

**FIRST REAL ESTATE INVESTMENT TRUST  
2015 FULL YEAR 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 seventeen 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) Siloam Hospitals Kupang & Lippo Plaza Kupang, 14) Pacific Healthcare Nursing Home @ Bukit Merah, 15) Pacific Healthcare Nursing Home II @ Bukit Panjang, 16) The Lentor Residence and 17) 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. The Lippo Plaza Kupang is managed by PT Lippo Malls Indonesia. 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			Full Year		
	4Q 2015	4Q 2014	Change	31 Dec 2015	31 Dec 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>	25,675	23,901	7.4%	100,698	93,255	8.0%
<b>Net Property Income</b>	25,374	23,525	7.9%	99,276	91,873	8.1%
Distributable Amount	15,711	14,963	5.0%	61,923	58,221	6.4%
<b>Distribution per unit (cts)</b>	2.09	2.04	2.5%	8.30	8.05	3.1%
Annualised Distribution per unit (cts)	8.30	8.05 <sup>1</sup>	3.1%	8.30	8.05 <sup>1</sup>	3.1%

Note:

- 1) Actual distribution paid for FY 2014.

**Distribution Details**

<b>Distribution</b>	1 October 2015 to 31 December 2015
<b>Distribution type</b>	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
<b>Distribution rate</b>	Total : 2.09 cents per unit (a) Taxable income distribution - 0.08 cents per unit (b) Tax-exempt income distribution - 1.10 cents per unit (c) Capital distribution - 0.91 cents per unit
<b>Book closure date</b>	27 January 2016 at 5.00 pm
<b>Ex-dividend date</b>	25 January 2016 at 9.00 am
<b>Payment date</b>	29 February 2016

**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 27 January 2016.

**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			Full Year			
	Note	4Q 2015	4Q 2014	Change	31 Dec 2015	31 Dec 2014	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
<b>Gross revenue</b>	1	25,675	23,901	7.4%	100,698	93,255	8.0%
Property operating expenses		(301)	(376)	(19.9%)	(1,422)	(1,382)	2.9%
<b>Net property income</b>		25,374	23,525	7.9%	99,276	91,873	8.1%
Interest income		50	54	(7.4%)	231	199	16.1%
Manager's management fees		(2,542)	(2,374)	7.1%	(9,881)	(9,138)	8.1%
Trustee fees		(95)	(90)	5.6%	(372)	(341)	9.1%
Finance costs		(4,327)	(4,331)	(0.1%)	(16,538)	(15,217)	8.7%
Other expenses	2	(123)	(915)	(86.6%)	(2,738)	(1,864)	46.9%
<b>Net income before the undernoted</b>		18,337	15,869	15.6%	69,978	65,512	6.8%
Net fair value gains on investment properties	3	24,168	41,686	(42.0%)	24,168	47,174	(48.8%)
Net gains in fair value of derivative financial instruments	4	391	-	NM	2,131	-	NM
<b>Total return for the period/year before income tax</b>		42,896	57,555	(25.5%)	96,277	112,686	(14.6%)
Income tax expense	5	(16,791)	(9,105)	84.4%	(28,499)	(22,083)	29.1%
<b>Total return for the period/year after income tax</b>		26,105	48,450	(46.1%)	67,778	90,603	(25.2%)
<b>Other comprehensive income:</b>							
Exchange differences on translating foreign operations, net of tax		(80)	312	NM	598	331	80.7%
<b>Total comprehensive income for the period/year</b>		26,025	48,762	(46.6%)	68,376	90,934	(24.8%)

Note:

NM – Not meaningful

**The result for 4Q 2015 includes the full quarter contribution from Siloam Sriwijaya ("SS") which was acquired in December 2014 as well as a maiden contribution from Siloam Hospitals Kupang & Lippo Plaza Kupang ("Kupang Property") which was acquired in December 2015.**

- Property operating expenses for 4Q 2015 decreased to S\$0.3 million compared to 4Q 2014 mainly due to lower expenses incurred for Sarang Hospital partly offset by land title renewal costs for a Indonesia property.
- Other expenses for 4Q 2015 decreased to S\$123,000 compared to 4Q 2014 mainly due to unrealised exchange gains on USD loan partly offset by expenses incurred for updating of MTN programme Information Memorandum to include perpetual securities.
- Net fair value gains on investment properties for 4Q 2015 decreased to S\$24.2 million compared to 4Q 2014 mainly due to lower fair value gain on investment properties.
- Net gains in fair value of derivative financial instruments relates to the revaluation of interest rate swap contracts.
- Income tax expenses for 4Q 2015 increased to S\$16.8 million compared to 4Q 2014 mainly due to higher provision for deferred taxation on the fair value gains on investment properties.

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

	Group					
	Quarter			Full Year		
	4Q 2015	4Q 2014	Change	31 Dec 2015	31 Dec 2014	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total return for the period/year after income tax	26,105	48,450	(46.1%)	67,778	90,603	(25.2%)
Adjustments for tax purposes:						
- Manager's management fees settled in units	1,821	1,938	(6.0%)	6,706	6,715	(0.1%)
- Net fair value gains on of investment properties, net of deferred tax	(11,326)	(36,421)	(68.9%)	(11,326)	(40,164)	(71.8%)
- Net gains in fair value of derivative financial instruments	(391)	-	NM	(2,131)	-	NM
- Foreign exchange adjustment (gain)/loss	(141)	676	NM	1,283	792	62.0%
- Others	(357)	320	NM	(387)	275	NM
<b>Total available for distribution to Unitholders</b>	<b>15,711</b>	<b>14,963</b>	<b>5.0%</b>	<b>61,923</b>	<b>58,221</b>	<b>6.4%</b>
Unitholders' distribution:						
- as distribution from operations	8,907	10,076	(11.6%)	36,412	39,302	(7.4%)
- as distribution of Unitholders' capital contribution	6,804	4,887	39.2%	25,511	18,919	34.8%
<b>Distributable amount to Unitholders</b>	<b>15,711</b>	<b>14,963</b>	<b>5.0%</b>	<b>61,923</b>	<b>58,221</b>	<b>6.4%</b>

Note:

NM – Not meaningful

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

	Note	Group		Trust	
		31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Assets</b>					
<b>Non-current Assets</b>					
Investment properties	1	1,268,306	1,172,015	37,900	38,700
Investments in subsidiaries	1	-	-	748,258	690,989
Loan receivable, non-current		-	-	53,330	58,785
Deferred tax assets	2	754	595	754	595
Derivative financial instruments		2,131	-	2,131	-
<b>Total non-current assets</b>		<b>1,271,191</b>	<b>1,172,610</b>	<b>842,373</b>	<b>789,069</b>
<b>Current Assets</b>					
Trade and other receivables, current		14,512	8,988	2,453	2,444
Loan receivable, current		-	-	4,823	4,191
Other assets, current		2,632	2,557	328	178
Cash and cash equivalents		26,827	28,230	23,606	26,708
<b>Total current assets</b>		<b>43,971</b>	<b>39,775</b>	<b>31,210</b>	<b>33,521</b>
<b>Total Assets</b>		<b>1,315,162</b>	<b>1,212,385</b>	<b>873,583</b>	<b>822,590</b>
<b>Unitholders' Funds and Liabilities</b>					
<b>Unitholders' Fund</b>					
Issued equity	3	439,045	423,792	439,045	423,792
Retained earnings/(Accumulated losses)		350,507	320,207	(37,608)	(29,519)
Foreign exchange reserve		1,549	951	-	-
<b>Total Unitholders' Funds</b>		<b>791,101</b>	<b>744,950</b>	<b>401,437</b>	<b>394,273</b>
<b>Non-current Liabilities</b>					
Deferred tax liabilities	2	42,104	29,103	-	-
Other financial liabilities, non-current	4	398,291	370,090	398,291	370,090
<b>Total non-current liabilities</b>		<b>440,395</b>	<b>399,193</b>	<b>398,291</b>	<b>370,090</b>
<b>Current Liabilities</b>					
Income tax payable		778	445	-	-
Trade and other payables, current	5	17,360	20,429	27,716	28,987
Other financial liabilities, current	4	44,274	26,485	44,274	26,485
Other liabilities, current		21,254	20,883	1,865	2,755
<b>Total current liabilities</b>		<b>83,666</b>	<b>68,242</b>	<b>73,855</b>	<b>58,227</b>
<b>Total Liabilities</b>		<b>524,061</b>	<b>467,435</b>	<b>472,146</b>	<b>428,317</b>
<b>Total Unitholders' Funds and Liabilities</b>		<b>1,315,162</b>	<b>1,212,385</b>	<b>873,583</b>	<b>822,590</b>

Note:

- Investment properties has increased from S\$1,172.0 million to S\$1,268.3 million and investment in subsidiaries increased S\$691.0 million to S\$748.3 million mainly due to acquisition of Siloam Hospitals Kupang & Lippo Plaza Kupang ("Kupang Property") in December 2015 and fair value gains of S\$24.2 million.
- Deferred tax assets and deferred tax liabilities increased mainly due to higher write back/provision of deferred tax on fair value losses/gains of investment properties.

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- 3) Issued equity increased from S\$423.8 million to S\$439.0 million mainly due to manager's management fees paid in units and issuance of units for payment of balance purchase consideration for the acquisition of Siloam Sriwijaya ("SS") in January 2015 and the acquisition of Kupang Property in December 2015.
- 4) Other financial liabilities, current and non-current increased from S\$396.6 million to S\$442.6 million mainly due to drawdown of loans for part payment for the acquisition of Kupang Property in December 2015.
- 5) Trade and other payables, current decreased from S\$20.4 million to S\$17.4 million mainly due to payment of balance purchase consideration of SS to vendor.

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

	<b>Group</b>		<b>Trust</b>	
	<b>31 Dec 2015</b>	<b>31 Dec 2014</b>	<b>31 Dec 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	302,577	274,794	302,577	274,794
Unsecured	100,000	100,000	100,000	100,000
Less: Transaction costs	(4,286)	(4,704)	(4,286)	(4,704)
<b>Total Borrowings, Non-current</b>	<b>398,291</b>	<b>370,090</b>	<b>398,291</b>	<b>370,090</b>
<b>Amount repayable within one year</b>				
Secured *	45,000	-	45,000	-
Unsecured	-	26,500	-	26,500
Less: Transaction costs	(726)	(15)	(726)	(15)
<b>Total Borrowings, Current</b>	<b>44,274</b>	<b>26,485</b>	<b>44,274</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.

Note:

- \* The total borrowings, current relates to a 4 years and 5 years revolving credit facilities granted by a bank which will only be due on December 2019 and May 2020 respectively.

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

	Group	
	4Q 2015	4Q 2014
<u>Note</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b>Cash flows from operating activities</b>		
Total return before income tax	42,896	57,555
Interest income	(50)	(54)
Interest expense	3,919	3,353
Amortisation of borrowing costs	408	978
Foreign exchange adjustment (gain)/loss	(141)	676
Increase in fair value of investment properties	(24,168)	(41,686)
Net gains in fair value on derivative financial instruments	(391)	-
Manager's management fees settled in units	1,821	1,938
<b>Operating cash flows before changes in working capital</b>	<b>24,294</b>	<b>22,760</b>
Trade and other receivables, current	496	4,482
Other assets, current	(2,432)	(90)
Trade and other payables, current	2,620	3,437
Other liabilities, current	999	1,066
<b>Net cash flows from operating activities before income tax</b>	<b>25,977</b>	<b>31,655</b>
Income taxes paid	(6,459)	(5,015)
<b>Net cash flows from operating activities</b>	<b>19,518</b>	<b>26,640</b>
<b>Cash flows from investing activities</b>		
Interest received	14	59
Increase in investment properties	1 (56,472)	(40,078)
<b>Net cash flows used in investing activities</b>	<b>(56,458)</b>	<b>(40,019)</b>
<b>Cash flows from financing activities</b>		
Increase in borrowings	2 44,274	29,856
Repayment of borrowings	3 -	(5,000)
Interest paid	(3,580)	(4,304)
Distribution to Unitholders	4 (14,661)	(9,508)
<b>Net cash flows from financing activities</b>	<b>26,033</b>	<b>11,044</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(10,907)</b>	<b>(2,335)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>37,734</b>	<b>30,565</b>
<b>Cash and cash equivalents at end of the period</b>	<b>26,827</b>	<b>28,230</b>

Note:

- 1) The increase in investment properties for 4Q 2015 and 4Q 2014 relates to the acquisition of Kupang Property in December 2015 and SS in December 2014.
- 2) The increase in borrowings relates to the drawdown of loan facilities to part finance the acquisition of Kupang Property in December 2015 and SS in December 2014.
- 3) The source of funds for this repayment of borrowings is the cash retained from the DRP.
- 4) The variance in the distribution to Unitholders for 4Q 2015 and 4Q 2014 is mainly due to the change in the participation rate of the DRP.

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

	Group	
	31 Dec 2015	31 Dec 2014
<b>Note</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from operating activities</b>		
Total return before income tax	96,277	112,686
Interest income	(231)	(199)
Interest expense	15,103	13,376
Amortisation of borrowing costs	1,435	1,841
Foreign exchange adjustment loss	1,283	792
Increase in fair value of investment properties	(24,168)	(47,174)
Net gains in fair value on derivative financial instruments	(2,131)	-
Manager's management fees settled in units	6,706	6,715
<b>Operating cash flows before changes in working capital</b>	<b>94,274</b>	<b>88,037</b>
Trade and other receivables, current	(3,194)	15,679
Other assets, current	(2,384)	(813)
Trade and other payables, current	569	(8,553)
Other liabilities, current	371	2,577
<b>Net cash flows from operating activities before income tax</b>	<b>89,636</b>	<b>96,927</b>
Income taxes paid	(15,325)	(16,160)
<b>Net cash flows from operating activities</b>	<b>74,311</b>	<b>80,767</b>
<b>Cash flows from investing activities</b>		
Interest received	226	207
Increase in investment properties	1 (56,542)	(67,717)
<b>Net cash flows used in investing activities</b>	<b>(56,316)</b>	<b>(67,510)</b>
<b>Cash flows from financing activities</b>		
Increase in borrowings	2 44,274	56,306
Repayment of borrowings	3 -	(17,000)
Interest paid	(13,624)	(13,822)
Distribution to Unitholders	4 (50,048)	(39,842)
<b>Net cash flows used in financing activities</b>	<b>(19,398)</b>	<b>(14,358)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,403)</b>	<b>(1,101)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>28,230</b>	<b>29,331</b>
<b>Cash and cash equivalents at end of the year</b>	<b>26,827</b>	<b>28,230</b>

Note:

- 1) The increase in investment properties for FY 2015 and FY 2014 relates to the acquisition of Kupang Property in December 2015 and SHPW in May 2014 and SS in December 2014.
- 2) The increase in borrowings relates to the drawdown of loan facilities to part finance for the acquisition of Kupang Property in December 2015 and SHPW in May 2014 and SS in December 2014.
- 3) The source of funds for this repayment of borrowings is the cash retained from the DRP.
- 4) The variance in the distribution to Unitholders for FY 2015 and FY 2014 is mainly due to the change in participation rate for the DRP.



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

	<b>Group</b>		<b>Trust</b>	
	<b>4Q 2015</b>	<b>4Q 2014</b>	<b>4Q 2015</b>	<b>4Q 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>	763,124	704,304	392,756	395,747
<b><u>Operations</u></b>				
Total return after tax	26,105	48,450	6,729	6,642
<b><u>Translation transactions</u></b>				
Net movement in foreign exchange reserve	(80)	312	-	-
<b><u>Unitholders' transactions</u></b>				
Manager's management fees paid in units	1,613	1,392	1,613	1,392
Purchase consideration of investment property paid in units	15,000	-	15,000	-
Issuance of units (DRP)	923	5,180	923	5,180
Distribution to Unitholders	(15,584)	(14,688)	(15,584)	(14,688)
<b>Balance at end of the financial period</b>	<b>791,101</b>	<b>744,950</b>	<b>401,437</b>	<b>394,273</b>

	<b>Group</b>		<b>Trust</b>	
	<b>31 Dec 2015</b>	<b>31 Dec 2014</b>	<b>31 Dec 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>Balance at beginning of the financial year</b>	744,950	682,899	394,273	392,173
<b><u>Operations</u></b>				
Total return after tax	67,778	90,603	29,389	30,983
<b><u>Translation transactions</u></b>				
Net movement in foreign exchange reserve	598	331	-	-
<b><u>Unitholders' transactions</u></b>				
Manager's management fees paid in units	6,823	6,459	6,823	6,459
Purchase consideration of investment property paid in units	21,000	4,500	21,000	4,500
Issuance of units (DRP)	11,109	17,368	11,109	17,368
Distribution to Unitholders	(61,157)	(57,210)	(61,157)	(57,210)
<b>Balance at end of the financial year</b>	<b>791,101</b>	<b>744,950</b>	<b>401,437</b>	<b>394,273</b>

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

	Trust			
	Quarter		Full Year	
	4Q 2015	4Q 2014	31 Dec 2015	31 Dec 2014
<b>Balance at beginning of period/year</b>	<b>748,050,271</b>	<b>726,169,746</b>	<b>731,702,488</b>	<b>706,629,453</b>
Unitholders transactions:				
- Manager's management fees paid in units	1,270,828	1,137,212	5,195,353	5,761,962
- Purchase consideration paid in units	11,538,461	-	16,343,073	3,805,175
- Issuance of units (DRP)	707,467	4,395,530	8,326,113	15,505,898
<b>Balance at end of period/year</b>	<b>761,567,027</b>	<b>731,702,488</b>	<b>761,567,027</b>	<b>731,702,488</b>
New units to be issued				
- Purchase consideration paid in units	-	4,804,612	-	4,804,612
- Manager's management fees payable in units	1,537,408	1,565,297	1,537,408	1,565,297
<b>Total issued and issuable units</b>	<b>763,104,435</b>	<b>738,072,397</b>	<b>763,104,435</b>	<b>738,072,397</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	
	31 Dec 2015	31 Dec 2014
Issued units at end of period/year	761,567,027	731,702,488

**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		Full Year	
	4Q 2015	4Q 2014	31 Dec 2015	31 Dec 2014
<b><u>Earnings per unit</u></b>				
Weighted average number of units in issue	747,290,483	727,109,182	744,925,432	719,509,561
<b><u>Earnings per unit in cents</u></b>				
Basic and fully diluted basis	3.49	6.66	9.10	12.59
<b><u>Distribution per unit</u></b>				
Number of units in issue	761,567,027	731,702,488	761,567,027	731,702,488
<b><u>Distribution per unit in cents</u></b>				
Based on the number of units in issue at the end of the period/year	2.09	2.04	8.30	8.05

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

	Group		Trust	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
<b>Net asset value per unit (cents)</b>	103.88	101.81	52.71	53.88

8. **Review of the performance**

**4Q 2015 vs 4Q 2014**

**The result for this quarter includes the full quarter contribution from Siloam Sriwijaya ("SS") which was acquired in December 2014 and a maiden contribution from its latest properties, Siloam Hospitals Kupang & Lippo Plaza Kupang ("Kupang Property") which was acquired in December 2015.**

Gross revenue for 4Q 2015 increased by 7.4% to S\$25.7 million compared to 4Q 2014, mainly due to contribution from SS and SHKP and LPK as well as higher contribution from Indonesia and Singapore properties.

Property operating expenses for 4Q 2015 decreased by 19.9% to S\$301,000 compared to 4Q 2014, mainly due to lower expenses incurred for Sarang Hospital partly offset by the land title renewal costs for a Indonesia property.

Interest income for 4Q 2015 decreased by 7.4% to S\$50,000 compared to 4Q 2014, mainly due to lower fixed deposits amount.

Manager's management fees for 4Q 2015 increased by 7.1% to S\$2.5 million compared to 4Q 2014, mainly due to higher net property income and total assets.

Trustee fees for 4Q 2015 increased by 5.6% to S\$95,000 compared to 4Q 2014, mainly due to the higher total assets.

Other expenses for 4Q 2015 decreased to S\$123,000 compared to 4Q 2014, mainly due to the unrealised exchange gain on USD loan partly offset by expenses incurred for updating of MTN programme Information Memorandum to include perpetual securities.

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Income tax for 4Q 2015 increased by 84.4% to S\$16.8 million compared to 4Q 2014, mainly due to higher provision for deferred tax on fair value gains on revaluation of investment properties as well as higher rental income.

Total return after tax for 4Q 2015 decreased by 46.1% to S\$26.1 million compared to 4Q 2014, mainly due to the lower fair value gain on revaluation of investment properties as well as higher provision for deferred tax in 4Q 2015. Excluding fair value gain on revaluation of investment properties net of deferred tax and net gains in fair value of derivative financial instruments, total return after tax for 4Q 2015 increased by 19.6% to S\$14.4 million compared to 4Q 2014 of S\$12.0 million mainly due to higher contribution from Indonesia and Singapore properties, contribution from the newly acquired properties and unrealised exchange gain on USD loan.

FY 2015 vs FY 2014

Gross revenue for FY 2015 increased by 8.0% to S\$100.7 million compared to FY 2014, mainly due to higher contribution from Indonesia and Singapore properties as well as contribution from the newly acquired properties.

Property operating expenses for FY 2015 increased by 2.9% to S\$1.4 million compared to FY 2014, mainly due to the higher property tax, land title renewal costs and building audit fees.

Interest income for FY 2015 increased by 16.1% to S\$231,000 compared to FY 2014, mainly due to higher fixed deposits amount and interest rates.

Manager's management fees for FY 2015 increased by 8.1% to S\$9.9 million compared to FY 2014, mainly due to the higher net property income and total assets.

Trustee fees for FY 2015 increased by 9.1% to S\$372,000 compared to FY 2014, mainly due to the higher total assets.

Finance costs for FY 2015 increased by 8.7% to S\$16.5 million compared to FY 2014, mainly due to the higher loan amounts to part finance the acquisition of new properties.

Other expenses for FY 2015 increased to S\$2.7 million compared to FY 2014, mainly due to unrealised exchange loss on USD loan as well as expenses incurred for updating of MTN programme Information Memorandum to include perpetual securities.

Income tax for FY 2015 increased by 29.1% to S\$28.5 million compared to FY 2014, mainly due to higher provision for deferred taxation on fair value gains on revaluation of investment property as well as higher rental income.

Total return after tax for FY 2015 decreased by 25.2% to S\$67.8 million compared to FY 2014, mainly due to the lower fair value gain on revaluation of investment properties as well as higher provision for deferred tax in 4Q 2015. Excluding fair value gain on revaluation of investment properties net of deferred tax and net gains in fair value of derivative financial instruments, total return after tax for FY 2015 increased by 7.7% to S\$54.3 million compared to FY 2014 of S\$50.4 million mainly due to higher contribution from Indonesia and Singapore properties as well as contribution 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 are in line with the commentary made in paragraph 10 of the previous quarter.

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

Despite the economy facing a slight slowdown, the Indonesian healthcare market stands among a few sectors that have continued to see growth. Healthcare demand has risen since the introduction of *Jaminan Kesehatan Nasional*, the national health insurance scheme. According to BMI Research, annual healthcare expenditure is expected to increase an average of 10% a year until 2017 to about US\$25 billion<sup>1</sup>. Supply currently falls short of demand, especially in the private healthcare sector and there is room for the expansion and addition of more healthcare facilities. After a round of stimulus measures unveiled in September 2015, the Indonesian government has continued to seek ways to boost spending, investment and business confidence, which include the reduction in fuel prices and cutting of bank lending rates to companies.

First REIT's Sponsor, PT Lippo Karawaci Tbk ("Lippo Karawaci"), has continued to expand its healthcare footprint in Indonesia and currently has a strong pipeline of 46 hospitals, thereby presenting First REIT with strong acquisition opportunities. Moreover, with the increase of the regulatory gearing limit from 35% to 45% proposed by the Monetary Authority of Singapore, this will give First REIT greater operational flexibility and headroom for more acquisitions.

Moving ahead, First REIT's revenue streams will receive further boost from the completion of the acquisition of the Kupang Property in December 2015, consisting of Siloam Hospitals Kupang & Lippo Plaza Kupang, as well as its first asset enhancement initiative with Siloam Hospitals Surabaya ("SHS"). At an extraordinary general meeting held on 29 December 2015, Unitholders gave the approval for the initiative, which involves a joint arrangement and asset swap with Lippo Karawaci for SHS. Lippo Karawaci intends to build a mixed development comprising the new SHS, a private school, an ancillary mall, a hotel and apartment, as well as adequate car park spaces. During the course of the development, First REIT will continue to receive rental income from the existing SHS. Upon completion of the new SHS, expected to be in 2019, First REIT will acquire the new SHS and divest the existing SHS.

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<sup>1</sup> *Financial Times*, 9 December 2015, 'Indonesia healthcare gets shot in the arm.'

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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 October 2015 to 31 December 2015

i. Distribution Type Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.08
Tax-Exempt Income	1.10
Capital	0.91
Total	2.09

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 27 January 2016.

**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 October 2014 to 31 December 2014

i. Distribution Type Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.09
Tax-Exempt Income	1.28
Capital	0.67
Total	2.04

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 2016 for the purposes of determining each Unitholder's entitlement to First REIT's distribution. The ex-distribution date will be on 25 January 2016 at 9.00am.

11(d) Date Payable: 29 February 2016

**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.

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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.

	<b>Indonesia</b>	<b>Singapore</b>	<b>Korea</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2015</b>				
Gross revenue	96,126	3,687	885	100,698
Net property income	95,411	3,294	571	99,276
Interest income	23	208	-	231
Manager's management fees				(9,881)
Trustee fees				(372)
Finance costs				(16,538)
Other trust expenses				(2,738)
Net income before undernoted				69,978
Increase/(decrease) in fair values of investment properties	25,168	(1,000)	-	24,168
Net gains in fair value of derivative financial instruments				2,131
Net income for the year before income tax				96,277
Income tax (expense)/income	(28,488)	159	(170)	(28,499)
Total return for the year after income tax				67,778
<b>2014</b>				
Gross revenue	88,840	3,615	800	93,255
Net property income	88,318	3,392	163	91,873
Interest income	42	157	-	199
Manager's management fees				(9,138)
Trustee fees				(341)
Finance costs				(15,217)
Other trust expenses				(1,864)
Net income before undernoted				65,512
Increase/(decrease) in fair values of investment properties	47,793	(619)	-	47,174
Net income for the year before income tax				112,686
Income tax (expense)/income	(22,107)	105	(81)	(22,083)
Total return for the year after income tax				90,603

	<b>Indonesia</b>	<b>Singapore</b>	<b>Korea</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Assets and liabilities</b>				
<b>2015</b>				
Segment assets including properties	1,240,372	65,252	9,538	1,315,162
Total assets				1,315,162
<b>2014</b>				
Segment assets including properties	1,136,609	67,045	8,731	1,212,385
Total assets				1,212,385

**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:-**

	<b>31 Dec 2015</b>	<b>31 Dec 2014</b>	<b>Changes</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Gross revenue reported for first half year	49,735	45,511	9.3
Total return after income tax for first half year	27,463	29,187	(5.9)
Total return after income tax but before change in fair values of investment properties net of deferred tax and net gains in fair value of derivative financial instruments for first half year	27,162	25,444	6.8
Gross revenue reported for second half year	50,963	47,744	6.7
Total return after income tax for second half year	40,315	61,416	(34.4)
Total return after income tax but before change in fair values of investment properties net of deferred tax and net gains in fair value of derivative financial instruments for second half year	27,159	24,995	8.7

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 :**

	<b>Latest Full Year</b>	<b>Previous Full Year</b>
	<b>\$'000</b>	<b>\$'000</b>
Distribution to unitholders	61,157	57,210

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 2015.

**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 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 31 December 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.

**20. Confirmation that the Issuer has procured undertakings from all its directors and executive officers under Rule 720(1)**

The Manager do hereby confirms that it has procured undertakings from all the directors and executive officers under Rule 720(1).

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  
19 January 2016

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