%	45,511	37,641	20.9%
Property operating expenses	(320)	(429)	(25.4%)	(615)	(830)	(25.9%)
<b>Net property income</b>	<b>22,723</b>	<b>19,696</b>	<b>15.4%</b>	<b>44,896</b>	<b>36,811</b>	<b>22.0%</b>
Interest income	42	40	5.0%	90	73	23.3%
Manager's management fees	(2,261)	(1,962)	15.2%	(4,465)	(3,641)	22.6%
Trustee fees	(84)	(74)	13.5%	(166)	(136)	22.1%
Finance costs <sup>#</sup>	(3,631)	(2,811)	29.2%	(7,161)	(4,920)	45.5%
Other expenses	(235)	(665)	(64.7%)	(339)	(1,128)	(69.9%)
<b>Net income before the undernoted</b>	<b>16,554</b>	<b>14,224</b>	<b>16.4%</b>	<b>32,855</b>	<b>27,059</b>	<b>21.4%</b>
Gain on revaluation of investment properties *	5,488	27,783	(80.2%)	5,488	27,783	(80.2%)
<b>Total return for the period before income tax</b>	<b>22,042</b>	<b>42,007</b>	<b>(47.5%)</b>	<b>38,343</b>	<b>54,842</b>	<b>(30.1%)</b>
Income tax expense	(5,441)	(3,006)	81.0%	(9,156)	(5,827)	57.1%
<b>Total return for the period after income tax</b>	<b>16,601</b>	<b>39,001</b>	<b>(57.4%)</b>	<b>29,187</b>	<b>49,015</b>	<b>(40.5%)</b>
<b>Other comprehensive income:</b>						
Exchange differences on translating foreign operations, net of tax	(76)	258	NM	(101)	497	NM
<b>Total comprehensive income for the period</b>	<b>16,525</b>	<b>39,259</b>	<b>(57.9%)</b>	<b>29,086</b>	<b>49,512</b>	<b>(41.3%)</b>

Note:

NM – Not meaningful

The result for 2Q 2014 includes the maiden contribution from Siloam Hospitals Purwakarta ("SHPW") which was acquired in May 2014 and full quarter contribution from Siloam Hospitals Bali ("SHBL") and Siloam Hospitals TB Simatupang ("SHTS") which were acquired in May 2013.

<sup>#</sup> Finance costs for 2Q 2014 increased to S\$3.6 million compared to 2Q 2013 due to higher loans to finance the acquisition of new properties. The Trust took up loans of S\$26.5 million to part finance the acquisition of SHPW in May 2014.

\* The gain on revaluation of investment properties is due to acquisition of SHPW, SHBL and SHTS which were acquired at discounts to valuation.

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

	<b>Group</b>					
	<b>Quarter</b>			<b>Year-to-date</b>		
	<b>2Q 2014</b>	<b>2Q 2013</b>	<b>Change</b>	<b>30 Jun 2014</b>	<b>30 Jun 2013</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Total return for the period after income tax	16,601	39,001	(57.4%)	29,187	49,015	(40.5%)
Adjustments for tax purposes:						
- Manager's management fees settled in units	1,740	1,366	27.4%	3,385	2,704	25.2%
- Change in fair value of investment properties, net of deferred tax	(3,743)	(27,979)	(86.6%)	(3,743)	(27,979)	(86.6%)
- Foreign exchange adjustment (gain)/loss	(169)	299	NM	(223)	567	NM
- Others	(58)	(32)	81.3%	(40)	(47)	(14.9%)
<b>Total available for distribution to Unitholders</b>	<b>14,371</b>	<b>12,655</b>	<b>13.6%</b>	<b>28,566</b>	<b>24,260</b>	<b>17.7%</b>
Unitholders' distribution:						
- as distribution from operations	9,719	8,830	10.1%	19,420	17,499	11.0%
- as distribution of Unitholders' capital contribution	4,652	3,825	21.6%	9,146	6,761	35.3%
<b>Distributable amount to Unitholders</b>	<b>14,371</b>	<b>12,655</b>	<b>13.6%</b>	<b>28,566</b>	<b>24,260</b>	<b>17.7%</b>

Note:

NM – Not meaningful

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

	Note	Group		Trust	
		30 Jun 2014	31 Dec 2013	30 Jun 2014	31 Dec 2013
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Assets</b>					
<b>Non-current Assets</b>					
Investment properties	1	1,089,774	1,052,266	39,208	39,100
Investments in subsidiaries	1	-	-	664,665	639,721
Loan receivable, non-current		-	-	60,897	62,976
Deferred tax assets		490	490	490	490
<b>Total non-current assets</b>		<b>1,090,264</b>	<b>1,052,756</b>	<b>765,260</b>	<b>742,287</b>
<b>Current Assets</b>					
Trade and other receivables, current	2	21,824	24,702	2,601	2,174
Loan receivable, current		-	-	4,191	4,191
Other assets, current		2,661	1,744	119	116
Cash and cash equivalents		28,070	29,331	25,048	25,091
<b>Total current assets</b>		<b>52,555</b>	<b>55,777</b>	<b>31,959</b>	<b>31,572</b>
<b>Total Assets</b>		<b>1,142,819</b>	<b>1,108,533</b>	<b>797,219</b>	<b>773,859</b>
<b>Unitholders' Funds and Liabilities</b>					
<b>Unitholders' Fund</b>					
Issued equity	3	421,257	414,109	421,257	414,109
Retained earnings/(Accumulated losses)		278,313	268,170	(24,709)	(21,936)
Foreign exchange reserve		519	620	-	-
<b>Total Unitholders' Funds</b>		<b>700,089</b>	<b>682,899</b>	<b>396,548</b>	<b>392,173</b>
<b>Non-current Liabilities</b>					
Deferred tax liabilities		23,733	21,988	-	-
Other financial liabilities, non-current	4	345,782	353,798	345,782	353,798
<b>Total non-current liabilities</b>		<b>369,515</b>	<b>375,786</b>	<b>345,782</b>	<b>353,798</b>
<b>Current Liabilities</b>					
Income tax payable		1,574	1,532	-	-
Trade and other payables, current	5	25,849	30,009	26,336	25,852
Other financial liabilities, current	4	26,467	-	26,467	-
Other liabilities, current		19,325	18,307	2,086	2,036
<b>Total current liabilities</b>		<b>73,215</b>	<b>49,848</b>	<b>54,889</b>	<b>27,888</b>
<b>Total Liabilities</b>		<b>442,730</b>	<b>425,634</b>	<b>400,671</b>	<b>381,686</b>
<b>Total Unitholders' Funds and Liabilities</b>		<b>1,142,819</b>	<b>1,108,533</b>	<b>797,219</b>	<b>773,859</b>

Note:

- Investment properties increased from S\$1,052.3 million to S\$1,089.8 million and investments in subsidiaries increased from S\$639.7 million to S\$664.7 million mainly due to acquisition of Siloam Hospitals Purwakarta ("SHPW") in May 2014.
- Trade and other receivables, current decreased from S\$24.7 million to S\$21.8 million mainly due to the tax refunds received from the Indonesian tax authority paid to the vendor of Siloam Hospitals Manado & Hotel Aryaduta Manado ("MD property") and Siloam Hospitals Makassar ("SHMK").

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- 3) Issued equity increased from S\$414.1 million to S\$421.3 million mainly due to issuance of units to complete the acquisition of SHPW in May 2014.
- 4) Other financial liabilities, current and non-current increased from S\$353.8 million to S\$372.2 million mainly due to a bridge loan drawdown for the acquisition of SHPW partly offset by the prepayment of borrowings with the cash retained from the Distribution Reinvestment Plan ("DRP"). First REIT is in the midst of refinancing the bridge loan of S\$26.5 million with a fixed rate term loan by 4Q 2014.
- 5) Trade and other payables, current decreased from S\$30.0 million to S\$25.8 million mainly due to payment to the vendor of MD property and SHMK for the tax refunds received from the Indonesian tax authority.

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

	Group		Trust	
	30 Jun 2014	31 Dec 2013	30 Jun 2014	31 Dec 2013
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b>Amount repayable after one year</b>				
Secured	249,319	257,842	249,319	257,842
Unsecured	100,000	100,000	100,000	100,000
Less: Transaction costs in relation to Term Loan Facility/Notes	(3,537)	(4,044)	(3,537)	(4,044)
<b>Total Borrowings, Non-current</b>	<b>345,782</b>	<b>353,798</b>	<b>345,782</b>	<b>353,798</b>
<b>Amount repayable within one year</b>				
Secured	-	-	-	-
Unsecured	26,500	-	26,500	-
Less: Transaction costs in relation to Term Loan Facility/Notes	(33)	-	(33)	-
<b>Total Borrowings, Current</b>	<b>26,467</b>	<b>-</b>	<b>26,467</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, Siloam Hospitals TB Simatupang and Siloam Hospitals Purwakarta.
- (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, Key Capital Pte Ltd, Finura Investments Pte Ltd and Glamis Investments Pte Ltd.

First REIT has secured a S\$165 million transferrable term loan with maturity of three, four and five years in April 2014 to refinance the existing loans due November 2016. First REIT is in the midst of completing the documentations for this term loan.

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

	<b>Group</b>	
	<b>2Q 2014</b>	<b>2Q 2013</b>
	<b><u>Note</u></b>	<b><u>S\$'000</u></b>
<b>Cash flows from operating activities</b>		
Total return before income tax	22,042	42,007
Interest income	(42)	(40)
Interest expense	3,338	2,600
Amortisation of borrowing costs	293	211
Foreign exchange adjustment (gain)/loss	(169)	299
Increase in fair value of investment properties	1	(27,783)
Manager's management fees settled in units	1,740	1,366
<b>Operating cash flows before changes in working capital</b>	<b>21,714</b>	<b>18,660</b>
Trade and other receivables, current	(3,738)	(19,854)
Other assets, current	(60)	(293)
Trade and other payables, current	2,634	18,736
Other liabilities, current	691	2,606
<b>Net cash flows from operating activities before income tax</b>	<b>21,241</b>	<b>19,855</b>
Income taxes paid	(3,690)	(3,070)
<b>Net cash flows from operating activities</b>	<b>17,551</b>	<b>16,785</b>
<b>Cash flows from investing activities</b>		
Interest received	36	38
Increase in investment properties	2	(141,703)
<b>Net cash flows used in investing activities</b>	<b>(27,506)</b>	<b>(141,665)</b>
<b>Cash flows from financing activities</b>		
Increase in borrowings	3	140,649
Repayment of borrowings	4	-
Interest paid	(4,051)	(2,131)
Distribution to Unitholders	5	(18,216)
<b>Net cash flows from financing activities</b>	<b>8,191</b>	<b>120,302</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,764)</b>	<b>(4,578)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>29,834</b>	<b>26,681</b>
<b>Cash and cash equivalents at end of the period</b>	<b>28,070</b>	<b>22,103</b>

Note:

- 1) The increase in fair value of investment properties relates to the acquisition of Siloam Hospitals Purwakarta ("SHPW") which was acquired in 2Q 2014 and Siloam Hospitals Bali ("SHBL") and Siloam Hospitals TB Simatupang ("SHTS") which were acquired in 2Q 2013.
- 2) The increase in investment properties is mainly due to the acquisition of SHPW in 2Q 2014 and acquisition of SHBL and SHTS in 2Q 2013.
- 3) The increase in borrowings relates to the drawdown of loan facility and issuance of fixed rate notes for the acquisition of SHPW in 2Q 2014 and acquisition of SHBL and SHTS in 2Q 2013.
- 4) The source of funds for this repayment of borrowings is the cash retained from the DRP.
- 5) The decrease in distribution paid for 2Q 2014 mainly due to advance distribution paid in 2Q 2013 for the period from 1 April 2013 to 21 May 2013 being paid earlier in June 2013.

The distribution paid in 2Q 2014 relates to cash distribution paid excludes the units issued as part payment of distributions, pursuant to the DRP. The Trust has issued 4,557,342 new units amounting to approximately S\$5.0 million for the distribution for the period from 1 January 2014 to 31 March 2014.

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

	Group	
	30 Jun 2014	30 Jun 2013
<b>Note</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from operating activities</b>		
Total return before income tax	38,343	54,842
Interest income	(90)	(73)
Interest expense	6,596	4,517
Amortisation of borrowing costs	565	402
Foreign exchange adjustment (gain)/loss	(223)	567
Increase in fair value of investment properties	1 (5,488)	(27,783)
Manager's management fees settled in units	3,385	2,704
<b>Operating cash flows before changes in working capital</b>	<b>43,088</b>	<b>35,176</b>
Trade and other receivables, current	2,880	(18,103)
Other assets, current	(917)	(432)
Trade and other payables, current	(4,342)	17,197
Other liabilities, current	1,018	1,489
<b>Net cash flows from operating activities before income tax</b>	<b>41,727</b>	<b>35,327</b>
Income taxes paid	(7,370)	(5,812)
<b>Net cash flows from operating activities</b>	<b>34,357</b>	<b>29,515</b>
<b>Cash flows from investing activities</b>		
Interest received	87	77
Increase in investment properties	2 (27,619)	(141,703)
<b>Net cash flows used in investing activities</b>	<b>(27,532)</b>	<b>(141,626)</b>
<b>Cash flows from financing activities</b>		
Increase in borrowings	3 26,450	140,649
Repayment of borrowings	4 (8,300)	-
Interest paid	(6,513)	(4,053)
Distribution to Unitholders	5 (19,723)	(22,879)
<b>Net cash flows (used in)/from financing activities</b>	<b>(8,086)</b>	<b>113,717</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,261)</b>	<b>1,606</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>29,331</b>	<b>20,497</b>
<b>Cash and cash equivalents at end of the period</b>	<b>28,070</b>	<b>22,103</b>

Note:

- 1) The increase in fair value of investment properties relates to the acquisition of Siloam Hospitals Purwakarta ("SHPW") which was acquired in May 2014 and Siloam Hospitals Bali ("SHBL") and Siloam Hospitals TB Simatupang ("SHTS") which were acquired in May 2013.
- 2) The increase in investment properties is mainly due to the acquisition of SHPW in May 2014 and 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 SHPW in May 2014 and the acquisition of SHBL and SHTS in May 2013.
- 4) The source of funds for this repayment of borrowings is the cash retained from the DRP.
- 5) The decrease in distribution paid for six months ended 30 June 2014 mainly due to advance distribution paid in 2Q 2013 for the period from 1 April 2013 to 21 May 2013 being paid earlier in June 2013.

The distribution paid for the six months ended 30 June 2014 relates to cash distribution paid excludes the units issued as part payment of distributions, pursuant to the DRP. The Trust has issued 7,938,442 new units amounting to approximately S\$8.4 million for the distribution for the period from 1 October 2013 to 31 March 2014.



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

	<b>Group</b>		<b>Trust</b>	
	<b>2Q 2014</b>	<b>2Q 2013</b>	<b>2Q 2014</b>	<b>2Q 2013</b>
	<b><u>S\$'000</u></b>	<b><u>S\$'000</u></b>	<b><u>S\$'000</u></b>	<b><u>S\$'000</u></b>
<b>Balance at beginning of the financial period</b>	686,627	556,931	391,447	359,766
<b><u>Operations</u></b>				
Total return after tax	16,601	39,001	8,164	7,163
<b><u>Translation transactions</u></b>				
Net movement in foreign exchange reserve	(76)	258	-	-
<b><u>Unitholders' transactions</u></b>				
Manager's management fees paid in units	1,645	1,338	1,645	1,338
Manager's acquisition fees paid in units	-	1,904	-	1,904
Purchase consideration of investment property paid in units	4,500	50,000	4,500	50,000
Issuance of units (DRP)	4,982	-	4,982	-
Distribution to Unitholders	(14,190)	(18,216)	(14,190)	(18,216)
<b>Balance at end of the financial period</b>	<b>700,089</b>	<b>631,216</b>	<b>396,548</b>	<b>401,955</b>

	<b>Group</b>		<b>Trust</b>	
	<b>30 Jun 2014</b>	<b>30 Jun 2013</b>	<b>30 Jun 2014</b>	<b>30 Jun 2013</b>
	<b><u>S\$'000</u></b>	<b><u>S\$'000</u></b>	<b><u>S\$'000</u></b>	<b><u>S\$'000</u></b>
<b>Balance at beginning of the financial year</b>	682,899	550,074	392,173	356,102
<b><u>Operations</u></b>				
Total return after tax	29,187	49,015	16,271	14,223
<b><u>Translation transactions</u></b>				
Net movement in foreign exchange reserve	(101)	497	-	-
<b><u>Unitholders' transactions</u></b>				
Manager's management fees paid in units	3,327	2,605	3,327	2,605
Manager's acquisition fees paid in units	-	1,904	-	1,904
Purchase consideration of investment property paid in units	4,500	50,000	4,500	50,000
Issuance of units (DRP)	8,418	-	8,418	-
Distribution to Unitholders	(28,141)	(22,879)	(28,141)	(22,879)
<b>Balance at end of the financial period</b>	<b>700,089</b>	<b>631,216</b>	<b>396,548</b>	<b>401,955</b>

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

	Trust			
	Quarter		Year-to-date	
	2Q 2014	2Q 2013	30 Jun 2014	30 Jun 2013
<b>Balance at beginning of period</b>	<b>711,623,400</b>	<b>666,152,932</b>	<b>706,629,453</b>	<b>664,948,936</b>
Unitholders transactions:				
- Manager's management fees paid in units	1,542,442	1,116,705	3,155,289	2,320,701
- Purchase consideration paid in units	3,805,175	35,450,935	3,805,175	35,450,935
- Manager's acquisition fees paid in units	-	1,377,613	-	1,377,613
- Issuance of units (DRP)	4,557,342	-	7,938,442	-
<b>Balance at end of period</b>	<b>721,528,359</b>	<b>704,098,185</b>	<b>721,528,359</b>	<b>704,098,185</b>
New units to be issued				
- Manager's management fees payable in units	1,469,461	1,135,963	1,469,461	1,135,963
<b>Total issued and issuable units</b>	<b>722,997,820</b>	<b>705,234,148</b>	<b>722,997,820</b>	<b>705,234,148</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 2014	31 Dec 2013
<b>Issued units at end of period/year</b>	<b>721,528,359</b>	<b>706,629,453</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 2013.

**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**

Not applicable.

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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 2014	2Q 2013	30 Jun 2014	30 Jun 2013
<b><u>Earnings per unit</u></b>				
Weighted average number of units in issue	713,554,210	683,097,205	712,607,761	674,525,534
<b><u>Earnings per unit in cents</u></b>				
Basic and fully diluted basis	2.33	5.71	4.10	7.27
<b><u>Distribution per unit</u></b>				
Number of units in issue	721,528,359	704,098,185	721,528,359	704,098,185
<b><u>Distribution per unit in cents</u></b>				
Based on the number of units in issue at the end of the period	2.00	1.85	3.99	3.59

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

	Group		Trust	
	30 Jun 2014	31 Dec 2013	30 Jun 2014	31 Dec 2013
	<b>Net asset value per unit (cents)</b>	97.03	96.64	54.96

**8. Review of the performance**

2Q 2014 vs 2Q 2013

The result for this quarter includes the maiden contribution from Siloam Hospitals Purwakarta ("SHPW") which was acquired in May 2014 and full quarter contribution from Siloam Hospitals Bali ("SHBL") and Siloam Hospitals TB Simatupang ("SHTS") which were acquired in May 2013.

Gross revenue for 2Q 2014 increased by 14.5% to S\$23.0 million compared to 2Q 2013, mainly due to the contribution from SHPW, SHBL and SHTS.

Property operating expenses for 2Q 2014 decreased to S\$320,000 compared to 2Q 2013, mainly due to the lower expenses incurred for Sarang Hospital.

Interest income for 2Q 2014 increased by 5.0% to S\$42,000 compared to 2Q 2013, mainly due to higher fixed deposits amount and interest rates.

Manager's management fees for 2Q 2014 increased by 15.2% to S\$2.3 million compared to 2Q 2013, mainly due to the higher net property income and total assets as a result of the acquisition of the new properties.

Trustee fees for 2Q 2014 increased by 13.5% to S\$84,000 compared to 2Q 2013, mainly due to the higher total assets as a result of the acquisition of the new properties.

Finance costs for 2Q 2014 increased by 29.2% to S\$3.6 million compared to 2Q 2013, mainly due to the higher loan amounts to finance the acquisition of the three new properties.

Other expenses for 2Q 2014 decreased by 64.7% to S\$235,000 compared to 2Q 2013 mainly due to the lower unrealised exchange loss on USD loan partly offset by the expenses incurred on distribution reinvestment plan.

Income tax for 2Q 2014 increased by 81.0% to S\$5.4 million compared to 2Q 2013, mainly due to higher rental income and the provision for deferred tax on gain on revaluation of investment properties.

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Total return after tax for 2Q 2014 decreased to S\$16.6 million compared to 2Q 2013 mainly due to the lower fair value gain on revaluation of investment properties acquired in 2Q 2014. Excluding the fair value gain on revaluation net of deferred tax, total return after tax for 2Q 2014 increased by 16.7% to S\$12.9 million compared to 2Q 2013 mainly due to contributions from the newly acquired properties.

**1H 2014 vs 1H 2013**

Gross revenue for 1H 2014 increased by 20.9% to S\$45.5 million compared to 1H 2013, mainly due to the contribution from the newly acquired properties.

Property operating expenses for 1H 2014 decreased by 25.9% to S\$615,000 compared to 1H 2013, mainly due to the lower expenses incurred for Sarang Hospital.

Interest income for 1H 2014 increased by 23.3% to S\$90,000 compared to 1H 2013, mainly due to higher fixed deposits amount and interest rates.

Manager's management fees for 1H 2014 increased by 22.6% to S\$4.5 million compared to 1H 2013, mainly due to the higher net property income and total assets as a result of the acquisition of the new properties.

Trustee fees for 1H 2014 increased by 22.1% to S\$166,000 compared to 1H 2013, mainly due to the higher total assets as a result of the acquisition of the new properties.

Finance costs for 1H 2014 increased by 45.5% to S\$7.2 million compared to 1H 2013, mainly due to the higher loan amounts to finance the acquisition of the new properties.

Other expenses for 1H 2014 decreased by 69.9% to S\$339,000 compared to 1H 2013 mainly due to the lower unrealised exchange loss on USD loan partly offset by the expenses incurred on distribution reinvestment plan.

Income tax for 1H 2014 increased by 57.1% to S\$9.2 million compared to 1H 2013, mainly due to higher rental income and provision for deferred tax on gain on revaluation of investment properties.

Total return after tax for 1H 2014 decreased to S\$29.2 million compared to 1H 2013 mainly due to lower fair value gain on revaluation of investment properties acquired in 2Q 2014. Excluding the fair value gain on revaluation net of deferred tax, total return after tax for 1H 2014 increased by 21.0% to S\$25.4 million compared to 1H 2013 mainly due to contributions from the 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**

The result of the presidential elections in Indonesia is not expected to impact the healthcare industry or cause any drastic changes to its healthcare policies in the short to medium term. The Trust's healthcare assets in Indonesia continue to deliver strong performance and the demand for quality healthcare is also rising. The Sponsor, Lippo Karawaci's strong pipeline of 24 quality hospitals presents strong acquisition opportunities for the Trust in Indonesia.

At the same time, First REIT will continue to look for yield-accretive acquisition opportunities in Singapore and other parts of Asia to expand its portfolio and asset size.

Barring any unforeseen circumstances, the Manager does not expect any significant or adverse change to First REIT's performance for the rest of 2014.

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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 2014 to 30 June 2014

i. Distribution Type Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.07
Tax-Exempt Income	1.28
Capital	0.65
Total	2.00

On 9 January 2014, First REIT 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. The Manager will announce the pricing of the DRP units to be issued which will be based on the market price less a discount of 3% (similar to 4Q 2013 and 1Q 2014 DRP) on 23 July 2014.

**Overseas unitholders who wish to be eligible to participate in the DRP should provide an address in Singapore for service of notices and documents to the Manager c/o The Central Depository Pte Ltd ("CDP"), 9 Buona Vista Drive, #01-19/20, The Metropolis Singapore 138588, not later than three market days prior to the book closure date. Unitholders should note that all correspondences and notices will be sent to their last registered address with CDP.**

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 2013 to 30 June 2013

i. Distribution Type Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.08
Tax-Exempt Income	1.22
Capital	0.55
Total	1.85

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 23 July 2014 for the purposes of determining each Unitholder's entitlement to First REIT's distribution. The ex-distribution date will be on 21 July 2014 at 9.00am.

11(d) Date Payable: 29 August 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.

**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 2014:

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 2014 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  
15 July 2014