

**FIRST REAL ESTATE INVESTMENT TRUST  
2015 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 sixteen 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) Siloam Sriwijaya, 13) Pacific Healthcare Nursing Home @ Bukit Merah, 14) Pacific Healthcare Nursing Home II @ Bukit Panjang, 15) The Lentor Residence and 16) 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 The 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 2015	2Q 2014	Change	30 Jun 2015	30 Jun 2014	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>	24,992	23,043	8.5%	49,735	45,511	9.3%
<b>Net Property Income</b>	24,612	22,723	8.3%	48,858	44,896	8.8%
Distributable Amount	15,400	14,371	7.2%	30,652	28,566	7.3%
<b>Distribution per unit (cts)</b>	2.07	2.00	3.5%	4.13	3.99	3.5%
Annualised Distribution per unit (cts)	8.33	8.05 <sup>1</sup>	3.5%	8.33	8.05 <sup>1</sup>	3.5%

Note:

- 1) Actual distribution paid for FY 2014.

**Distribution Details**

<b>Distribution</b>	1 April 2015 to 30 June 2015
<b>Distribution type</b>	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
<b>Distribution rate</b>	Total : 2.07 cents per unit (a) Taxable income distribution - 0.07 cents per unit (b) Tax-exempt income distribution - 1.09 cents per unit (c) Capital distribution - 0.91 cents per unit
<b>Book closure date</b>	28 July 2015 at 5.00 pm
<b>Ex-dividend date</b>	24 July 2015 at 9.00 am
<b>Payment date</b>	28 August 2015

**Distribution Reinvestment Plan ("DRP")**

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 previous DRPs) on 28 July 2015.

**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			
	Note	2Q 2015	2Q 2014	Change	30 Jun 2015	30 Jun 2014	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
<b>Gross revenue</b>	1	24,992	23,043	8.5%	49,735	45,511	9.3%
Property operating expenses		(380)	(320)	18.8%	(877)	(615)	42.6%
<b>Net property income</b>		24,612	22,723	8.3%	48,858	44,896	8.8%
Interest income		59	42	40.5%	103	90	14.4%
Manager's management fees		(2,441)	(2,261)	8.0%	(4,844)	(4,465)	8.5%
Trustee fees		(91)	(84)	8.3%	(184)	(166)	10.8%
Finance costs	2	(4,091)	(3,631)	12.7%	(8,065)	(7,161)	12.6%
Other income/(expenses)	3	142	(235)	NM	(890)	(339)	162.5%
<b>Net income before the undernoted</b>		18,190	16,554	9.9%	34,978	32,855	6.5%
Gain on revaluation of investment property	4	-	5,488	NM	-	5,488	NM
Net change in fair value of derivative financial instruments	5	(261)	-	NM	301	-	NM
<b>Total return for the period before income tax</b>		17,929	22,042	(18.7%)	35,279	38,343	(8.0%)
Income tax expense	6	(3,856)	(5,441)	(29.1%)	(7,816)	(9,156)	(14.6%)
<b>Total return for the period after income tax</b>		14,073	16,601	(15.2%)	27,463	29,187	(5.9%)
<b>Other comprehensive income:</b>							
Exchange differences on translating foreign operations, net of tax		(195)	(76)	156.6%	151	(101)	NM
<b>Total comprehensive income for the period</b>		13,878	16,525	(16.0%)	27,614	29,086	(5.1%)

Note:

NM – Not meaningful

**The result for 2Q 2015 includes the full quarter contribution from Siloam Sriwijaya ("SS") which was acquired in December 2014.**

- Property operating expenses for 2Q 2015 increased to S\$0.4 million compared to 2Q 2014 mainly due to higher property tax and building audit fees, and legal fee incurred for lease renewal.
- Finance costs for 2Q 2015 increased to S\$4.1 million compared to 2Q 2014 mainly due to higher loan amounts to part finance the acquisition of SS.
- Other income of S\$0.1 million for 2Q 2015 compared to other expenses of S\$0.2 million for 2Q 2014 mainly due to unrealised exchange gain on USD loan in 2Q 2015.
- In 2Q 2014, the gain on revaluation of investment property is due to acquisition of Siloam Hospitals Purwakarta ("SHPW") which was acquired at discount to valuation.
- Net change in fair value of derivative financial instruments relates to the revaluation of interest rate swap contracts.
- Income tax for 2Q 2015 decreased to S\$3.9 million compared to 2Q 2014 mainly due to provision for deferred taxation on gain on revaluation of investment property in 2Q 2014.

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

	<b>Group</b>					
	<b>Quarter</b>			<b>Year-to-date</b>		
	<b>2Q 2015</b>	<b>2Q 2014</b>	<b>Change</b>	<b>30 Jun 2015</b>	<b>30 Jun 2014</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	14,073	16,601	(15.2%)	27,463	29,187	(5.9%)
Adjustments for tax purposes:						
- Manager's management fees settled in units	1,587	1,740	(8.8%)	3,272	3,385	(3.3%)
- Change in fair value of investment properties, net of deferred tax	-	(3,743)	NM	-	(3,743)	NM
- Net change in fair value of derivative financial instruments	261	-	NM	(301)	-	NM
- Foreign exchange adjustment (gain)/loss	(426)	(169)	152.1%	323	(223)	NM
- Others	(95)	(58)	63.8%	(105)	(40)	162.5%
<b>Total available for distribution to Unitholders</b>	<b>15,400</b>	<b>14,371</b>	<b>7.2%</b>	<b>30,652</b>	<b>28,566</b>	<b>7.3%</b>
Unitholders' distribution:						
- as distribution from operations	8,656	9,719	(10.9%)	18,744	19,420	(3.5%)
- as distribution of Unitholders' capital contribution	6,744	4,652	45.0%	11,908	9,146	30.2%
<b>Distributable amount to Unitholders</b>	<b>15,400</b>	<b>14,371</b>	<b>7.2%</b>	<b>30,652</b>	<b>28,566</b>	<b>7.3%</b>

Note:

NM – Not meaningful

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

	Note	Group		Trust	
		30 Jun 2015	31 Dec 2014	30 Jun 2015	31 Dec 2014
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Assets</b>					
<b>Non-current Assets</b>					
Investment properties		1,172,213	1,172,015	38,717	38,700
Investments in subsidiaries		-	-	687,370	690,989
Loan receivable, non-current		-	-	56,496	58,785
Deferred tax assets		595	595	595	595
Derivative financial instruments		412	-	412	-
<b>Total non-current assets</b>		<b>1,173,220</b>	<b>1,172,610</b>	<b>783,590</b>	<b>789,069</b>
<b>Current Assets</b>					
Trade and other receivables, current		10,410	8,988	2,093	2,444
Loan receivable, current		-	-	4,191	4,191
Other assets, current		2,542	2,557	264	178
Cash and cash equivalents		35,455	28,230	32,440	26,708
<b>Total current assets</b>		<b>48,407</b>	<b>39,775</b>	<b>38,988</b>	<b>33,521</b>
<b>Total Assets</b>		<b>1,221,627</b>	<b>1,212,385</b>	<b>822,578</b>	<b>822,590</b>
<b>Unitholders' Funds and Liabilities</b>					
<b>Unitholders' Fund</b>					
Issued equity	1	430,394	423,792	430,394	423,792
Retained earnings/(Accumulated losses)		327,604	320,207	(34,143)	(29,519)
Foreign exchange reserve		1,102	951	-	-
<b>Total Unitholders' Funds</b>		<b>759,100</b>	<b>744,950</b>	<b>396,251</b>	<b>394,273</b>
<b>Non-current Liabilities</b>					
Deferred tax liabilities		29,103	29,103	-	-
Other financial liabilities, non-current		396,704	370,090	396,704	370,090
Derivative financial instruments		111	-	111	-
<b>Total non-current liabilities</b>		<b>425,918</b>	<b>399,193</b>	<b>396,815</b>	<b>370,090</b>
<b>Current Liabilities</b>					
Income tax payable		1,532	445	-	-
Trade and other payables, current	2	14,537	20,429	27,546	28,987
Other financial liabilities, current		-	26,485	-	26,485
Other liabilities, current		20,540	20,883	1,966	2,755
<b>Total current liabilities</b>		<b>36,609</b>	<b>68,242</b>	<b>29,512</b>	<b>58,227</b>
<b>Total Liabilities</b>		<b>462,527</b>	<b>467,435</b>	<b>426,327</b>	<b>428,317</b>
<b>Total Unitholders' Funds and Liabilities</b>		<b>1,221,627</b>	<b>1,212,385</b>	<b>822,578</b>	<b>822,590</b>

Note:

- 1) Issued equity increased from S\$423.8 million to S\$430.4 million mainly due to issuance of units for payment of balance purchase consideration for the acquisition of Siloam Sriwijaya ("SS") in January 2015 and manager's management fees paid in units.
- 2) Trade and other payables, current decreased from S\$20.4 million to S\$14.0 million mainly due to payment of balance purchase consideration of SS to vendor.

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

	<b>Group</b>		<b>Trust</b>	
	<b>30 Jun 2015</b>	<b>31 Dec 2014</b>	<b>30 Jun 2015</b>	<b>31 Dec 2014</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>Amount repayable after one year</b>				
Secured	301,616	274,794	301,616	274,794
Unsecured	100,000	100,000	100,000	100,000
Less: Transaction costs	(4,912)	(4,704)	(4,912)	(4,704)
<b>Total Borrowings, Non-current</b>	<b>396,704</b>	<b>370,090</b>	<b>396,704</b>	<b>370,090</b>
<b>Amount repayable within one year</b>				
Secured	-	-	-	-
Unsecured	-	26,500	-	26,500
Less: Transaction costs	-	(15)	-	(15)
<b>Total Borrowings, Current</b>	<b>-</b>	<b>26,485</b>	<b>-</b>	<b>26,485</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 Surabaya and Siloam Sriwijaya.
- (b) pledge of shares of all the subsidiaries except Kalmore (Korea) Limited, Kalmore Investments Pte Ltd, Sriwijaya Investment I Pte Ltd, Sriwijaya Investment II Pte Ltd and Surabaya Hospitals Investment Pte Ltd.

**Interest Rate Swaps**

First REIT has entered into interest rate swaps to hedge the floating rate loan facilities with banks. The change in fair value of the interest rate swaps were recognised in the Statement of Total Return.

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

	Group	
	2Q 2015	2Q 2014
	<u>Note</u>	<u>S\$'000</u>
<b>Cash flows from operating activities</b>		
Total return before income tax	17,929	22,042
Interest income	(59)	(42)
Interest expense	3,726	3,338
Amortisation of borrowing costs	365	293
Foreign exchange adjustment gain	(426)	(169)
Increase in fair value of investment properties	-	(5,488)
Net change in fair value on derivative financial instruments	261	-
Manager's management fees settled in units	1,587	1,740
<b>Operating cash flows before changes in working capital</b>	<b>23,383</b>	<b>21,714</b>
Trade and other receivables, current	48	(3,738)
Other assets, current	(123)	(60)
Trade and other payables, current	(373)	2,634
Other liabilities, current	19	691
<b>Net cash flows from operating activities before income tax</b>	<b>22,954</b>	<b>21,241</b>
Income taxes paid	(4,255)	(3,690)
<b>Net cash flows from operating activities</b>	<b>18,699</b>	<b>17,551</b>
<b>Cash flows from investing activities</b>		
Interest received	76	36
Increase in investment properties	1	(27,542)
<b>Net cash flows from/(used in) investing activities</b>	<b>72</b>	<b>(27,506)</b>
<b>Cash flows from financing activities</b>		
Increase in borrowings	2	26,450
Repayment of borrowings	3	(5,000)
Interest paid	(3,489)	(4,051)
Distribution to Unitholders	(11,692)	(9,208)
<b>Net cash flows (used in)/from financing activities</b>	<b>(15,181)</b>	<b>8,191</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,590</b>	<b>(1,764)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>31,865</b>	<b>29,834</b>
<b>Cash and cash equivalents at end of the period</b>	<b>35,455</b>	<b>28,070</b>

Note:

- 1) The increase in investment properties in 2Q 2014 relates to the acquisition of SHPW in May 2014.
- 2) In 2Q 2014, the increase in borrowings relates to the drawdown of loan facilities for the acquisition of SHPW in May 2014.
- 3) The source of funds for this repayment of borrowings is the cash retained from the DRP.

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

	Group	
	30 Jun 2015	30 Jun 2014
<u>Note</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b>Cash flows from operating activities</b>		
Total return before income tax	35,279	38,343
Interest income	(103)	(90)
Interest expense	7,371	6,596
Amortisation of borrowing costs	694	565
Foreign exchange adjustment loss/(gain)	323	(223)
Increase in fair value of investment properties	-	(5,488)
Net change in fair value on derivative financial instruments	(301)	-
Manager's management fees settled in units	3,272	3,385
<b>Operating cash flows before changes in working capital</b>	<b>46,535</b>	<b>43,088</b>
Trade and other receivables, current	(1,843)	2,880
Other assets, current	15	(917)
Trade and other payables, current	(1,590)	(4,342)
Other liabilities, current	(343)	1,018
<b>Net cash flows from operating activities before income tax</b>	<b>42,774</b>	<b>41,727</b>
Income taxes paid	(6,428)	(7,370)
<b>Net cash flows from operating activities</b>	<b>36,346</b>	<b>34,357</b>
<b>Cash flows from investing activities</b>		
Interest received	117	87
Increase in investment properties	(52)	(27,619)
<b>Net cash flows from/(used in) investing activities</b>	<b>65</b>	<b>(27,532)</b>
<b>Cash flows from financing activities</b>		
Increase in borrowings	-	26,450
Repayment of borrowings	-	(8,300)
Interest paid	(6,099)	(6,513)
Distribution to Unitholders	(23,087)	(19,723)
<b>Net cash flows used in financing activities</b>	<b>(29,186)</b>	<b>(8,086)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>7,225</b>	<b>(1,261)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>28,230</b>	<b>29,331</b>
<b>Cash and cash equivalents at end of the period</b>	<b>35,455</b>	<b>28,070</b>

Note:

- 1) The increase in investment properties for YTD Jun 2014 relates to the acquisition of SHPW in May 2014.
- 2) As at 30 Jun 2014, the increase in borrowings relates to the drawdown of loan facilities for the acquisition of SHPW in May 2014.
- 3) The source of funds for this repayment of borrowings is the cash retained from the DRP.



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

	<b>Group</b>		<b>Trust</b>	
	<b>2Q 2015</b>	<b>2Q 2014</b>	<b>2Q 2015</b>	<b>2Q 2014</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>	755,229	686,627	399,027	391,447
<b><u>Operations</u></b>				
Total return after tax	14,073	16,601	7,231	8,164
<b><u>Translation transactions</u></b>				
Net movement in foreign exchange reserve	(195)	(76)	-	-
<b><u>Unitholders' transactions</u></b>				
Manager's management fees paid in units	1,685	1,645	1,685	1,645
Purchase consideration of investment property paid in units	-	4,500	-	4,500
Issuance of units (DRP)	3,493	4,982	3,493	4,982
Distribution to Unitholders	(15,185)	(14,190)	(15,185)	(14,190)
<b>Balance at end of the financial period</b>	<b>759,100</b>	<b>700,089</b>	<b>396,251</b>	<b>396,548</b>

	<b>Group</b>		<b>Trust</b>	
	<b>30 Jun 2015</b>	<b>30 Jun 2014</b>	<b>30 Jun 2015</b>	<b>30 Jun 2014</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>	744,950	682,899	394,273	392,173
<b><u>Operations</u></b>				
Total return after tax	27,463	29,187	15,442	16,271
<b><u>Translation transactions</u></b>				
Net movement in foreign exchange reserve	151	(101)	-	-
<b><u>Unitholders' transactions</u></b>				
Manager's management fees paid in units	3,623	3,327	3,623	3,327
Purchase consideration of investment property paid in units	6,000	4,500	6,000	4,500
Issuance of units (DRP)	7,053	8,418	7,053	8,418
Distribution to Unitholders	(30,140)	(28,141)	(30,140)	(28,141)
<b>Balance at end of the financial period</b>	<b>759,100</b>	<b>700,089</b>	<b>396,251</b>	<b>396,548</b>

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

	Trust			
	Quarter		Year-to-date	
	2Q 2015	2Q 2014	30 Jun 2015	30 Jun 2014
<b>Balance at beginning of period</b>	<b>740,878,203</b>	<b>711,623,400</b>	<b>731,702,488</b>	<b>706,629,453</b>
Unitholders transactions:				
- Manager's management fees paid in units	1,232,838	1,542,442	2,798,135	3,155,289
- Purchase consideration paid in units	-	3,805,175	4,804,612	3,805,175
- Issuance of units (DRP)	2,529,423	4,557,342	5,335,229	7,938,442
<b>Balance at end of period</b>	<b>744,640,464</b>	<b>721,528,359</b>	<b>744,640,464</b>	<b>721,528,359</b>
New units to be issued				
- Manager's management fees payable in units	1,126,390	1,469,461	1,126,390	1,469,461
<b>Total issued and issuable units</b>	<b>745,766,854</b>	<b>722,997,820</b>	<b>745,766,854</b>	<b>722,997,820</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 2015	31 Dec 2014
<b>Issued units at end of period/year</b>	<b>744,640,464</b>	<b>731,702,488</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 2014.

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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**

Not applicable.

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

	Group			
	Quarter		Year-to-date	
	2Q 2015	2Q 2014	30 Jun 2015	30 Jun 2014
<b><u>Earnings per unit</u></b>				
Weighted average number of units in issue	741,934,921	713,554,210	740,759,798	712,607,761
<b><u>Earnings per unit in cents</u></b>				
Basic and fully diluted basis	1.90	2.33	3.71	4.10
<b><u>Distribution per unit</u></b>				
Number of units in issue	744,640,464	721,528,359	744,640,464	721,528,359
<b><u>Distribution per unit in cents</u></b>				
Based on the number of units in issue at the end of the period	2.07	2.00	4.13	3.99

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

	Group		Trust	
	30 Jun 2015	31 Dec 2014	30 Jun 2015	31 Dec 2014
<b>Net asset value per unit (cents)</b>	101.94	101.81	53.21	53.88

8. **Review of the performance**

**2Q 2015 vs 2Q 2014**

**The result for this quarter includes the full quarter contribution from First REIT’s latest property, Siloam Sriwijaya (“SS”) which was acquired in December 2014.**

Gross revenue for 2Q 2015 increased by 8.5% to S\$25.0 million compared to 2Q 2014, mainly due to contribution from SS as well as higher contribution from Indonesia and Singapore properties.

Property operating expenses for 2Q 2015 increased by 18.8% to S\$380,000 compared to 2Q 2014, mainly due to the higher property tax and building audit fees, and legal fee incurred for lease renewal.

Interest income for 2Q 2015 increased by 40.5% to S\$59,000 compared to 2Q 2014, mainly due to higher fixed deposits amount and interest rates.

Manager's management fees for 2Q 2015 increased by 8.0% to S\$2.4 million compared to 2Q 2014, mainly due to higher net property income and total assets.

Trustee fees for 2Q 2015 increased by 8.3% to S\$91,000 compared to 2Q 2014, mainly due to the higher total assets.

Finance costs for 2Q 2015 increased by 12.7% to S\$4.1 million compared to 2Q 2014, mainly due to the higher loan amounts to part finance the acquisition of SS.

Other income for 2Q 2015 of S\$142,000 compared to other expenses of S\$235,000 for 2Q 2014, mainly due to the unrealised exchange gain on USD loan.

Income tax for 2Q 2015 decreased by 29.1% to S\$3.9 million compared to 2Q 2014, mainly due to provision for deferred taxation on revaluation gain on investment property made in Q2 2014.

1H 2015 vs 1H 2014

Gross revenue for 1H 2015 increased by 9.3% to S\$49.7 million compared to 1H 2014, mainly due to higher contribution from Indonesia and Singapore properties as well as contribution from the newly acquired properties.

Property operating expenses for 1H 2015 increased by 42.6% to S\$0.9 million compared to 1H 2014, mainly due to the higher expenses incurred for Sarang Hospital, property tax and building audit fees.

Interest income for 1H 2015 increased by 14.4% to S\$103,000 compared to 1H 2014, mainly due to higher fixed deposits amount and interest rates.

Manager's management fees for 1H 2015 increased by 8.5% to S\$4.8 million compared to 1H 2014, mainly due to the higher net property income and total assets.

Trustee fees for 1H 2015 increased by 10.8% to S\$184,000 compared to 1H 2014, mainly due to the higher total assets.

Finance costs for 1H 2015 increased by 12.6% to S\$8.1 million compared to 1H 2014, mainly due to the higher loan amounts to part finance the acquisition of SS.

Other expenses for 1H 2015 increased to S\$0.9 million compared to 1H 2014, mainly due to expenses incurred on distribution reinvestment plan and higher unrealised exchange loss on USD loan.

Income tax for 1H 2015 decreased by 14.6% to S\$7.8 million compared to 1H 2014, mainly due to provision for deferred taxation on revaluation gain on investment property made in Q2 2014.

**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 are in line with the commentary made in paragraph 10 of the previous quarter.

**10. Commentary on the competitive conditions of the industry**

While Indonesia has experienced economic slowdown this year, healthcare spending is expected to remain supported due to the universal healthcare scheme introduced by the government. This will ultimately drive demand for better quality healthcare services and medical facilities, especially among the growing middle-class in Indonesia, which the Siloam hospitals are able to offer. Despite the recent depreciation of the Rupiah, First REIT remains unaffected as its rentals in Indonesia are denominated in Singapore Dollars.

The Trust's Sponsor, PT Lippo Karawaci Tbk. ("Lippo Karawaci"), has been actively developing more hospitals in Indonesia and currently has a strong pipeline of 46 hospitals. This represents strong acquisition opportunities for First REIT which currently owns 11 hospitals operated by PT Siloam Hospitals Tbk., Indonesia's most progressive and innovative healthcare provider and a subsidiary of Lippo Karawaci. Aside from Indonesia, First REIT will also continue to look for yield-accretive healthcare assets to acquire in Singapore and other parts of Asia.

**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 2015 to 30 June 2015

i. Distribution Type Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.07
Tax-Exempt Income	1.09
Capital	0.91
Total	2.07

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 previous DRPs) on 28 July 2015.

**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 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

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 28 July 2015 for the purposes of determining each Unitholder's entitlement to First REIT's distribution. The ex-distribution date will be on 24 July 2015 at 9.00am.

11(d) Date Payable: 28 August 2015

**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 2015:

- 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 2015 and is verified by our external tax consultant.

First REIT's current distribution policy is to distribute at least 90.0% of its tax-exempt income (after deduction of applicable expenses) and capital receipts.

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

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

BY ORDER OF THE BOARD OF  
BOWSPRIT CAPITAL CORPORATION LIMITED  
(AS MANAGER OF FIRST REAL ESTATE INVESTMENT TRUST)

Dr Ronnie Tan Keh Poo @ Tan Kay Poo  
Chief Executive Officer  
20 July 2015

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